



CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

CONTINUED PUBLIC HEARING:

October 9, 2012

SUBJECT:

Development Agreement No. 6-11 between CBS Outdoor, Inc., and the City of Carson

APPLICANT:

CBS Outdoor, Inc.
Andy Goodman
1731 Workman Street
Los Angeles, CA 90031

REQUEST:

To consider a Development Agreement between the City of Carson and CBS Outdoor to remove an existing double-sided static outdoor advertising sign (billboard) and replace it with a 75-foot-high digital outdoor advertising sign (digital billboard) located along the northbound I-405 at Alameda (APN 7316-024-824)

PROPERTY INVOLVED:

Northbound I-405 Freeway at Alameda Street

COMMISSION ACTION

- ☐ Concurred with staff
☐ Did not concur with staff
☐ Other

COMMISSIONERS' VOTE

AYE	NO		AYE	NO	
		Chairman Faletogo			Gordon
		Vice-Chair Verrett			Saenz
		Brimmer			Schaefer
		Diaz			Williams
		Goolsby			

Item No. 10B

I. Introduction

The applicant, CBS Outdoor, Inc. (CBS), is proposing to enter into a Development Agreement (DA) with the City of Carson to remove an existing double-sided static outdoor advertising sign (billboard) and replace it with an 75-foot-high digital outdoor advertising sign (digital billboard) located along the northbound I-405 at Alameda (APN 7316-024-824).

II. Background

On November 4, 2009, the City Council approved Resolution No. 09-1434 amending Section 9141.1 and Section 9146.7 of the Carson Municipal Code establishing an I-405 Freeway Corridor District for digital billboards and permitting them through approval of a DA.

On March 16, 2010, the City Council approved a DA with Bulletin Displays, LLC to permit the construction of the first digital billboard in Carson at 19401 S. Main Street adjacent to the north side of the I-405 Freeway. Staff has been concurrently processing the DAs for CBS and Clear Channel Outdoor (CCO). Therefore references to the three agreements will be made throughout the staff report.

The proposed billboard, located at I-405 northbound at Alameda Street, is seventy-five (75) feet high (approximately 42 feet above freeway grade), and has two sign faces at 48 feet by 14 feet each (672 square feet for each sign). The proposed billboard is essentially the same size and height as the static displays that it is replacing. In fact, all freeway oriented billboards have consistent height and size as these standards are strictly regulated by Caltrans.

The CCO billboard is located at Alameda Street along I-405 southbound. The two billboards are the first billboards in Carson as traveling I-405 northbound making these billboards prominent and visible.

III. Analysis

What is a Development Agreement?

State Law allows cities to enter into DAs with private parties. The DA is a legal, binding contract between a city and any person having a legal or equitable interest in the property. The agreement must clearly outline conditions, terms, restrictions and requirements. Once a DA is approved by the City Council, the rules of development for that project cannot change even if the zoning code or other development codes are changed.

Deal Points

The most important part of DAs are the financial and non-financial deal points that are agreed upon between the city and the applicant. There are no established rules or policies when negotiating these deal points as each proposal is unique and should be judged on its own merits. This DA includes four basic deal points including the term or length of the Agreement, the fees the developer has to pay to the city, community



wide benefits, and urban design enhancements. The following provides a brief discussion of each of these deal points:

Term

The term of the Agreement is for 20 years which is comparable to Bulletin Displays and CCO. The term dictates the length of time that both parties are obligated to the deal points in the agreement. Both parties can agree to extend the term of this agreement or negotiate a new agreement after its expiration.

Fees

CBS is obligated to pay the city at least the Development Fee annually for the duration of the term of the agreement. However, they have to pay the larger of two fees for each year:

- Development Fee: \$60,000 per year with a 3% increase every other year; or
- Alternative Fee: 6% of the gross advertising revenue per year

CBS total for 20 years: Minimum \$1,375,666.00, however, the amount of alternative fee cannot be determined at this time.

Comparatively the following summarizes the fees approved for Bulletin Displays and the proposed fees for the CCO:

Bulletin Displays

Similar to CBS, Bulletin Displays pays a two-tiered system:

- Annual Development Fee: \$100,000 for the first year and \$50,000/year for years 2 through 9; or
- Percentage Fee: Developer owes the greater of the Annual Development Fee or 25% of gross advertising revenue (excluding land lease, advertising agency or brokerage commissions and any applicable taxes). If the cumulative Percentage Fee paid for years 1-10 (total) is less than \$100,000 per digital face (i.e., \$200,000 for 2 digital faces), a payment for this difference is due at year 10.

Bulletin Displays total for 20 years: \$500,000.00 guaranteed, and projected to be approximately \$2,000,000.00 total based on revenue projections discussed with Bulletin displays.

Clear Channel Outdoor

Unlike CBS and Bulletin Displays, CCO pays a flat fee as follows:

Year 1: \$50,000

Year 2: \$60,000
Year 3: \$80,000
Year 4: \$100,000
Year 5: \$100,000
Years 6-20: \$100,000 plus 2.25%/year increase

CCO total for 20 years: \$2,233,302.00

The CCO DA provides a fixed annual payment to the city; however, the CBS and Bulletin Display DAs do not provide a specific guaranteed amount. It is difficult to project the exact revenues that the city will be collecting for these two billboards.

Community Benefits

All three DAs have somewhat similar language regarding community benefits:

- City's use of the static billboards free of charge during the term of the Agreement, for displays aimed at promoting the City, facilities and/or programs, for charitable or civic advertising and determined by Developer on a space availability basis. However, The CCO DA provides for city's use of the digital billboards.
- Discount advertising of ten percent (10%) off applicable rates for the display of advertising on the digital billboard to any business that has its principal place of business in Carson and is a member in good standing with the Carson Chamber of Commerce.

Prohibited Displays

All three DAs have similar language regarding not advertising tobacco, marijuana, hashish, "gentlemen's clubs", adult entertainment businesses, sexually oriented materials, or use sexually oriented images or language.

Urban Design Enhancements

Bulletin Displays DA did not include urban design enhancement provisions since it was a new sign. CCO proposes to remove three existing city-oriented billboard structures. CBS proposes to remove 2 billboard structures with a total of three (3) faces at the former Redevelopment Agency-owned site at Carson Street west of Avalon Boulevard. In addition, CBS proposes to provide artistic painting to mitigate the visual impact of the back side of one existing billboard (I-110 Freeway site).

Undergrounding Utilities

Initially the overhead utilities lines will be realigned to the perimeter of the site. However, once a development is proposed for the site owned by the

Successor Agency, the utilities will be placed underground so the overhead lines do not detract from the aesthetics of the development.

The proposed DAs permit the construction of the new digital billboards for the operators and their associated revenues for twenty years. Similarly, the DAs could also provide the city a steady stream of revenue. However, another benefit to the city and its residents is the potential for removal of the city-oriented billboards. These are the billboards that are mainly viewed from city surface streets. The removal of city-oriented billboards could be very valuable when considering that this maybe the only chance for the city to remove these billboards and improve the urban landscape of the city. Therefore, the DAs are an opportunity for the city to take actions that are in city's best interests. The Commission may choose to recommend removal of additional billboards instead of requiring payment of fees by the operators.

IV. Environmental Review

Also to be considered in conjunction with the subject matter pursuant to the California Environmental Quality Act Guidelines will be an exemption pursuant to Section 15061(b)(3) since the project has no potential to cause a significant effect on the environment.

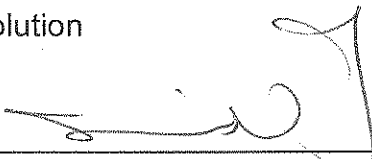
V. Recommendation

That the Planning Commission:

- **RECOMMEND APPROVAL** of Development Agreement No. 06-11 to the City Council; and
- **WAIVE** further reading and **ADOPT** Resolution No. _____, entitled, "A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON RECOMMENDING TO THE CITY COUNCIL APPROVAL OF ORDINANCE NO. 12-____: DEVELOPMENT AGREEMENT NO. 06-11 BETWEEN THE CITY OF CARSON AND CBS OUTDOOR, INC. FOR THE CONVERSION OF TWO STATIC ADVERTISING DISPLAY FACES TO DIGITAL ELECTRONIC DISPLAY FACES ON AN EXISTING OUTDOOR ADVERTISING DISPLAY LOCATED AT ALAMEDA AND NORTHBOUND I-405"

VI. Exhibits

1. Draft Resolution
2. Exhibits

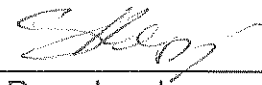
Prepared by: 
Saied Naaseh, Associate Planner

Reviewed by:



John F. Signo, AICP, Senior Planner

Approved by:



Sheri Repp-Loadsman, Planning Officer



CITY OF CARSON
PLANNING COMMISSION
RESOLUTION NO. 12-_____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON RECOMMENDING TO THE CITY COUNCIL APPROVAL OF ORDINANCE NO. 12-_____: DEVELOPMENT AGREEMENT NO. 06-11 BETWEEN THE CITY OF CARSON AND CBS OUTDOOR INC. FOR THE CONVERSION OF TWO STATIC ADVERTISING DISPLAY FACES TO DIGITAL ELECTRONIC DISPLAY FACES ON AN EXISTING OUTDOOR ADVERTISING DISPLAY LOCATED AT ALAMEDA AND NORTHBOUND I-405

THE PLANNING COMMISSION OF THE CITY OF CARSON HEREBY FINDS, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. An application was duly filed by the applicant, CBS Outdoor, Inc., with respect to the real property located at Alameda Street and northbound I-405 Freeway. The applicant requests approval of a Development Agreement for a 75-foot-high outdoor advertising display ("billboard") to be placed at the southeast area of the subject property.

On November 4, 2009, the City Council approved Resolution No. 09-1434 amending Section 9141.1 and Section 9146.7 of the Carson Municipal Code establishing an I-405 Freeway Corridor District and Development Agreement requirement for new billboards.

Section 2. A duly noticed public hearing was held on October 9, 2012 at 6:30 P.M., in the City Hall Council Chambers, 701 East Carson Street, Carson, California. A notice of the time, place and purpose of the aforesaid meeting was duly given.

Section 3. Evidence, both written and oral, was duly presented to and considered by the Planning Commission at the aforesaid meeting.

Section 4. The Planning Commission finds that:

- a) The Development Agreement provides for a Site which is located within an area suitable for the proposed use, and is in conformance the General Plan and the Manufacturing, Light zoning district.
- b) The Development Agreement provides for a public convenience through significant monetary benefits which will contribute indirectly to programs and services designed to provide for the health, safety and welfare of the public, thereby exhibiting good land use practices.
- c) The proposed Development Agreement will not be detrimental to the public's health, safety and general welfare, nor will it adversely affect the orderly development or property values for the subject property or areas surrounding it.
- d) The Development Agreement is in compliance with the procedures established by City Council Resolution No. 90-050 as required by Government Code, Section 65865(c).

EXHIBIT NO. 1 -



- e) The Development Agreement in Section 5 provides for an annual review to ensure good faith compliance with the terms of the Agreement, as required in Section 65865.1 of the Government Code.
- f) The Development Agreement specifies the duration of the agreement in Section 2.4, the Processing Fee in Section 2.5; the Development Fee in Section 2.6 and 2.7 and the Community Benefits in Section 2.9.
- g) The Development Agreement includes conditions, terms, restrictions and requirements for development of the property in Section 3 and as permitted in Section 65865.2 of the Government Code.
- h) The Development Agreement contains provisions in Section 4 for removal of the billboard upon the termination the Agreement.
- i) The Development Agreement provides for amendment or cancellation in whole or in part, by mutual consent of the parties to the agreement or their successors in interest as required in Section 65868 of the Government Code.
- j) That the Development Agreement is in the best public interest of the City and its residents and that this Agreement will achieve a number of City objectives including utilizing the Billboard Site for a revenue-generating use and removing City-oriented billboard(s).

Section 5. The Planning Commission further finds that the proposed project is exempt from the provisions of CEQA, pursuant to Section 15061(b)(3) since the project has no potential to cause a significant effect on the environment.

Section 6. Based on all evidence presented at the meeting and the aforementioned findings, the Planning Commission hereby recommends that the City Council approve the Development Agreement, prepared pursuant to Article 2.5 of the Government Code and as shown in Exhibit "A".

Section 7. The Secretary shall certify to the adoption of the Resolution and shall transmit copies of the same to the applicant.

PASSED, APPROVED AND ADOPTED THIS 9th DAY OF OCTOBER 9, 2012.

PLANNING COMMISSION CHAIR

ATTEST:

SECRETARY



ORDINANCE NO. 12-____

AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN CBS OUTDOOR, INC. AND THE CITY OF CARSON FOR THE CONVERSION OF TWO STATIC ADVERTISING DISPLAY FACES TO DIGITAL ELECTRONIC DISPLAY FACES ON AN EXISTING OUTDOOR ADVERTISING DISPLAY LOCATED AT ALAMEDA AND NORTHBOUND I-405 FREEWAY

THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, HEREBY FINDS, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. An application for a development agreement (Agreement), pursuant to Government Code Sections 65864 through 65869.5 and Resolution 90-050 of the city of Carson, was duly filed by the applicant, CBS Outdoor, Inc., with respect to the real property located at Alameda and northbound 405 Freeway (Site), as shown in Exhibit "A" attached hereto. The applicant proposes a 75-foot high outdoor advertising display (billboard) to be placed at the southeast area of the subject property.

Section 2. The Planning Commission held a duly noticed public hearing to obtain public comments on the Agreement on September 11, 2012 and October 9, 2012, at 6:30 P.M. at the City Hall Council Chambers, 701 East Carson Street, Carson, California. After consideration of the evidence and testimony, the Planning Commission voted to recommend approval of the Agreement.

Section 3. The City Council held public hearings on the Agreement on _____, 2012 at 6:00 P.M. at the City Hall Council Chambers, 701 East Carson Street, Carson, California. A notice of the time, place and purpose of the aforesaid meetings were duly given.

Section 4. The City Council finds that the proposed project is categorically exempted from the provisions of CEQA, pursuant to Section 15322 since the project has no potential to cause a significant effect on the environment.

[MORE]

Section 5. Evidence, both written and oral, was duly presented to and considered by the City Council at the aforesaid meeting.

Section 6. The City Council finds that:

- a) The Development Agreement provides for a Site which is located within an area suitable for the proposed use, and is in conformance the General Plan and the Manufacturing, Light zoning district.
- b) The Development Agreement provides for a public convenience through significant monetary benefits which will contribute indirectly to programs and services designed to provide for the health, safety and welfare of the public, thereby exhibiting good land use practices.
- c) The proposed Development Agreement will not be detrimental to the public's health, safety and general welfare, nor will it adversely affect the orderly development or property values for the subject property or areas surrounding it.
- d) The Development Agreement is in compliance with the procedures established by City Council Resolution No. 90-050 as required by Government Code, Section 65865(c).
- e) The Development Agreement in Section 5 provides for an annual review to ensure good faith compliance with the terms of the Agreement, as required in Section 65865.1 of the Government Code.
- f) The Development Agreement specifies the duration of the agreement in Section 2.4, the Processing Fee in Section 2.5; the Development Fee in Section 2.6 and 2.7 and the Community Benefits in Section 2.9.
- g) The Development Agreement includes conditions, terms, restrictions and requirements for development of the property in Section 3 and as permitted in Section 65865.2 of the Government Code.
- h) The Development Agreement contains provisions in Section 4 for removal of the billboard upon the termination the Agreement.
- i) The Development Agreement provides for amendment or cancellation in whole or in part, by mutual consent of the parties to the agreement or their successors in interest as required in Section 65868 of the Government Code.

[MORE]

j) That the Development Agreement is in the best public interest of the City and its residents and that this Agreement will achieve a number of City objectives including utilizing the Billboard Site for a revenue-generating use and removing City Oriented billboard(s).

Section 7. The Agreement provides for recovery of the city's costs and complies with the Statute with respect to all fees and costs provided under the Agreement.

Section 8. The Development Agreement is in compliance with the procedures established by City Council Resolution No. 90-050 and the City Council finds that the Agreement:

- a) Is consistent with the General Plan and any applicable specific plan;
- b) Is in conformity with public convenience and good land use practices;
- c) Will not be detrimental to the health, safety and general welfare;
- d) Will not adversely affect the orderly development of property or the preservation of property values;
- e) Is consistent with the provisions of Government Code Sections 65864 through 65869.5.

Section 9. The Development Agreement is attached as Exhibit "B".

Section 10. Agreement is on file in the office of the Development Services Department and is hereby incorporated herein by reference.

Section 11. Based on the aforementioned findings, the City Council approves the Agreement and authorizes its execution and all action necessary to comply with its terms.

Section 12. The Ordinance No. 12-____ is approved for introduction and first reading on _____, 2012 and adoption at the second hearing on _____, 2012.

Section 13. The City Clerk shall certify to the adoption of this Ordinance and shall transmit copies of the same to the applicant. The City Clerk shall publish the adopted Ordinance pursuant to California Government Code 36933 within fifteen days of its adoption.

[MORE]



Section 14. The Ordinance shall become effective thirty (30) days after the second reading approval date, or if a referendum petition is filed (a) and fails to qualify for an election, the date the City Clerk certifies the disqualification of the referendum petition, or (b) if an election is held regarding the ordinance approving this Agreement, the date the election results are declared approving the Ordinance.

PASSED, APPROVED and ADOPTED this _____th day of _____, 2012.

Mayor Jim Dear

ATTEST:

Donesia Gause, City Clerk
City of Carson, California

APPROVED AS TO FORM

City Attorney

[MORE]



Recording Requested by And
When Recorded Return to:

CITY OF CARSON
1 Civic Plaza Drive
Carson, CA 90745
Attn: City Clerk

[Exempt From Recording Fee Per Gov. Code §6103]

DEVELOPMENT AGREEMENT NO. 13

This Development Agreement (hereinafter "Agreement") is entered into this ____ day of _____, 2012, (hereinafter the "Effective Date") by and between the CITY OF CARSON (hereinafter "City") and CBS OUTDOOR INC., a Delaware corporation (hereinafter "Developer").

RECITALS

A. California Government Code Sections 65864, *et seq.*, ("Development Agreement Law") authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning and identifying the economic costs of such development.

B. Developer has a leasehold interest to that certain portion of real property, located adjacent to the north-bound lanes of the 405 Freeway, at the South Alameda Street overpass in the City of Carson, Assessor Parcel Number 7316-024-824, as more specifically described in Exhibit "A" and depicted at Exhibit "C", attached hereto and incorporated herein ("**405 FWY-Alameda Site**"), upon which it seeks to install a digital upgrade (2 new digital displays as described in Exhibit "B") to existing lawfully permitted double-sided 14x48 foot static display which is oriented toward the 405 Freeway ("**New Digital Billboard**").

C. Developer also has a leasehold interest in that certain portion of real property, located adjacent to the 110 Freeway, at 21833 S Figueroa Street in the City of Carson, Assessor Parcel Number 7343-020-074, as more specifically described in Exhibit "A" and depicted at Exhibit "C", attached hereto and incorporated herein ("**110 FWY Site**"), which 110 FWY Site is improved with a single-display static billboard structure oriented toward the 110 Freeway ("**110 FWY Billboard**").

D. Developer also has leasehold interests to certain portions of real property, located at 621 E. Carson Street, Assessor Parcel Number 7337-011-900, in the City of Carson, as such parcels are more specifically described in Exhibit "A" and depicted at Exhibit "C", attached hereto and incorporated herein ("**City-Oriented Billboard Sites**"), which City-Oriented Billboard Site is improved with two (2) static billboard structures having a total of three (3) static displays oriented toward City rights-of-way ("**City-Oriented Billboards**")



E. Southern Pacific Transportation Company owns the 405 FWY-Alameda Site, the Carson Housing Authority owns the City-Oriented Billboard Site and Tom Ishioka owns the 110 FWY Site (each referred to as "Owner" and, collectively, "Owners") have consented to the application for this Development Agreement and Developer, as the lessee of the Sites, as such term is defined below, has legal and/or equitable interest in the Sites and thus qualifies to enter into this Agreement in accordance with Development Agreement Law.

F. In exchange for the approvals sought to convert the 405-Alameda Billboard to a New Digital Billboard, Developer has offered to:

1. Remove the City-Oriented Billboards and waive further rights to utilize the City-Oriented Billboard Site for installation or operation of any billboard and waive any claim for compensation for the removal of such signs;
2. Plant a minimum of one tree on the blank side facing residential use or — place a backing on exposed side which can be painted a solid color or with artwork of the 110 Freeway Billboard with approval from the property owner;
3. Pay to the City an annual Development Fee or Alternative Fee, whichever is greater, as defined and provided in Sections 2.6 and 2.7 below for the cost to the city to mitigate the impact of the installation of the digital sign panels on the New Digital Billboard; and
4. Provide free of charge to City, on a space available basis, advertising space within the City, and offer a 10% discount off of its applicable rate card or going rate fees for the displays on the New Digital Billboard to any business that has its principal place of business in Carson and is a member in good standing of the Carson Chamber of Commerce.

G. The 405-Alameda Site is located within the City's Industrial and/or Manufacturing Zone, designated by the General Plan as Industrial and is also located within the 405 Freeway Corridor as defined per Carson Municipal Code § 9146.7 Signs.

H. Developer and City agree that a development agreement should be approved and adopted to memorialize the property expectations of City and Developer as more particularly described herein.

I. On _____, 2012, the Planning Commission of the City, at a duly noticed hearing to consider the approval of this Agreement, adopted Resolution No. _____ recommending approval of this Agreement to the City Council and find the Project, as defined below, categorically exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to Section 15332 regarding Urban In-Fill Development Projects.

J. On _____, 2012 the City Council of the City, at a duly noticed hearing to consider the approval of this Agreement, considered the proposal, heard testimony, and continued the public hearing.

K. The City Council has found that this Agreement is in the best public interest of the City and its residents, adopting this Agreement constitutes a present exercise of the City's police power, and this Agreement is consistent with the City's General Plan. This Agreement



and the proposed Project (as hereinafter defined) will achieve a number of City objectives including utilizing the 405 FWY-Alameda Site for a revenue-generating use, removing less-desirable city-oriented billboards. Developer will remove the digital displays if an extension of this Agreement is not negotiated with City and if not, the static billboard remains.

L. On _____, 2012, the City Council held the second reading of Ordinance No. _____, thereby approving this Agreement.

M. City finds and determines that all actions required of City precedent to approval of this Agreement by Ordinance No. _____ of the City Council have been duly and regularly taken.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 **Definitions.** This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized, when used in the Agreement. In addition to the terms defined in the Recitals above, the defined terms include the following:

1.1.1 "110 FWY Site Lease" means the lease agreement by and between Developer and Tom Ishioka, Owner of the 110 FWY Site.

1.1.2 "405 FWY-Alameda Site Lease" means the lease agreement by and between Developer and Southern Pacific Transportation Company, Owner of the 405 FWY-Alameda Site.

1.1.3 "Agreement" means this Development Agreement and all attachments and exhibits hereto.

1.1.4 "City" means the City of Carson, a California municipal corporation.

1.1.5 "City Council" means the City Council of the City.

1.1.6 "Developer" means CBS Outdoor Inc, a Delaware Corp. duly existing and operating, and its successors and assigns, doing business at _1731 Workman St. , Los Angeles, California 90031.

1.1.7 "Development" means the installation of the New Digital Billboard on the 405-FWY Alameda Site and the temporary installation of above-ground and thereafter undergrounding of all utilities from Southern California Edison's electrical source to the New Digital Billboard.



1.1.8 "Development Approvals" means the approved Development, based on the recommended approval by the Planning Commission on _____, 2012, pursuant to Resolution No. _____ and approval of the City Council by Ordinance No. _____ on _____, 2012, as further described at Section 3.3 herein.

1.1.9 "Effective Date" means the date inserted into the preamble of this Agreement, which is 30 days following approval of this Agreement by ordinance of the City Council, provided the Agreement is signed by the Developer and City.

1.1.10 "Final Permits" shall have the meaning set forth at Section 2.6.

1.1.11 "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations and official policies of City, including, but not limited to, the City's General Plan, Municipal Code and Zoning Code, which govern development and use of the Billboard Site, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of the Billboard, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the Development of the Billboard Site which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement. Land Use Regulations shall also include NPDES regulations and approvals from the California Department of Transportation Outdoor Advertising Division, to the extent applicable.

1.1.12 "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device, a lender or each of their respective successors and assigns.

1.1.13 "Project" means the removal of the City-Oriented Billboards, installation, including installing any new and moving all existing utilities underground, (provided the requirement to underground utilities is also imposed in the Development Agreement with any other billboard operator, being approved concurrently or substantially at the same time as this Agreement), operation and maintenance of the New Digital Billboard on the 405 FWY-Alameda Site, and installation of landscaping aimed at shielding the blank side of at the 110 FWY Billboard, collectively, all in accordance with the Development Approvals and this Agreement, including the Scope of Development attached hereto as Exhibit "B", Schedule of Performance attached hereto as Exhibit "D" and all conditions of approval and consistent with the approval from the California Department of Transportation Outdoor Advertising Division. Nothing herein shall place any requirement upon Developer to provide or arrange for utilities for Clear Channel Outdoor and/or any other billboard operator. Nevertheless, Developer shall cooperate with Clear Channel Outdoor in securing utilities for its billboard and accommodate the shared use of utility facilities for placement of both the temporary above-ground utilities in accordance with the plan at Exhibit "F" hereto and permanent underground utilities per paragraphs 1 and 3 of Exhibit "E".



1.1.14 "Sites" refers collectively to the 405 FWY-Alameda Site, 110 FWY Site, City-Oriented Billboard Site, as such sites are more specifically described on Exhibit "A" and depicted at Exhibit "A-1" attached hereto and incorporated herein.

1.1.15 "Schedule of Performance" means the Schedule of Performance attached hereto as Exhibit "D" and incorporated herein.

1.1.16 "Scope of Development" means the Scope of Development attached hereto as Exhibit "B" and incorporated herein.

1.1.17 "Subsequent Land Use Regulations" means any Land Use Regulations effective after the Effective Date of this Agreement (whether adopted prior to or after the Effective Date of this Agreement) which govern development and use of the Billboard Sites.

1.1.18 "Term" shall have the meaning provided in Section 2.4, unless earlier terminated as provided in this Agreement.

1.2 **Exhibits.** The following documents are attached to, and by this reference made a part of, this Agreement: Exhibit "A" (Legal Description of Sites), Exhibit "C" (Site Plan and Elevations) and Exhibit "D" (Schedule of Performance) and Exhibit "E" (Developer's Production Specification Sheet).

2. GENERAL PROVISIONS.

2.1 **Binding Effect of Agreement.** From and following the Effective Date, actions by the City and Developer with respect to the Development of the 405 FWY-Alameda Site, including actions by the City on applications for Subsequent Development Approvals affecting the 405 FWY-Alameda Site, shall be subject to the terms and provisions of this Agreement, provided, however, that nothing in this Agreement shall be deemed or construed (i) to modify or amend the 405 FWY-Alameda Site Lease, 110 FWY Site Lease, or any of Developer's obligations thereunder, or to bind or restrict Owners of either the 405-FWY-Alameda Site or 110 FWY Site with respect to its ownership or operation of their respective properties except as expressly set forth herein with respect to the 405-FWY-Alameda Site or 110 FWY Site, respectively, or (ii) to impose any obligation whatsoever on Owners of either the 405-FWY-Alameda Site or 110 FWY Site, including without limitation any obligation with respect to the 405-FWY-Alameda Billboard, 110 FWY Billboard, the 405-FWY-Alameda Site or 110 FWY Site, the Development or the Project, except as expressly set forth in this Agreement.

2.2 **Interest in Sites.** City and Developer acknowledge and agree that Developer has a legal or equitable interest in the Sites and thus is qualified to enter into and be a party to this Agreement under the Development Agreement Law. Additionally, prior to the execution of this Agreement, Developer has allowed the City to view a redacted copy of the Lease or Clear Channel affidavit which demonstrates that Developer has a leasehold interest in the 405-FWY-Alameda Site and 110 FWY Site, which interest shall be maintained for the entire Term of this Agreement. If Developer's leasehold interest is prematurely terminated by Owner of the 110 FWY Site, then Developer shall have no further obligations under Section _____ of this Agreement relative to the maintenance of landscaping thereon, except as provided under Section



4.1. Additionally, if Developer's leasehold interest is prematurely terminated by Owner of the 405 FWY-Alameda Site, then Developer shall have no further obligations under this Agreement, except as provided under Section 4.1.

2.3 No Assignment. Developer may assign or otherwise transfer this Agreement, or its interest in the Billboard Sites or any part of its interest in the Billboard Sites, without City's consent, to any other person, firm, or entity, purchasing all, or substantially all of Developers assets in the greater Los Angeles market, provided the transfer is as a result of a sale of Developer and/or its assets, including the rights granted under this Agreement, to another publicly-traded company or an entity having a net worth of Ten Million Dollars (\$10,000,000) or more prior to such assignment or at the time of execution of this Agreement, which net worth is subject to verification by the City. Any other proposed assignment shall be subject to the approval of the City, which will not be unreasonably withheld, delayed or conditioned. Any security posted by Developer may be substituted by the assignee or transferee. After a transfer or assignment as permitted by this Section, the City shall look solely to such assignee or transferee for compliance with the provisions of this Agreement which have been assigned or transferred.

2.4 Term of Agreement. Unless earlier terminated as provided in this Agreement, this Agreement shall continue in full force and effect until the earlier of twenty (20) years after the date Developer receives Final Permits, as defined in Section 2.6 below, (ii) the expiration or earlier termination of the 405 FWY-Alameda Site Lease per Section 6.1 that applies to the 405 FWY-Alameda Site, or (iii) the permanent removal of the digital displays constructed pursuant to the terms hereof, otherwise removal may be for repair or replacement, (iv) if one digital face is removed permanently and replaced with a static face the current agreement remains for the second digital face. In such case, Developer shall completely remove the New Digital Billboard within the times and as provided under Section 4.1 herein. Within thirty (30) days after the expiration or termination of this Agreement, the parties shall execute a written cancellation of this Agreement which shall be recorded with the County Recorder pursuant to Section 9.1 below. If no extension of this Agreement is agreed to, then the digital displays come down but the static display may remain.

2.5 Processing Fee. Upon submission of its application for the approvals granted by this Agreement, Developer has paid to City a processing ("Processing Fee") in the amount of Seven Thousand Five Hundred Dollars (\$7,500). The City shall retain and use the Processing Fee, or any part thereof, for any public purpose within the City's discretion. The Processing Fee shall be separate from all fees which are standard and uniformly applied to similar projects in the City, including, but not limited to, business license fees (due by Developer to City annually), one time plan check fee and building permit fee and any other fees imposed by the City as may be applicable.

2.6 Development Fee. The potential impacts of the Development on the City and surrounding community are difficult to identify and calculate. Developer and City agree that an annual development fee paid by Developer to City would adequately mitigate all such potential impacts. The parties therefore agree that Developer shall pay an annual development fee to City of Sixty Thousand Dollars (\$60,000.00) per year, increased by three percent (3%) every other year ("Development Fee"), subject to the obligation to pay the Alternative Fee per Section 2.7



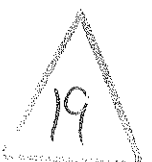
below. The Development Fee, for ease of reference purposes, shall equal the following amounts during the Term:

Year 1	\$60,000	Year 11	\$69,556.45
Year 2	\$60,000	Year 12	\$69,556.45
Year 3	\$61,800	Year 13	\$71,643.14
Year 4	\$61,800	Year 14	\$71,643.14
Year 5	\$63,654	Year 15	\$73,792.43
Year 6	\$63,654	Year 16	\$73,792.43
Year 7	\$65,563.62	Year 17	\$76,006.20
Year 8	\$65,563.62	Year 18	\$76,006.20
Year 9	\$67,530.53	Year 19	\$78,286.39
Year 10	\$67,530.53	Year 20	\$78,286.39

The Development Fee shall be paid annually, with the first installment no later than one (1) year after Developer receives final approval of the constructed New Digital Billboard from the applicable governmental authorities for any and all required permits to maintain and operate the New Digital Billboard as contemplated under this Agreement ("Final Permits"). Developer shall notify City within five (5) days of its receipt of all Final Permits for the purpose of determining the date annual payments of the Development Fee (or Alternative Fee per Section 2.7) shall commence. Nothing herein relieves the City from its contractual duty to issue all municipal building permits that are associated with the Development of the New Digital Billboard if Developer is in compliance with the terms of this Agreement.

2.7 Alternative Fee: For any year of the Term where the Alternative Fee, as defined in this Section 2.7, exceeds the Development Fee described at Section 2.6 above, Developer shall pay to City the Alternative Fee, which is defined as an amount equal to Six Percent (6%) of total gross advertising revenue made from both digital displays of the New Digital Billboard during the preceding year of the Term. Within ninety (90) days following the end of each year of the Term hereof, and ending within ninety (90) days of the termination of the Term, Developer shall furnish to City a statement in writing, certified by Developer to be correct, showing the total gross advertising revenues made from each sign face of the New Digital Billboard during the preceding year of the Term attributable to each sign display of the New Digital Billboard to the extent such Alternative Fee exceeds the Development Fee for that same preceding year. The calculation of the Alternative Fee shall be based on the gross amount received on the advertising sales.

2.8 Audit of Alternative Fee. With prior written notice of not less than ten (10) business days, City has the right to audit Developer's sign gross revenue related to this Agreement, at Developer's office, on normal workdays between 9:00 a.m. and 4:00 p.m. once a year. If the statement of total gross advertising revenue previously provided to City shall be found to be inaccurate for prior years of the Term, then and in that event, there shall be an adjustment and one party shall pay to the other on demand such sums as may be necessary to settle in full the accurate amount of said percentage rental that should have been paid to City for the period or periods covered by such inaccurate statement or statements. If said audit discloses an underpayment of greater than three percent (3%) with respect to the amount of total gross advertising revenue reported by Developer for the period or periods of said report, then the



Developer shall immediately pay to City the cost of such audit; otherwise, the cost of such audit shall be paid by City, plus ten percent (10%) interest on the amount underpaid, but the application of the said interest is limited to three (3) years before the time any underpayment should have been paid to the City.

2.9 Community Benefits. Developer shall also provide the following community benefits during the entire Term of this Agreement:

2.9.1 City's Use of Static Signs. Developer shall also provide free of charge to City on a space available basis, advertising space within the City. City will be responsible for printing cost and install/takedown costs, subject to review and approval of suggested copy from City by Developer.

2.9.2 Discount Advertising. Developer shall offer a ten percent (10%) discount off of its applicable rate card fees for the display of advertising on the New Digital Billboard to any business that has its principal place of business in Carson and is a member in good standing of the Carson Chamber of Commerce.

2.10 Prohibited Use. Developer shall not utilize any of the displays on the Billboard to advertise tobacco, marijuana, hashish, "gentlemen's clubs," adult entertainment businesses, sexually oriented materials, or use sexually oriented images or language, or as may be prohibited by any City ordinance existing as of the Effective Date of this Agreement or as may be amended or implemented from time-to-time after the Effective Date and equally-applicable to all billboard displays by any duly and valid city ordinance.

3. DEVELOPMENT AND IMPLEMENTATION OF THE PROJECT.

3.1 Rights to Develop 405 FWY-Alameda Site. Subject to and during the Term of this Agreement, Developer shall have the right to develop the 405 FWY-Alameda Site in accordance with, and to the extent of, the Development Approvals, the Land Use Regulations, and this Agreement, provided that nothing in this Agreement shall be deemed to modify or amend the 405 FWY-Alameda Site Lease.

3.2 Installation of Landscaping at 110 FWY Site. Developer shall have artwork as approved by the City's Planning Department applied to the backing, having the form and specifications set forth in the Development Approval, and complete such installation within the times set forth in the Schedule of Performance, attached hereto as Exhibit "D." Developer shall, at all times during the Term, artwork in good and healthy condition and replace such artwork within the times and in the manner described in the Scope of Development, attached hereto as Exhibit "B".

3.3 Demolition of City-Oriented Billboards. Developer shall secure all demolition permits and approvals and commence the demolition and complete removal of the City-Oriented Billboards, including, but not limited to, the two (2) structures and total of three (3) static displays and any other structure or facility erected or maintained as part of or in relation to the such billboards and complete such demolition and removal, within the times set forth in the Schedule of Performance, attached hereto as Exhibit "D." Following the removal of such billboards, Developer shall, as reasonably as possible, restore the City-Oriented Site to a good



condition that reasonably matches the surrounding landscape. Developer and the respective Owners of the City-Oriented Billboard Site, including the City as Successor Agency to the Carson Redevelopment Agency as owner of the property located at 621 Carson , Carson hereby waive any further rights to utilize the City-Oriented Billboard Site, respectively, for installation or operation of any billboard and waive any claim for compensation or damages for the removal of the billboards and related appurtenances thereon and agreement to give up any further rights to utilize the City-Oriented Billboard Site, respectively, for the installation or operation of any billboard displays in the future. Such waiver and release of any claim for compensation or damages includes, but is not limited to, lost revenues, relocation expenses, severance damages, loss of business goodwill, costs, interest, attorneys' fees, and any claim whatsoever of the respective Owners which might arise out of or relate to any respect to the requirements of this Section 3.3 or this Agreement.

3.4 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement, the rules, regulations and official policies governing permitted uses of the 405 FWY-Alameda Site and 110 FWY Site, the density and intensity of use of the such Sites, the maximum height and size of proposed structures, and the design, and improvement and construction standards and specifications applicable to Development of the 405 FWY-Alameda Site shall be as set forth in the Land Use Regulations, as such term is defined in Section 1.1.11, which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement.

3.5 Development Approvals. Developer shall, at its own expense and before commencement of demolition, construction or development of any structures or other work of improvement upon the Sites, secure or cause to be secured all necessary Development Approvals, which shall include any and all permits and approvals which may be required by City or any other governmental agency or utility affected by such construction, development or work to be performed by Developer pursuant to the Scope of Development, including but not limited to, necessary building permits and all approvals required under the California Environmental Quality Act ("CEQA"). Not by way of limiting the foregoing, in developing and constructing the Project, Developer shall comply with all (1) applicable development standards in City's Municipal Code, (2) applicable NPDES requirements pertaining to the Project, (3) all applicable building codes, except as may be permitted through approved variances and modifications. Developer shall pay all normal and customary fees and charges applicable to such permits, and any fees and charges hereafter imposed by City in connection with the Development which are standard and uniformly-applied to similar projects in the City. Nothing contained in this Agreement shall be deemed to impose any obligation on Owner with respect to the Development Approvals or the Project.

3.6 Timing of Development; Scope of Development. Developer shall commence the Project within the time set forth in the Schedule of Performance, attached hereto as Exhibit "D." "Commencement" of the Project is defined herein as commencement of construction or improvements under the building permit for the construction of the New-Digital Billboard on the 405 FWY-Alameda Site as soon as possible following Developer's receipt of Development Approvals. In the event that Developer fails to meet the schedule for Commencement of the Project, and after compliance with Section 5.4, either party hereto may terminate this Agreement by delivering written notice to the other party, and, in the event of such termination, neither party



shall have any further obligation hereunder. However, if circumstances within the scope of Section 9.10 delay the commencement or completion of the Project, it would not constitute grounds for any termination rights found within this Development Agreement. In such case, the timeline to commence or complete the relevant task shall be extended in the manner set forth at Section 9.10. Notwithstanding the above, Developer shall, at all times, comply with all other obligations set forth in this Agreement regarding the construction or improvement of New Digital Billboard on the 405 FWY-Alameda Site. Developer shall also maintain the New Digital Billboard at all times during the Term in accordance with the maintenance provisions set forth in Section 3, the Scope of Development, attached as Exhibit "B" herein.

The purpose of this Agreement is to set forth the rules and regulations applicable to the Project, which shall be accomplished in accordance with this Agreement, including the Scope of Development (Exhibit "B") which sets forth a description of the Project and the Schedule of Performance (Exhibit "D").

3.7 Changes and Amendments. Developer may determine that changes to the Development Approvals are appropriate and desirable. In the event Developer makes such a determination, Developer may apply in writing for an amendment to the Development Approvals to effectuate such change(s); provided that the City may request written consent from Owner if the modification is deemed material. The Parties acknowledge that City shall be permitted to use its inherent land use authority in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the foregoing reasonable discretion, the City shall not apply a standard different than that used in evaluating requests of other developers. Accordingly, under no circumstance shall City be obligated in any manner to approve any amendment to the Development Approvals. The City Manager shall be authorized to approve any non-substantive amendment to the Development Approvals without processing an amendment to this Agreement. All other amendments shall require the approval of the City Council. The parties acknowledge that any extension of the Term for no more than twenty-four (24) months total is an example of a non-substantive change, which the City Manager, in his or her sole discretion, may approve in writing. Nothing herein shall cause Developer to be in default if it upgrades the digital display installed pursuant to this Agreement during the term of this Agreement to incorporate newer technology; provided Developer shall secure all applicable ministerial permits to do so and such upgrade is consistent with the dimensions and standards for the displays, as provided under this Agreement, Land Use Regulations and Subsequent Land Use Regulations

3.8 Reservation of Authority.

3.8.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the Development of the 405 FWY-Alameda Site:

(a) Processing fees and charges of every kind and nature imposed by City to cover the estimated actual costs to City of processing applications for Subsequent Development Approvals.



(b) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearing, reports, recommendations, appeals and any other matter of procedure. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

(c) Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, as adopted by City as Subsequent Land Use Regulations, if adopted prior to the issuance of a building permit for development of the New Digital Billboard on the 405 FWY-Alameda Site. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, developer may terminate this Agreement upon ninety (90) days prior written notice.

(d) Regulations that are not in conflict with the Development Approvals or this Agreement.

(e) Regulations that are in conflict with the Development Approvals or this Agreement, provided Developer has given written consent to the application of such regulations to Development of the 405 FWY-Alameda Site.

(f) Applicable Federal, State, County, and multi-jurisdictional laws and regulations which City is required to enforce as against the 405 FWY-Alameda Site or the Development of the 405 FWY-Alameda Site and that do not have an exception for existing signs or legal nonconforming uses.

3.8.2 *Future Discretion of City.* This Agreement shall not prevent City from denying or conditionally approving any application for a Subsequent Development Approval on the basis of the Land Use Regulations.

3.8.3 *Modification or Suspension by Federal, State, County, or Multi-Jurisdictional Law.* In the event that applicable federal, State, County, or multi-jurisdictional laws or regulations, enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, and there is no exception for the legal nonconforming use, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such federal, State, County, or multi-jurisdictional laws or regulations, and this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.9 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not subject to control by City may possess authority to regulate aspects of the Development of the 405 FWY-Alameda Site as contemplated herein, and this Agreement does not limit the authority of such other public agencies. Developer acknowledges and represents that, in addition to the Land Use Regulations, Developer shall, at all times, comply with all applicable federal, State and local laws and regulations applicable to the Digital Billboard and 405 FWY-Alameda Site that do not have an exception for a legal nonconforming use. To the extent such other public agencies preclude development or maintenance of the Project and that do not have an exception for a legal nonconforming use, Developer shall not be further obligated under this Agreement except as provided in Section 4.1. Notwithstanding the foregoing, if such action by another public agency materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice

3.10 Public Improvements. Notwithstanding any provision herein to the contrary, the City shall retain the right to condition any subsequent Development Approvals to require Developer to pay any required development fees, and/or to construct the required public infrastructure ("Exactions") at such time as City shall determine subject to the following conditions.

3.10.1 The payment or construction must be to alleviate an impact caused by the Project or be of benefit to the Project; and

3.10.2 The timing of the Exaction should be reasonably related to the development of the Project and said public improvements shall be phased to be commensurate with the logical progression of the Project development as well as the reasonable needs of the public.

3.10.3 It being understood, however, that if there is a material increase in cost to Developer or such action by City otherwise materially impacts developer's its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice

3.11 Fees, Taxes and Assessments. During the Term of this Agreement, the City shall not, without the prior written consent of Developer, impose any additional fees, taxes or assessments on all or any portion of the Project, except such fees, taxes and assessments as are described in or required by this Development Agreement and/or the Development Approvals. However, this Development Agreement shall not prohibit the application of fees, taxes or assessments upon the 405 FWY-Alameda Site only and not the New Digital Billboard or Developer directly as follows:

3.11.1 Developer shall be obligated to pay those fees, taxes or City assessments and any increases in same which exist as the Effective Date or are included in the Development Approvals;



3.11.2 Developer shall be obligated to pay any fees or taxes, and increases thereof, imposed on a City-wide basis such as, but not limited to, business license fees or taxes or utility taxes;

3.11.3 Developer shall be obligated to pay all fees applicable to a permit application as charged by City at the time such application is filed by Developer;

3.11.4 Developer shall be obligated to pay any fees imposed pursuant to any Uniform Code that existed when the application is filed by the Developer or that exists when the Developer applies for any Subsequent Development Approval.

3.12 Notwithstanding anything to the contrary herein, if there is a change in such fees to those charges as of the full execution hereof or any additional fees are charged and such additional or increased fees materially change Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

4. REMOVAL OF BILLBOARDS

4.1 **Removal by Developer.** CBS Outdoor has the right to negotiate an extension of the Term as an amendment to this Agreement. If the extension of the Term is not granted by the City the digital displays on the New Digital Billboard will be removed and both displays may be converted back to static displays.

4.2 **City's Right to Removal.** Provided Developer is not in material breach hereof past any applicable notice and cure period, City will not have the right to remove the New Digital Billboard. Should such a breach occur, City may only require removal of the New Digital Billboard. Should such a breach occur, City may require Developer to remove the digital display upon the New Digital Billboard and, at Developer's discretion, may either remove the structure of the New Digital Billboard or convert the display to static displays, previously existing upon the 405 FWY Billboard within ninety (90) days of City's notice to Developer of such breach.

5. REVIEW FOR COMPLIANCE.

5.1 **Annual Review.** The City Council shall review this Agreement annually at city's sole cost, on or before the anniversary of the Term, to ascertain the good faith compliance by Developer with the terms of the Agreement ("Annual Review"). However, no failure on the part of City to conduct or complete an Annual Review as provided herein shall have any impact on the validity of this Agreement. Developer shall cooperate with the City in the conduct of such any Annual Review and provide the following information and documentation to the City at least thirty (30) days before the anniversary of the Term: (1) description of all complaints from Caltrans or the City regarding the New Digital Billboard, (2) description of all complaints from the public regarding the display unrelated to any content of the message displayed, (3) any updates to Developer's contact information related to complaints concerning the billboards, as required in the conditions at Exhibit E, Section 6 herein, (4) status and amount of all payment obligations to the City required under this Agreement for the year in question and cumulatively beginning from the Commencement of the Project herein, (5) any easement or lease changes that could in any way materially impact the City or the obligations under this Agreement, (6) any

utility changes that could in any way materially impact the City or the obligations under this Agreement, (7) any maintenance issues addressed or needing to be addressed per the requirements of Exhibit E, and (8) whether any City messages per Section 2.7.1 have been displayed during the preceding year of the Term and a description of the duration of such displays.

5.2 Special Review. The City Council may, in its sole and absolute discretion, order a special review of compliance with this Agreement at any time at City's sole cost ("Special Review"). Developer shall cooperate with the City in the conduct of such any Special Review.

5.3 City Rights of Access. Subject to the City's execution of a permit to enter in form reasonably acceptable to Owner, the City, its officers, employees, agents and contractors, shall have the right, at their sole risk and expense, to enter the 405 FWY-Alameda Site, without interfering with any railroad right-of-way, and 110 FWY Site at all reasonable times with as little interference as possible for the purpose of conducting the review under this Section 5, inspection, construction, reconstruction, relocation, maintenance, repair or service of any public improvements or public facilities located on the Sites, or to perform any rights of the City under Section 4.2 above. Any damage or injury to the Sites or to the improvements constructed thereon resulting from such entry shall be promptly repaired at the sole expense of the City. Notwithstanding the foregoing, or any other provision in this Agreement (including without limitation Section 4.2 above), the City shall have no right whatsoever to enter the Site unless and until the City executes and delivers to Owner a permit to enter in form reasonably acceptable to Owner (except that this provision is not intended to interfere with the City's police powers to address any nuisance, dangerous condition, or other condition pursuant to the City's ordinances). Notwithstanding anything to the contrary herein, in no event will City representatives ever climb up the pole of the sign during any inspection.

5.4 Procedure. Each party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other party a justification of its position on such matters. If, on the basis of the parties' review of any terms of the Agreement, either party concludes that the other party has not complied in good faith with the terms of the Agreement, then such party may issue a written "Notice of Non-Compliance" specifying the grounds therefore and all facts demonstrating such non-compliance. The party receiving a Notice of Non-Compliance shall have thirty (30) days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, or if such cure or remedy is not reasonably capable of being cured or remedied within such thirty (30) days period, to commence to cure or remedy the non-compliance and to diligently and in good faith prosecute such cure or remedy to completion. If the party receiving the Notice of Non-Compliance does not believe it is out of compliance and contests the Notice, it shall do so by responding in writing to said Notice within thirty (30) days after receipt of the Notice. If the response to the Notice of Non-Compliance has not been received in the offices of the party alleging the non-compliance within the prescribed time period, the Notice of Non-Compliance shall be conclusively presumed to be valid. If a Notice of Non-Compliance is contested, the parties shall, for a period of not less than fifteen (15) days following receipt of the response, seek to arrive at a mutually acceptable resolution of the matter(s) occasioning the Notice. In the event that a cure or remedy is not timely effected or, if the Notice is contested and the parties are not able to arrive at a mutually acceptable resolution of

the matter(s) by the end of the fifteen (15) day period, the party alleging the non-compliance may thereupon pursue the remedies provided in Section 6. Neither party hereto shall be deemed in breach if the reason for non-compliance is due to a "force majeure" as defined in, and subject to the provisions of, Section 9.10.

5.5 Certificate of Agreement Compliance. If, at the conclusion of an Annual Review or a Special Review, Developer is found to be in compliance with this Agreement, City shall, upon request by Developer, issue a Certificate of Agreement Compliance ("Certificate") to Developer stating that, after the most recent Annual Review or Special Review, and based upon the information known or made known to the City Manager and City Council, that (1) this Agreement remains in effect and (2) Developer is in compliance. The Certificate, whether issued after an Annual Review or Special Review, shall be in recordable form and shall contain information necessary to communicate constructive record notice of the finding of compliance. Developer may record the Certificate with the County Recorder. Additionally, Developer may, at any time, request from the City a Certificate stating, in addition to the foregoing, which obligations under this Agreement have been fully satisfied with respect to the Sites.

6. DEFAULT AND REMEDIES.

6.1 Termination of Agreement.

6.1.1 Termination of Agreement for Material Default of Developer. City, in its discretion, may terminate this Agreement for any material failure of Developer to perform any material duty or obligation of Developer hereunder or to comply in good faith with the terms of this Agreement (hereinafter referred to as "default" or "breach"); provided, however, City may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.4. In the event of a termination by City under this Section 6.1.1, Developer acknowledges and agrees that City may retain all fees accrued up to the date of the termination, including the Processing Fee and the Development Fee or Alternative Fee, as applicable, paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee or Alternative Fee, as applicable within sixty (60) days after the date of termination and removal of the New Digital Billboard that equates to the percentage of time elapsed in the year of the Term at the time of termination.

6.1.2 Termination of Agreement for Material Default of City. Developer, in its discretion, may terminate this Agreement for any material failure of City to perform any material duty or obligation of City hereunder or to comply in good faith with the term of this Agreement; provided, however, Developer may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.4. In addition, Developer may terminate this Agreement if, despite Developer's good faith efforts, it is unable to secure the necessary permits and/or compliance with requirements under laws necessary to effectuate the Project. In the event of a termination by Developer under this Section 6.1.2, Developer acknowledges and agrees that City may retain all fees, including the Processing Fee and the Development Fee or Alternative Fee, as applicable, paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee or Alternative Fee, as applicable within sixty (60) days after the date of termination



and removal of the New Digital Billboard that equates to the percentage of time elapsed in the year of the Term at the time of termination.

6.1.3 *Rights and Duties Following Termination.* Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to (i) any obligations to have been performed prior to said termination, (ii) any default in the performance of the provisions of this Agreement which has occurred prior to said termination, (iii) Developer's obligation to remove the New Digital Billboard pursuant to Section 4.1 or (iv) any continuing obligations to indemnify other parties.

7. INSURANCE, INDEMNIFICATION AND WAIVERS.

7.1 Insurance.

7.1.1 Types of Insurance.

(a) *Liability Insurance.* Beginning on the Effective Date hereof and until completion of the Term, Developer shall, at its sole cost and expense, keep or cause to be kept in force for the mutual benefit of City, as additional insured, and Developer comprehensive broad form general liability insurance against claims and liabilities covered by the indemnification provisions of section 7.2. Developer has agreed to indemnify City hereunder to the extent of the liability insurance coverage with respect to its use, occupancy, disuse or condition of the Site, improvements or adjoining areas or ways, affected by such use of the Site or for property damage, providing protection of a least One Million Dollars (\$1,000,000) for bodily injury or death to any one person, at least Two Million Dollars (\$2,000,000) for any one accident or occurrence, and at least One Million Dollars (\$1,000,000) for property damage. Developer shall also furnish or cause to be furnished to City evidence that any contractors with whom Developer has contracted for the performance of any work for which Developer is responsible maintains the same coverage required of Developer.

(b) *Worker's Compensation.* Developer shall also furnish or cause to be furnished to City evidence that any contractor with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder carries worker's compensation insurance as required by law.

(c) *Insurance Policy Form, Sufficiency, Content and Insurer.* All insurance required by express provisions hereof shall be carried only by responsible insurance companies qualified to do business by California with an AM Best Rating of no less than "A". All such policies shall be non-assignable and shall contain language, to the extent obtainable, to the effect that (i) the insurer waives the right of subrogation against City and against City's agents and representatives except as provided in this Section; (ii) the policies are primary and noncontributing with any insurance that may be carried by City, but only with respect to the liabilities assumed by Developer under this agreement; and (iii) the policies cannot be canceled or materially changed except after written notice by

the insurer to City or City's designated representative as expeditiously as insurance company agrees to provide notice. Developer shall furnish City with certificates evidencing the insurance City shall be named as an additional insured on all liability policies of insurance required to be procured by the terms of this Agreement.

7.1.2 *Failure to Maintain Insurance and Proof of Compliance.* Developer shall deliver to City, in the manner required for notices, copies of certificates of all insurance policies required of each policy within the following time limits:

(1) For insurance required above, within seven (7) days after the Effective Date or consistent with the requirements of Exhibit "D" (Schedule of Performance), Item No. 8.

(2) The City can request to see updated copies of the current certificates of all insurance policies required. The City reserves the right to obtain copies of the entire insurance policy, including endorsements.

If Developer fails or refuses to procure or maintain insurance as required hereby or fails or refuses to furnish City with required proof that the insurance has been procured and is in force and paid for, after complying with the requirements of Section 5.4, the City may view such failure or refusal shall be a default hereunder.

7.2 **Indemnification.**

7.2.1 *General.* Developer shall indemnify the City and Owner, and their respective officers, employees, and agents against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm, or entity arising out of or in connection with the work, operations, or activities of Developer, its agents, employees, subcontractors, or invitees, hereunder, upon the Site:

(a) Developer will defend any action or actions filed in connection with any of said claims or liabilities covered by the indemnification provisions herein and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith, which attorneys will be the attorneys hired by the insurance company where insurance coverage applies.

(b) Developer will promptly pay any judgment rendered against the City or Owner or their respective officers, agents, or employees for any such claims or liabilities arising out of or in connection with such work, operations, or activities of the Developer hereunder, and Developer agrees to save and hold the City and Owner and their respective officers, agents, and employees harmless therefrom.

7.2.2 *Exceptions.* The foregoing indemnity shall not include claims or liabilities arising from the sole negligence or willful misconduct of the City, its officers, agents, or employees, who are directly responsible for the City.

7.2.3 *Additional Coverage.* Without limiting the generality of the foregoing, Developer's indemnity obligation shall include any liability arising by reason of:

(1) Any accident or other occurrence in or on the Site causing injury to any person or property whatsoever caused by Developer;

(2) Any failure of Developer to comply with performance of all of the provisions of this Agreement;

(3) Any harm, delays, injuries or other damages incurred by any party as a result of any subsurface conditions on the site caused solely by Developer, including but not limited to, the presence of buried debris, hazardous materials, hydrocarbons, or any form of soil contamination.

(a) *Loss and Damage.* Except as set forth below, City shall not be liable for any damage to property of Developer, Owner or of others located on the Site, nor for the loss of or damage to any property of Developer, Owner or others by theft or otherwise. Except as set forth below, City shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, dampness or leaks from any part of the Site or from the pipes or plumbing, or from the street, or from any environmental or soil contamination or hazard, or from any other latent or patent defect in the soil, subsurface or physical condition of the Site, or by any other cause of whatsoever nature. The foregoing two (2) sentences shall not apply (i) to the extent City or its agents, employees, subcontractors, invitees or representatives causes such injury or damage when accessing the Site, or (ii) to the extent covered in any permit to enter executed by the City.

(b) *Period of Indemnification.* The obligations for indemnity under this Section 7.2 shall begin upon the Effective Date and shall survive termination of Development Agreement.

7.3 **Waiver of Subrogation.** Developer agrees that it shall not make any claim against, or seek to recover from City or its agents, servants, or employees, for any loss or damage to Developer or to any person or property relating to this Project, except as specifically provided hereunder which include but is not limited to, a claim or liability arising from the sole negligence or willful misconduct of the City, its officers, agents, or employees, who are directly responsible for the City.

8. **MORTGAGEE PROTECTION.**

The parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering the Site or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing



with respect to the Site. City acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and City agrees upon request, from time to time, to meet with Developer or Owner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. Subject to compliance with applicable laws, City will not unreasonably withhold its consent to any such requested interpretation or modification provided City determines such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Site shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Development or Site made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Development or Site, or any part thereof, which Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by Developer in the performance of Developer's obligations under this Agreement.

(c) If City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, City shall make a good faith effort to provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the period that is the longer of (i) the remaining cure period allowed such party under this Agreement, or (ii) sixty (60) days.

(d) Any Mortgagee who comes into possession of the Development or Site, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Development or Site, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of Developer's obligations or other affirmative covenants of Developer hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Development or Site acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Approvals applicable to the Development or Site or such part thereof so acquired by the Mortgagee.

9. MISCELLANEOUS PROVISIONS.



9.1 **Recordation of Agreement.** This Agreement shall be recorded with the County Recorder by the City Clerk within 10 days of execution, as required by Government Code Section 65868.5. Amendments approved by the parties, and any cancellation, shall be similarly recorded.

9.2 **Entire Agreement.** This Agreement sets forth and contains the entire understanding and agreement of the parties with respect to the subject matter set forth herein, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.3 **Severability.** If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, then that term, provision, covenant or condition of this Agreement shall be stricken and the remaining portion of this Agreement shall remain valid and enforceable if that stricken term, provision, covenant or condition is not material to the main purpose of this agreement, which is to allow the Development to be permitted and operated and to provide the Development Fee to the City; otherwise, this Agreement shall terminate in its entirety, unless the parties otherwise agree in writing, which agreement shall not be unreasonably withheld.

9.4 **Interpretation and Governing Law.** This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning, to achieve the objectives and purposes of the parties hereto. The rule of construction, to the effect that ambiguities are to be resolved against the drafting party or in favor of the non-drafting party, shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

9.5 **Section Headings.** All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.6 **Singular and Plural.** As used herein, the singular of any word includes the plural.

9.7 **Time of Essence.** Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.8 **Waiver.** Failure of a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9.9 **No Third Party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit for the parties and their owner, successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.10 **Force Majeure.** Notwithstanding the contrary herein, neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other acts of God, fires, rains, winds, wars, terrorism, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government actions and regulations (other than those of the City), court actions (such as restraining orders or injunctions), or other causes beyond the party's reasonable control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years and further provided that if such delay is longer than six (6) months, Developer may terminate this Agreement upon written notice to City and City shall return to developer any portion of the Development fee paid for any period after the effective date of such termination..

9.11 **Mutual Covenants.** The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

9.12 **Counterparts.** This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

9.13 **Litigation.** Any action at law or in equity arising under this Agreement or brought by any party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Los Angeles, State of California, or such other appropriate court in said county. Service of process on City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside California. In the event of any action between City and Developer seeking enforcement of any of the terms and conditions to this Agreement, the prevailing party in such action shall be awarded, in addition to such relief to which such party is entitled under this Agreement, its reasonable litigation costs and expenses, including without limitation its expert witness fees and reasonable attorneys' fees.

9.14 **Covenant Not To Sue.** The parties to this Agreement, and each of them, agree that this Agreement and each term hereof is legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity, which is based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

9.15 **Project as a Private Undertaking.** It is specifically understood and agreed by and between the parties hereto that the Development of the Project is a private Development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity

regulating the Development of private property, on the one hand, and the holder of a legal or equitable interest in such property on the other hand. City agrees that by its approval of, and entering into, this Agreement, that it is not taking any action which would transform this private Development into a "public work" project, and that nothing herein shall be interpreted to convey upon Developer any benefit which would transform Developer's private project into a public work project, it being understood that this Agreement is entered into by City and Developer upon the exchange of consideration described in this Agreement, including the Recitals to this Agreement which are incorporated into this Agreement and made a part hereof, and that City is receiving by and through this Agreement the full measure of benefit in exchange for the burdens placed on Developer by this Agreement.

9.16 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

9.17 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain or Developer's right to seek and collect just compensation or any other remedy available to it.

9.18 Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of both parties specifically approving the amendment and in accordance with the Government Code provisions for the amendment of Development Agreements. The parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters. Minor, non-material modifications may be approved by the City Manager upon approval by the City Attorney.

9.19 Corporate Authority. The person(s) executing this Agreement on behalf of each of the parties hereto represent and warrant that (i) such party, if not an individual, is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such party is bound.

9.20 Notices. All notices under this Agreement shall be effective when delivered by United States Postal Service mail, registered or certified, postage prepaid return receipt requested; and addressed to the respective parties as set forth below or as to such other address as the parties may from time to time designate in writing by providing notice to the other party:

To City: City of Carson
701 E. Carson Street
Carson, CA 90745

Attn: City Manager

With Copy to:

Aleshire & Wynder, LLP
18881 Von Karman Ave., #1700
Irvine, CA 92612
Attn: William Wynder, Esq.

To Developer:

CBS Outdoor, Inc.
Real Estate Manager
1731 Workman St
Los Angeles, CA 90031

With Copy To

CBS Outdoor, Inc
NY Counsel – David Posy
405 Lexington Avenue
New York, NY 10174

9.21 Nonliability of City Officials. No officer, official, member, employee, agent, or representatives of City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, or representative.

9.22 No Brokers. City and Developer represent and warrant to the other that neither has employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorneys' fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement or arising out of agreements by the indemnifying party to pay any commission or finder's fee.

9.23 No Amendment of Lease. Nothing contained in this Agreement shall be deemed to amend or modify any of the terms or provisions of the Lease. Nothing contained in this Agreement shall constitute or be deemed to constitute a limit on any of Developer's obligations under the Lease, or any of Owner's rights or remedies against Developer under the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

City: CITY OF CARSON

By

Mayor Jim Dear

ATTEST:



By _____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

Developer: CBS OUTDOOR Inc., a Delaware
corporation

By: _____

By: _____

[end of signatures]



[illegible]

On _____, 2012, before me, _____,
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 she executed the same in her authorized capacity, and that by 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.

Notary Public

[SEAL]

[illegible]

On _____, 2012, before me, _____, 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/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.

Notary Public

[SEAL]



EXHIBIT "A"
LEGAL DESCRIPTION OF SITES



EXHIBIT B

SCOPE OF DEVELOPMENT

Developer and City agree that the Development shall be undertaken in accordance with the terms of the Agreement, which include the following:

1. The Project. Developer shall upgrade the existing static sign with the New Digital Billboard in accordance with the terms of this Agreement. The New Digital Billboard consists of one (1) _____' tall, "bulletin" size freeway-oriented billboards with a total of two (2) digital displays (each display measuring 14' x 48") within the 405 FWY-Alameda Site. As required by the City at the time of the final development of the site adjacent to the 405 FWY Alameda Site, Developer shall install underground all utilities necessary for the New Digital Billboard. Prior to such final development which may take several years following the execution of the Agreement, Developer may maintain above-ground utilities for the New Digital Billboard per the plans attached at Exhibit "F" hereto; provided that if development does not commence within three (3) years of the Effective Date of this Agreement, Developer shall install underground all utilities necessary for the New Digital Billboard within six (6) months from the date of any notice by the City requesting such underground installation. Such six (6) month period may be extended for such time as necessary to account for any Force Majeure event or delays by the City in processing the plans for the undergrounding of the utilities (provided Developer notifies City in writing within thirty (30) days of experiencing the delay). Developer and Clear Channel Outdoor shall collaborate with the design, plan check and installation and share the costs of the above-ground and underground utilities.

2. Building Fees. Developer shall pay all applicable City building fees, as described at Section 2.5 of this Agreement, at the time that a building permit is issued for the installation of the New Digital Billboard on the 405 FWY-Alameda Site.

3. Maintenance and Access. Developer, for itself and its successors and assigns, hereby covenants and agrees to be responsible for the following:

(a) Maintenance and repair of the New Digital Billboard (where authorized pursuant to the 405 FWY-Alameda Site Lease) and the 110 FWY Billboard, including but not limited to, the displays installed thereon, and all related on-site improvements, easements, rights-of-way and, if applicable, at its sole cost and expense, including, without limitation, landscaping (as it relates to the 110 FWY Site only), poles, lighting, signs and walls, in good repair, free of graffiti, rubbish, debris and other hazards to persons using the same, and in accordance with all applicable laws, rules, ordinances and regulations of all federal, State, and local bodies and agencies having jurisdiction over the Site unless those federal, State, and local bodies have an exception for a legal nonconforming use. Such maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal related to the Development; (ii) the care and replacement of all shrubbery, plantings, and other landscaping or the



artwork as to the 110 FWY Site in a healthy condition if damaged by the Development; (iii) the ongoing maintenance by the Developer of the access road to the New Digital Billboard to minimize dust caused by the Development; and (iii) the repair, replacement and repainting of the New Digital Billboard and 110 FWY Billboard structures and displays as necessary to maintain such billboards in good condition and repair.

(b) Maintenance of the New Digital Billboard Site (where authorized pursuant to the 405 FWY-Alameda Site Lease) and 110 FWY Billboard Site in such a manner as to avoid the reasonable determination of a duly authorized official of the City that a public nuisance has been created by the absence of adequate maintenance of the Development such as to be detrimental to the public health, safety or general welfare or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within three hundred (300) feet of the 405 FWY-Alameda Site.

(c) Developer shall coordinate with Clear Channel Outdoor Inc. or successor sharing utilities or access roads to its separate billboards. The City may designate alternative access for planning purposes so long as such alternative access allows Developer to access its billboard and related utilities.

4. Other Rights of City. In the event of any violation or threatened violation of any of the provisions of this Exhibit "B," then in addition to, but not in lieu of, any of the rights or remedies the City may have to enforce the provisions of this Agreement, the City shall have the right, after complying with Section 5.4 of this Agreement, (i) to enforce the provisions hereof by undertaking any maintenance or repairs required by Developer under Paragraph 3 above (subject to the execution of a permit to enter in form reasonably acceptable to Owner) and charging Developer for any actual maintenance costs incurred in performing same, and (ii) to withhold or revoke, after giving written notice of said violation, any building permits, occupancy permits, certificates of occupancy, business licenses and similar matters or approvals pertaining to the 405 FWY-Alameda Site or any part thereof or interests therein as to the violating person or one threatening violation.

5. No City Liability. The granting of a right of enforcement to the City does not create a mandatory duty on the part of the City to enforce any provision of this Agreement. The failure of the City to enforce this Agreement shall not give rise to a cause of action on the part of any person. No officer or employee of the City shall be personally liable to the Developer, its successors, transferees or assigns, for any default or breach by the City under this Agreement.

6. Conditions of Approval. The following additional conditions shall apply to the installation of the New Digital Billboard and, where stated, and artwork backing on the 110 FWY Billboard, respectively, shall conform to all applicable provisions of the Carson Municipal Code (CMC) and the following conditions, in a manner subject to the approval of the Planning Officer or designee:

(a) A building permit will be required, structural calculations shall be prepared by a licensed civil engineer and approved by the City Building Official.



(b) The Billboard shall be located in the portion of the 405 FWY-Alameda Site shown on Exhibit "C", and shall be of the dimensions described in Section 1, above.

(c) The size of each sign display of New Digital Billboard shall not exceed a maximum area of 672 square feet with no more than 128 total feet of extensions or borders and shall not to exceed a maximum height of ____ feet, including all extensions, and shall be spaced at intervals that are no less than 500 feet from any other billboard on the same side of the freeway and measured parallel to the freeway as depicted in the Site Plan and Elevations at Exhibit "C" approved by the City as part of the Development Approvals.

(d) The New Digital Billboard pole shall be of a gray color subject to the approval of the City's Development Services Manager or designee.

(e) Plans and specifications for the proposed installation of the New Digital Billboard, including plans for the temporary overhead undergrounding or of all utilities, shall be submitted to the City Planning and Building Departments for plan check and approval prior to the issuance of building permits.

(f) Prior to the approval of the final inspection, all applicable conditions of approval and all mandatory improvements shall be completed to the reasonable satisfaction of the City.

(g) Developer shall maintain the 405 FWY-Alameda Site and use thereof in full compliance with all applicable codes, standards, policies and regulations imposed by the City, County, State or federal agencies by any dully and valid city, county or state ordinance with jurisdiction over the facilities, unless the Development is exempted as a legal nonconforming use.

(h) Developer shall, at all time, comply with the approval for the New Digital Billboard from the California Department of Transportation Outdoor Advertising Division and shall maintain acceptable clearance between proposed billboards and Southern California Edison distribution lines.

(i) The Developer shall pay any and all applicable fees due to any public agency prior to the final issuance of the building permits.

(j) The activities proposed in this Agreement shall be conducted completely upon the 405 FWY-Alameda Site and 110 FWY Site and shall not use or encroach on any public right-of-way.

(k) Developer shall ensure that all access to the New Digital Billboard and 110 FWY Billboard is kept restricted to the general public to the extent permitted under local laws and by the 405 FWY-Alameda Site Lease.

(l) If any portion of the landscape or artwork installed adjacent to the New Digital Billboard or 110 FWY Billboard is damaged by the Development



and becomes damaged, unhealthy or otherwise in need of replacement, as determined by the City's Planning Department Manager/Officer or designee, the Developer shall ensure that the replacement is accomplished within fourteen (14) days of notification by the City, unless such time is extended by the City's Planning Officer or designee if Developer shows unusual circumstances requiring more time to accomplish such replacement. Developer or Owner may trim such landscaping so as not to block the billboards.

(m) Developer shall be required to install all temporary overhead or underground utilities in connection with the New Digital Billboard. To this end, City shall cooperate with the Southern California Edison requirement upon Developer to upgrade Developer's current electrical service to the New Digital Billboard requiring the installation of electrical conduit approximately 1300 feet.

(n) Developer shall comply with all necessary NPDES requirements pertaining to the proposed use, to the extent applicable.

(o) All graffiti shall be adequately and completely removed or painted over within 48 hours of notice of such graffiti being affixed on the Development.

(p) Prior to final sign off of the building permit for the New Digital Billboard, all City-Oriented Billboards shall be completely removed.

(q) Prior to final sign off of the building permit for the New Digital Billboard, the artwork backing shall be installed at the 110 FWY Billboard Site.

(r) Developer shall comply with State law regarding the limitation of light or glare or such other standards as adopted by the Outdoor Advertising Association of America, Inc. (OAAA), including but not limited to, the 0.3 foot-candles limitation over ambient light levels and ensuring additional flexibility in reducing such maximum light level standard given the lighting environment, the obligation to have automatic dimming capabilities, as well as providing the City's Planning Officer or designee with a designated Developer employee's phone number and/or email address for emergencies or complaints that will be monitored 24 hours a day/7 days per week. Upon any reasonable complaint by the City's Planning Officer or designee, Developer shall perform a brightness measurement of the display using OAAA standards and provide City with the results of same within 5 days of the City's complaint. Developer shall dim the display to the appropriate setting immediately upon the conclusion of any such measurement that concluding that the light standards were exceeded.



EXHIBIT C
DEPICTION OF BILLBOARD SITES
[Not to scale]



EXHIBIT D

SCHEDULE OF PERFORMANCE

ITEM OF PERFORMANCE	TIME FOR PERFORMANCE	REFERENCE
1. Developer to provide copy of 405 FWY-Alameda Site Lease	At least 20 days before Planning Commission hearing	2.2
2. City's Planning Commission holds public hearing and recommends approval of Agreement and Conditions of Approval	_____, 2012	Recitals
3. City's City Council holds hearings to approve Agreement and first and second reading of Ordinance	_____, 2012 (1 st Reading); _____, 2012 (2 nd Reading) provided Developer has fully executed the Agreement	Recitals
4. Effective Date of this Agreement.	30 days following Council's second reading of Ordinance, or _____, 2012.	N/A
5. Developer prepares and submits to City working drawings specifications and engineering, City commences approval process.	Within 120 days of the Council's second reading of the Ordinance approving this Agreement	3.4
6. Developer to provide copy of Caltrans approval to City	Prior to the City's issuance of all necessary permits per No. 7 below	_____
7. Developer to complete the demolition and complete removal of the City-Oriented Billboard	Within 60 days from securing building permit, but no later than upon securing Final Permit;	3.3
8. City to approve all construction, engineering drawings and specifications with a plan check approval and issue all necessary permits, including but not limited to, a building permit.	Within 30 days of City's receipt of Applicant's construction drawings and specifications addressing all of City's comments	3.3, 3.4
9. Developer to submit proof of	Prior to commencing any	7.1.2

ITEM OF PERFORMANCE	TIME FOR PERFORMANCE	REFERENCE
insurance to City	inspections and work on the Project	
10. Developer pays City first installment of Development Fee if Developer receives Final Permits	Within 1 year of Developer receiving Final Permits	2.6
11. Developer pays City second through tenth installments (and eleventh through twentieth years if second ten years is optioned per terms of Section 2.4) of Development Fee if Developer receives Final Permits	Beginning within 2 years of Developer receiving Final Permits, and ending 10 years thereafter (with another 10 year option). Each payment occurring at the end of each year of the Term.	2.6
12. Developer pays the Alternative Fee if in excess of the Development Fee.	Within 90 days of the end of each year of the Term	2.7

It is understood that this Schedule of Performance is subject to all of the terms and conditions of the text of the Agreement. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the Agreement, the text shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by both the Developer and the City. Notwithstanding any extension of the Term in the manner described in, and subject to the provisions of, Section 3.5, the City Manager shall have the authority to approve extensions of time set forth in this Schedule of Performance without action of the City Council not to exceed a cumulative total of 180 days.



EXHIBIT E
DEVELOPER'S PRODUCTION SPECIFICATION SHEET

ARTWORK SPECS

14' x 48' Bulletins (not including extensions)

File Size:	<u>Full Scale</u>		<u>3/16" = 1' Scale</u>
	168" x 576"	or	2.625" x 9"
	9 D.P.I. min.		576 D.P.I. min
File Format:	<u>Preferred</u>		<u>Other</u>
	Photoshop (.psd)	or	Photoshop (.eps)
			Photoshop PDF (.pdf)
			JPEG (.jpg)



EXHIBIT F

TEMPORARY ABOVE-GROUND UTILITY PLAN

