

Appendix D3

Phase I



SMITH-EMERY GEOSERVICES

A MEMBER OF THE SMITH-EMERY COMPANIES, ESTABLISHED 1904

December 8, 2011

SEG File No.: 40437-1
SEG Report No.: G-11-8697

Reliable Properties
6399 Wilshire Boulevard, #604
Los Angeles, California

Attention: Mr. Rod Nourafshan

Dear Mr. Nourafshan,

We are submitting our "Phase I Environmental Site Assessment, for 5525 West Sunset Boulevard, Los Angeles, California", SEG Report No. G-11-8697 prepared for Reliable Properties.

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM practice E 1527-05 of the above-mentioned site. This assessment has revealed evidence of historical auto repair, gas station, dry cleaners, and printing facilities. Such businesses are associated with the use of solvents, hydrocarbons, and other hazardous materials. There is potential for the subject site to be impacted due to historical spills, leaks, and/or inappropriate disposal. However, according to the Phase II ESA report (EMG November 2011), GPR survey and subsurface soil investigations at the historical auto repair/gas station, dry cleaning, and printing facilities did not reveal any USTs, excavations, or any significant levels of contaminations at the historical locations of concern. It is SEG opinion that the historical Recognized Environmental Condition is no longer an item of concern and no further investigation is recommended at this time. Based on the age of the onsite structure, SEG recommends complete asbestos and lead surveys prior to any significant renovation or demolition activities that would potentially disturb the existing building materials. If you have any questions regarding this document, please contact us at (213) 745-5333.

Respectfully submitted,

SMITH - EMERY GEOSERVICES

AYESHA SYEDA
Manager of GeoServices



SMITH-EMERY GEOSERVICES

A MEMBER OF THE SMITH-EMERY COMPANIES, ESTABLISHED 1904

**PHASE I ENVIRONMENTAL SITE ASSESSMENT
5525 WEST SUNSET BOULEVARD
LOS ANGELES, CALIFORNIA**

Prepared for

Reliable Properties
6399 Wilshire Boulevard, #604
Los Angeles, California

December 8, 2011

SEG File No. 40437-1
SEG Report No. G-11-8697

ENVIRONMENTAL PROFESSIONAL QUALIFICATIONS AND STATEMENT

AYESHA SYEDA, M.S.

Ms. Syeda began working in the environmental industry in 1986 while attending university in India where she obtained her Bachelors of Science degree in Civil Engineering. Upon coming to the United States, she continued to work as an intern while furthering her education at the California State University, Long Beach, obtaining her Masters of Science degree in Environmental Engineering. Ms. Syeda has performed hundreds of Phase I Environmental Site Assessments since 1993 and currently oversees, manages and reviews all Phase I Environmental Site Assessment's performed by Smith-Emery GeoServices. A copy of Ms. Syeda's resume is included in Appendix C.

"I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined by in §312.10 of 40 CFR 213. I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR part 312."

Respectfully submitted,

Smith-Emery GeoServices



AYESHA SYEDA
R.E.A. No. 05738
Registered Environmental Assessor
Manager of GeoServices

AS/SN



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1.0 INTRODUCTION

At the request of Reliable Properties (User), Smith-Emery GeoServices (SEG) performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05 at the site located at 5525 West Sunset Boulevard, Los Angeles, California as shown on the Vicinity Map, Plate No.1. The layout of the site and the adjacent sites are shown on the Site Schematic, Plate No. 2. The layout of the subject site is shown in the Subject Site Diagram, Plate No. 3. Photographs of the site are displayed as Plates No. 4A-4C. The regulatory database report is included in Appendix A. Subject site documentation is included in Appendix B. References and contractual conditions are included in Appendix C. The purpose reported by the User for the completion of the Phase I is for prospect buying opportunity.

1.1 REPORT SHELF LIFE

In conformance with the ASTM Practice E 1527-05, this Phase I Environmental Site Assessment is valid for 180 days from date of this report. After 180 days from the date of this report, the following sections may be updated up to one year from the date of this report:

- Environmental Professional Statement
- Section 2.5 – Site Reconnaissance
- Section 2.6 – Interviews
- Section 2.7 – Environmental Lien Search
- Section 4.0 – Regulatory List Review

1.2 SCOPE OF WORK

The scope of work for this study included the following:

- Subject site reconnaissance and survey of surrounding land use from publicly accessible areas;
- Review of historical aerial photographs, Sanborn Maps, and City Directory listings;
- Review of environmental Liens and other User Provided Information;
- Interviews with available and cooperative current site occupants/owners, past site occupants/owners, and government officials;
- Regulatory Database Report Review;
- Review of the history and past usage of the referenced site and surrounding properties;
- Summary of regional geology and hydrology;
- Review of files at local, state, and federal agencies to identify spills, tank leaks, hazardous materials storage, oil wells, underground tanks, landfills, or industrial discharge in the site vicinity;
- Evaluation of potential for presence of current or historical petroleum activities and polychlorinated biphenyls (PCBs);
- Evaluation of potential for presence of non-scope considerations including asbestos containing building materials, lead based paints, and radon;
- Preparation of this report presenting our findings.

Please note that sampling and chemical analysis of soils and/or groundwater was not within the scope of this study.

2.0 SITE HISTORY/SETTING

2.1 SITE DESCRIPTION

The site is bordered by Harold Way to the north, West Sunset Boulevard to the south, and North Western Avenue to the east respectively. The site is located along the northern edge of the Coastal Plain within the Hollywood Basin on the north flank of the Hollywood Syncline approximately 360 feet above mean sea level. The site is currently occupied by a commercial structure and is located in a mixed residential and commercial neighborhood.

2.2 LEGAL DESCRIPTION

Based on records available at the Los Angeles County Assessors office website, the site is located in the City of Los Angeles, and State of California. The site is described as **Portion of Lots No's. 1, 2, 3, 5,14, 25 and all of Lot No's. 4, 12, 21, 22, 23, and 24 of the Irving Park Tract with Assessors Parcel Number 5544-023-023.** Copies of maps and relevant information are included in Appendix B.

2.3 ZONING / LAND USE RECORDS

According to information on file at the City of Los Angeles Department of Building and Safety, the site is located in an area zoned "C2-1" for commercial sage. Copies of maps, zoning definitions, and other relevant information are included in Appendix B.

2.4 CURRENT AND HISTORICAL ADDRESSES

Based on our research, the current and historical addresses associated with the subject site include 5500 & 5518 Harold Way, 1501, 1503, 1505, 1507, 1509, 1511, 1513, 1515, 1517, 1519, 1521, 1523, 1525, 1527, 1529, 1531, & 1535 North Western Avenue, and 5501, 5503, 5505, 5507, 5509, 5511, 5513, 5515, 5517, 5519, 5521, 5523, 5525, 5527, & 5529 West Sunset Boulevard.

2.5 SITE RECONNAISSANCE

A reconnaissance of the site was performed by Ms. Ayesha Syeda and Mr. Eduardo Dela Cruz of Smith-Emery GeoServices (SEG) on November 11, 2011. The layout of the subject site and adjacent sites is shown on the Site Schematic, Plate No. 2. The layout of the subject site and items observed onsite is shown on the Subject Site Diagram, Plate No. 3. Photographs of the subject site are included as Plates No. 4A – 4C. The objective of the site reconnaissance is to obtain information indicating the likelihood of identifying recognized environmental conditions in connection with the property.

SUBJECT SITE

The site is located at the northwest corner of the intersection of West Sunset Boulevard and North Western Avenue. Harold Way borders the site to the north. The site is approximately 2.2 acres in size and is occupied by a 35,000 square foot retail structure reportedly built in 1977. The site is presently occupied by Orchard Hardware Supply.

The onsite structure is of concrete tilt-up construction with a concrete slab-on-grade floor. The interior building materials include 12-inch vinyl floor tiles, 12-inch ceramic floor tiles,

drywall partitions and ceilings, and open metal frame truss ceiling. The inside of the structure contains a check out area on the southern portion with the remainder of the structure used for retail items showcase and storage. A garden center and storage of building materials areas were observed adjacent to the east of the onsite structure. Access was not provided to all interior areas. SEG observed inside the structure posing as a regular customer that would have been shopping in the store.

The operations conducted were mainly of retail sale of household and hardware items including, building materials, paints, tools, plumbing items, electrical items, and gardening materials. Minor amounts of paints and solvents in retail packaged quantities (5-gallons and less) are stored on shelves onsite. No significant cracking of the concrete floor was observed in the storage areas. HVAC system fueled by natural gas was observed onsite. Hydraulic trash compactor and hydraulic box bailer were also observed onsite. No signs of any leaks and/or staining in these areas.

The outside areas are asphalt paved and used for parking purposes. A fenced gardening center and the storage of large quantities of home building materials were observed on the east portion of the outside area. Our site observations are briefly summarized in the following table.

SITE RECONNAISSANCE OBSERVATIONS

Item	Observed	Not Observed	Reported
Aboveground Storage Tanks		x	
Underground Storage Tanks		x	
Odors		x	
Pools of Liquid		x	
Drums / containers		x	
Unidentified Substance Containers		x	
PCBs		x	
Heating / Cooling Systems	x		DWP
Stains or Corrosion		x	
Drains/ Sumps/ Clarifiers		x	
Pits, Ponds, Lagoons		x	
Stained Soil or Pavement		x	
Stressed Vegetation		x	
Solid Waste/ Waste Water/ Wells		x	
Evidence of Past Site Uses		x	
Potable Water Supply	x		DWP
Sewage Disposal System	x		Municipal
Suspected ACBMs		x	

DWP-Department of Water & Power

Adjacent Sites

The adjacent sites, their apparent uses, and observed environmental concerns, if any, are described in the following table.

ADJACENT SITE OBSERVATIONS

Direction Relative to Subject Site	Business Name / Residence	Adjacent Site Address	Site Use / Observed Environmental Concerns
North	Apartments	5521-5527 Harold Way	Residential / None
Northeast	Super 8 Motel	1536 N. Western Ave.	Commercial / None
	Rincon Oaxaqueno Restaurant	1544 N. Western Ave.	
East	View @ 270	1516 N. Western Ave.	Commercial / None
Southeast	Verizon Wireless	1500 N. Western Ave.	Commercial / None
	Walgreens	5451 W. Sunset Blvd.	
South	Parking for Tres Hermanos	6542 W. Sunset Blvd.	Commercial / None
	Fallas Discount Store	5510 W. Sunset Blvd.	
Southwest	Strip mall	5533-5543 W. Sunset Blvd.	Commercial / None
West & Northwest	St. Andrews PL. &	1514-1544 St. Andrews Pl.	Residential / None
	Starlight Apartments	5532 Harold Way	

Site Reconnaissance Summary:

- The site is occupied by a retail structure presently used by Orchard Hardware Supply as a retail store of household and hardware items. Miscellaneous paints and solvent were stored in retail packages for retail purposes. No significant staining and/or cracking of the floor was observed. Based on our site reconnaissance and lack of evidence of any floor drains, sumps, clarifiers, and/or USTs, the current site operations in our opinion is not expected to have impacted the subject site.

2.6 INTERVIEWS

Interviews were planned and conducted by Ms. Ayesha Syeda, via written questionnaires and in person. The objective of interviews is to obtain information indicating recognized environmental conditions in connection with the property. Copies of the questionnaires completed and the records of conversation pertaining to the interviews conducted are included in Appendix B.

Current Owner/Key Site Manager/Tenants

Mr. Rod Nourafshan (prospect buyer) with reliable properties stated that the hardware store had been on the property since at least 1991. The site has been used mostly for retail purposes. The onsite building was approximately 35,000 square feet in size.

Previous Owners/Tenants

SEG attempted to identify contact information for individuals or businesses, for the purpose of conducting interviews of persons with past knowledge of the site, by conducting internet searches by business name and the name of individual identified, and by referral from persons currently associated with the site. None of the past owners or occupants were able to be contacted based on the contact information identified.

Regulatory Officials

Personnel at various regulatory agencies who were questioned about the subject site directed SEG to the paper files for review. The information obtained from the files is discussed in sections 2.3, 2.10, and 3.0 in the report.

2.7 USER PROVIDED INFORMATION

The User provided the following information, which was reviewed by SEG to help identify possible recognized environmental conditions relating to the property and for documenting the purpose of performing the Phase I. A copy of the information received from the User is included in Appendix B.

2.7.1 Environmental Liens/Activity and Use Limitations

No environmental liens and/or activity and use limitations research/reports were provided to SEG. According to the EDR regulatory database search report, there are no liens listed in the United States Environmental Protection Agency (USEPA)'s Federal Superfund Liens List, and no known recorded land-use environmental deed restrictions pertaining to the subject site listed in DTSC's liens database.

2.7.2 Specialized Knowledge or Experience

The User is the prospective buyer for the site. The User stated that the site has been mostly used for retail purposes and he also indicated that, there is a possibility that the site was occupied by a service station.

2.7.3 Actual Knowledge

The User was not aware of any environmental liens and/or activity and use limitations for the subject.

2.7.4 Commonly Known or Reasonably Ascertainable Information

The User stated that he was unaware of the previous onsite business.

2.7.5 Reasons for Significantly Lower Purchase Price (If Applicable)

The User reported that he is considering buying the property and the Phase I will be used to identify any concerns that may exist at the site. Hence, this question was not applicable to the subject site.

2.7.6 Reason for Conducting this Phase I Environmental Site Assessment Report

The User indicated that the purpose of the Phase I report for purchasing purposes.

2.8 SANBORN MAP REVIEW

Sanborn Maps were originally compiled for fire insurance purposes. The Sanborn Fire Insurance maps were initially produced by private companies for the insurance industry to provide information regarding risks associated with fires in the structures and often contained detailed information regarding the history and past uses of a property as well as historical addresses associated with the site. Sanborn Maps were available for the subject site and the adjacent sites for the years 1919, 1950, 1955, 1957, 1960, 1961, 1962, 1966, 1968, 1969 and 1970. A summary of the Sanborn Map information pertaining to the site and adjacent sites is tabulated as follows.

1919 Sanborn Map

Site	Site Description
Subject Site	Mostly vacant with a billiard room (1519 ½) and a dwelling/garage (1519) to the N.
Adjacent Site to the N	Residential dwelling (5520)
Adjacent Site to the NE	Vacant land, a single dwelling(1536) and two flats(1524-1526)
Adjacent Sites to the E	One residential dwelling with garage (1511).
Adjacent Site to the SE	Gas & Oil Service Station (1500), dressing room (1436), electric power mill (1422-1424), star dressing rooms (5502-5506) and a gymnasium (5510).
Adjacent Site to the S	W'm Fox Vaudeville Co. - Studio motion picture film manufacturing, director's office (1427), scenario and publicity building, electrical shop, sleeping room.
Adjacent Site to the SW	Electric light stage (1420-1422), camera men's room, props storage (1428), dressing rooms (1432-1434), closed stage (5530), a restaurant (5516-5520), and vacant land.
Adjacent Site to the W	Vacant land.
Adjacent Site to the NW	Residential with Garage.
Surrounding Area	Mostly residential dwellings with minor commercial developments along Sunset Blvd.

1950, 1955, & 1957 Sanborn Maps

Site	Site Description
Subject Site	Hotel (1513, 1519), residential dwelling (1519) with a garage (1519 1/2) to the N/NW. Auto repair (1535 1/2), general store, and Oil & Gas Service Station (1535) to The NE. Retail stores (1515-1529) to the E. Drug store and retail (1501-1511/5501-5511) to the SE. Printing (5519) and multiple retail stores to the S. Retail Stores/ Tele-Pictures & Recording (5523-5529) to the SW. Private alley runs through the center of the subject site.
Adjacent Site to the N	Rooms (5520) and vacant land.
Adjacent Site to the NE	Gas & Oil Station (5500), Auto Repair Center (5535), vacant land, restaurant (1531), hotel (1536), offices (1520-1526) and retail stores (1538, 1528-1532, 1518).
Adjacent Sites to the E	Restaurant (1510) and retail stores (1512-1516)
Adjacent Site to the SE	Retail stores (1431-1441; 1504-1506, 5500), restaurants (1500-1502) and electric power mill/cabinet shop (1422-1424).
Adjacent Site to the S	20 th Century Fox Film Corporation T. V. Division Lot (5510-5542), Studio and Motion Picture set stage(14), storage(16), vacant (17), manufacturing(18), office & court (1421-1423) and watchman central station service.
Adjacent Site to the SW	Stage for studio and motion picture mfg. (14), fixtures and misc. storage (1420-1422), Props Storage (1428), retail stores (1434, 5533-5545), Gas & Oil in Yard (5555), cosmetic laboratory and auto body repair and painting (5557).
Adjacent Site to the W	Colonial Ct with 16-Residential Dwellings (1514-1544).
Adjacent Site to the NW	Residential dwellings (5520 1/2 -5554) and auto repair shops.
Surrounding Area	Mixed residential and commercial developments.

1960 & 1961 Sanborn Maps

Site	Site Description
Subject Site	Mostly unchanged from the 1957 Sanborn Map. The general store and the auto repair shop structures were no longer onsite. The hotel (1513, 1519), and residential dwelling with garage to the central west were not observed. The hotel structure was vacant.
Adjacent Sites	Unchanged from 1957 Sanborn Map.
Surrounding Area	Mixed residential and commercial developments.

1962 Sanborn Map

Site	Site Description
Subject Site	The N & S portions of the site were unchanged from 1957 Sanborn Map. The central east portion was modified into offices (1523-1529) and the vacant structure to the central west was replaced by parking lot.
Adjacent Sites	Unchanged from 1957 Sanborn Map.
Surrounding Area	Mixed residential and commercial developments.

1966, 1967, 1969, & 1970 Sanborn Maps

Site	Site Description
Subject Site	The drug store was converted to two stores; the auto repair and the general store were not observed. The remaining of site was unchanged from the 1962 Sanborn map.
Adjacent Sites	Mostly unchanged from 1962 Sanborn Map with additional commercial developments along Sunset Blvd. and Western Ave.
Surrounding Area	Mixed residential and commercial developments.

2.9 AERIAL PHOTOGRAPH REVIEW

Historical aerial photographs were obtained from EDR, Inc. The photographs include the years 1948, 1954, 1972, 1977, 1980, 2003, 2004, and 2005. The purpose of our review of aerial photographs was to examine the property and surrounding areas for any signs of potential negative environmental impact.

Items searched for in each photograph included, but were not limited to: evidence of tanks or gas stations on the subject or surrounding properties; evidence of any industrial site usage which may have impacted the subsurface soils; historical drains and water drainage pathways; areas which show evidence of drums or excessive debris; soil areas suspected as being discolored or stained; areas of distressed vegetation, etc. The following descriptions are summaries of the aerial photographs reviewed.

1948 & 1954 Aerial Photographs

Site	Description
Subject Site	Appeared to be occupied by multiple commercial structures along the southern and eastern portions. A gas station appeared to be along the north-northeastern portion. Residential structures along the western and central portion. Railroad tracks bordered the site to the north and to the east. An alley runs along the center of the subject site from west to east.
Adjacent Sites to the N, NE, E, SE, S, & SW	Appeared to be occupied by commercial structures.
Adjacent Sites to the W & NW	Appeared to be occupied by commercial and residential structures.
Surrounding Areas	Appeared to be occupied by commercial and residential structures.

1972 Aerial Photograph

Site	Description
Subject Site	Residential structures along the western and central portions were no longer present and replaced with a parking area. Remainder of subject site appeared to be similar in layout to the 1954 aerial photograph.
Adjacent Sites to the N, NE, & E	Appeared to be occupied by commercial structures.
Adjacent Site to the SE	Appeared to be redeveloped into a commercial structure with a parking lot.
Adjacent Sites to the S & SW	Appeared to be in the process of being redeveloped.
Adjacent Sites to the W & NW	Appeared to be occupied by commercial and residential structures.
Surrounding Areas	Appeared to be occupied by commercial and residential structures.

1977 & 1980 Aerial Photographs

Site	Description
Subject Site	Appeared to be redeveloped into a commercial structure with parking area of a similar layout as it appears today.
Adjacent Sites to the N, NE, & E	Appeared to be occupied by commercial structures.
Adjacent Site to the SE, S, & SW	Appeared to be redeveloped into a commercial structure with a parking lot.
Adjacent Sites to the W & NW	Appeared to be occupied by commercial and residential structures.
Surrounding Areas	Appeared to be occupied by commercial and residential structures.

2003, 2004, & 2005 Aerial Photographs

Site	Description
Subject Site	Remained essentially unchanged from 1977 aerial photograph.
Adjacent Sites in all directions	Appeared to be similar to the 1980 aerial photograph.
Surrounding Areas	Appeared to be occupied by commercial and residential structures.

2.10 BUILDING PERMIT REVIEW

Addresses for the subject property were reviewed at the City of Los Angeles Department of Building and Safety. The purpose of our review of building permits and other documents is to construct a chain of ownership and history of construction activities onsite.

Items considered in the course of building permit research included: construction or demolition of any structures that may have a potential negative environmental impact, previous site usage, previous ownership, and any other historical information. The following building permits were on file for the subject site. Copies of the building permits are included in Appendix B.

5505 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
06-15-1928	Edward Francis Bogardus	Permit to erect a store building.

5507 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
06-15-1928	Edward Francis Bogardus	Permit to erect a store building.

5509 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments/Site Use
06-15-1928	Edward Francis Bogardus	Permit to erect a store building.
07-29-1976	National Building Center	Permit to demolish existing commercial building.
07-29-1976	National Building Center	Permit to slope tank holes. (Gas Station and Commercial buildings)
Not legible	Mr. Leopold	Permit to provide non structural partitions in interior and remodel south elevation of the building. Present studio is expanding their operation to include adjacent store currently used as rug sales room.
Not legible	Francis Lyons	Permit to alter/modify an existing store by adding partitions.

5511 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
Unknown	Edward Francis Bogardus	Permit to alter/modify an existing store by adding tile bulkheads.
06-10-1928	Edward Francis Bogardus	Permit to alter/modify an existing store by adding partitions and 3 toilet rooms to the building to be used as a store.
06-15-1928	Edward Francis Bogardus	Permit to erect a store building.
05-02-1938	E. F. Bogardus	Permit for addition of reinforcing steel and relocation of foundation, footings and beam at east wall and portion of front for the use of site as a store.
01-22-1946	Charles Simpson	Certificate of occupancy for a one story café with 775 occupants.

5513 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
Unknown	Edward Francis Bogardus	Permit to alter/modify an existing store by adding tile bulkheads.
02-14-1924	E. F. Bogardus	New building permit for a real estate office.
05-14-1924	E. F. Bogardus	Permit to build a private garage for a real estate office.
01-24-1928	Chao W. Schmidt and Fredrick	Permit to modify the existing store and cut off one corner to fit ally.
05-29-1928	Charter F. and Katherine Enders	Permit to add bathroom, bath tub, gas, water heater, lavatory and clothes closet.
06-10-1928	Edward Francis Bogardus	Permit to alter/modify an existing store by adding partitions and 3 toilet rooms to the building to be used as a store.
06-15-1928	Edward Francis Bogardus	Permit to erect a store building.
05-02-1938	E. F. Bogardus	Permit for addition of reinforcing steel and relocation of foundation, footings and beam at east wall and portion of front for the use of site as a store.
03-13-1946	Lesley Levin	Permit to alter/modify an existing store by dividing the large store into rooms for the use of site as a studio.
03-13-1946	L. Levin	Permit to reconstruct the front appearance of the front of the building and no structural changes for the use of site as a school for models.
09-19-1947	Lesley Levin	Certificate of occupancy for a girls' school of modeling for students over 16 yrs of age and B-2 occupancy.

5515 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
Unknown	Edward Francis Bogardus	Permit to alter/modify an existing store by adding tile bulkheads.
11-12-1925	E. F. Bogardus	Permit to explore building from 5533 Sunset Blvd. to 5515 Sunset Blvd.
06-10-1928	Edward Francis Bogardus	Permit to alter/modify an existing store by adding partitions and 3 toilet rooms to the building to be used as a store.
06-15-1928	Edward Francis Bogardus	Permit to erect a store building.
05-02-1938	E. F. Bogardus	Permit for addition of reinforcing steel and relocation of foundation, footings and beam at east wall and portion of front for the use of site as a store.
08-02-1939	E. M. Berndt Corp.	Permit Alter/modify existing store, erecting stud and plastic petitions in store room.
03-13-1946	Lesley Levin	Permit to alter/modify an existing store by dividing the large store into rooms for the use of site as a studio.
03-13-1946	L. Levin	Permit to reconstruct the front appearance of the front of the building and no structural changes for the use of site as a school for models.
05-27-1955	Max Freed	Sign permit, to install sign and refinish for a store.

5517 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
Unknown	Edward Francis Bogardus	Permit to alter/modify an existing store by adding tile bulkheads.
05-13-1921	E. F. Bogardus	New buildings permit for a house store.
08-03-1928	Harry H.	Permit to alter/add to a dining car for use of site as a dining car.
06-10-1928	Edward Francis Bogardus	Permit to alter/modify an existing store by adding partitions and 3 toilet rooms to the building to be used as a store.
06-15-1928	Edward Francis Bogardus	Permit to erect a store building.
05-02-1938	E. F. Bogardus	Permit for addition of reinforcing steel and relocation of foundation, footings and beam at east wall and portion of front for the use of site as a store.
02-27-1962	Gedeva Development Co.	Permit to remodel front of an existing store and offices building.

5519 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
Not Legible	Bank of America	Permit for interior alterations of a toilet for a store.
04-01-1921	Manuel Glass	Alteration by adding a one bedroom to an existing real estate office to be used as a residence.
05-12-1926	Dr. D. V. Moore	Permit to build a portable restaurant or a dining car.
Unknown	Edward Francis Bogardus	Permit to alter/modify an existing store by adding tile bulkheads.
06-10-1928	Edward Francis Bogardus	Permit to alter/modify an existing store by adding partitions and 3 toilet rooms to the building to be used as a store.
06-15-1928	Edward Francis Bogardus	Permit to erect a store building.
05-02-1938	E. F. Bogardus	Permit for addition of reinforcing steel and relocation of foundation, footings and beam at east wall and portion of front for the use of site as a store.
11-13-1939	Edward Francis Bogardus	Permit to alter/modify an existing photographic gallery by adding top to temporary room to keep out daylight.
02-27-1962	Gedeva Development Co.	Permit to remodel front of an existing store and offices building.

5521 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
07-01-1930	E. F. Bogardus	Permit to alter/repair by replacing about 60 ft of roof which was damaged by fire, and the current use of building is for a store.
06-10-1928	Edward Francis Bogardus	Permit to alter/modify an existing store by adding partitions and 3 toilet rooms to the building to be used as a store.
05-02-1938	E. F. Bogardus	Permit for addition of reinforcing steel and relocation of foundation, footings and beam at east wall and portion of front for the use of site as a store.
08-19-1954	A. Lucerno	Permit to remove non-structural partition.(Restaurant & Bar)
10-22-1957	Herman J. Benne	Permit to alter/repair the existing restaurant with a new store front for use of the subject site as a restaurant.
01-14-1958	Herman J. Benne	Permit to modify the second floor of the existing restaurant as an office.
04-02-1958	Not Specified	Certificate of occupancy and permit to examine addition to existing building, B-2 occupancy.(Dining & Bar)
02-03-1960	A Lucerno	Permit to provide 1-hr shaft for range vent.

5523 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
01-24-1928	Charles Schmidt & Fredrick S.	Permit for alteration to cut off one corner to fit alley, plumbing for toilet moved.
02-10-1955	Bennie	Permit to alter/repair an existing store for use as an Novelty shop.

5525 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
09-13-1921	E. F. Bogardus	Permit to build a sleeping room.
05-03-1922	E. F. Bogardus	Permit to modify or alter by adding one room on rear using rear wall as one wall.
06-11-1976	Mr. Richards Phelps, National Bldg Center	Permit to erect a commercial retail store building.
05-04-1977	Richard Phelps National Bldg Center	Certificate of occupancy for a retail store building with G1-occupancy and 59 parking spaces provided.
11-14-1977	Richard Phelps National Bldg Center	Certificate of occupancy for a retail store building with G1-occupancy and 59 parking spaces provided.
02-14-1984	St. Andrews, Builders Emporium	Permit to install metal canopy over bldg for site usage as Hardware Store.
04-16-1985	Builders Emporium	Certificate of occupancy for one-story G1 occupancy, canopy addition to existing building and 8 additional parking spaces required and provided.
12-21-1993	Wilton, Orchard Supply Hardware	Sign permit to install Demo wall signs.
03-15-1994	Orchard Supply Hardware	Permit to add to mezzanine, for site used for retail.
06-17-1994	St. Andres, Orchard Supply	Permit to add to mezzanine on top of storage.

5527 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
03-15-1921	E. F. Bogardus	Permit to erect a building store to be used as a store.
03-15-1921	E. F. Bogardus	New building permit for store.

5529 West Sunset Boulevard (Subject Site)

Date	Owner/Business	Comments
01-24-1921	E. F. Bogardus	Modification by adding a kitchen to the rear of a Candy Factory.
03-15-1921	E. F. Bogardus	Permit to erect a building store to be used as a store.
03-15-1921	E. F. Bogardus	New building permit for store.
09-03-1924	John Bogardus	Permit to alter or an addition to an already existing furniture repair shop.

1501 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
02-13-1913	E. F. Bogardus	Permit to erect a residential building with three rooms.
04-18-1921	E. F. Bogardus	New buildings permit for retail stores.
02-21-1922	E. F. Bogardus	Permit to strengthen wood columns by bolting on each side of present columns.
02-23-1922	E. F. Bogardus	Permit to increase of size of foundation for the present one story building to carry two-story loads for site usage as stores and office.
04-03-1922	E. F. Bogardus	Permit to extend building north 50 ft. and addition of second-story over entire area.
08-15-1922	S. J. Wayne	New buildings permit for residential flats.
09-06-1923	E. F. Bogardus	Permit to install partition for stores and office.
09-17-1925	E. F. Bogardus	Permit to remove partition between stores.
08-10-1932	J. Bogardus	Permit to recover 4 awnings.
11-18-1935	E. F. Bogardus	Permit to remove wood columns to replace with steel, cut openings in brick walls, install partition and toilet wall, alter store fronts, plumbing, wiring, and also painting, and refinishing.
11-18-1955	E. J. Bogardus	Permit to remove wood columns and replace with steel, install partitioning & toilet rooms, alter store front, plumbing & wiring and painting.

1503 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
04-18-1921	E. F. Bogardus	New buildings permit for retail stores.
04-03-1922	E. F. Bogardus	Permit to extend building north 50 ft. and addition of second-story over entire area.
08-15-1922	S. J. Wayne	New buildings permit for residential flats.
11-18-1935	E. F. Bogardus	Permit to remove wood columns to replace with steel, cut openings in brick walls, install partition and toilet wall, alter store fronts, plumbing, wiring, and also painting, and refinishing.
11-18-1955	E. J. Bogardus	Permit to remove wood columns and replace with steel, install partitioning & toilet rooms, alter store front, plumbing & wiring and painting.

1505 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
04-03-1922	E. F. Bogardus	Permit to extend building north 50 ft. and addition of second-story.
08-15-1922	S. J. Wayne	New buildings permit for residential flats.
11-25-1929	E. F. Bogardus	Alteration of 25% of roof to of a retail stores and offices.
11-18-1935	E. F. Bogardus	Permit to remove wood columns to replace with steel, cut openings in brick walls, install partition and toilet wall, alter store fronts, plumbing, wiring, and also painting, and refinishing.
02-10-1954	John R. Waters	Permit to remove inside partitions and no structural alterations.
09-28-1954	Haskell Shapiro	Permit for alteration of partition and cabinet work for classroom and offices for California school of real estate use.
10-14-1954	California Institute Real Estate	Alteration of partition.

1505 North Western Avenue (Subject Site)

continued...

Date	Owner/Business	Comments
11-18-1955	E. J. Bogardus	Permit to remove wood columns and replace with steel, install partitioning & toilet rooms, alter store front, plumbing & wiring and painting.
12-10-1962	Grantham school	Permit to install Harborite non-illuminated sign.

1507 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
04-03-1922	E. F. Bogardus	Permit to extend building north 50 ft. and addition of second-story over entire area.
08-15-1922	S. J. Wayne	New buildings permit for residential flats.
11-18-1935	E. F. Bogardus	Permit to remove wood columns to replace with steel, cut openings in brick walls, install partition and toilet wall, alter store fronts, plumbing, wiring, and also painting, and refinishing.
07-23-1940	Mrs. Weinstein	Permit to erect complete rope awning.
02-10-1954	John R. Waters	Permit to remove inside partitions and no structural alterations.
11-18-1955	E. J. Bogardus	Permit to remove wood columns and replace with steel, install partitioning & toilet rooms, alter store front, plumbing & wiring and painting.

1509 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
04-03-1922	E. F. Bogardus	Permit to extend building north 50 ft. and addition of second-story over entire area.
10-16-1928	E. F. Bogardus	Permit to build partition through center to make two stores instead of one store.
01-09-1932	Fox Film Corporation	Permit to move building and install new foundation for a Writers Bungalow.
01-11-1932	Fox Film Corporation	Permit to move building and fill ground with a reinforced concrete for a Bungalow.
11-09-1932	Fox Film Corporation	Permit for moving building.
02-10-1954	John R. Waters	Permit to remove inside partitions and no structural alterations.
06-14-1954	Western States Electronics	Electric sign permit.
Not legible	M. Green & W.Freund	Permit reporting change of new details.
04-10-1962	Los Angeles	Permit to install double face non-illuminated projecting sign.

1511 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-05-1936	Times Mirror Co.	New building permits for a store market.
03-09-1937	Acme scale and fixture Co.	New building permits for a store market and 1 roller awning complete.

1513 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-05-1936	Times Mirror Co.	New building permits for a store market.
03-09-1937	Acme scale and fixture Co.	New building permits for a store market and 1 roller awning complete.

1515 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-05-1936	Times Mirror Co.	New building permits for a store market.
03-09-1937	Acme scale and fixture Co.	New building permits for a store market and 1 roller awning complete.
04-08-1937	Times Mirror Co.	Permit to erect a sheet metal winter cooling tower on a steel base bolted to roof for a store market.
02-04-1953	H. Arkin, F. Arkin, B. Wolfson	Certificate of occupancy for a two-story stage, work rooms, and executive offices converted from a store building.
12-06-1963	UPI of California	Permit for alteration/modification to remove 3 offices out of interior and the site is used for offices and TV commercials.
12-05-1968	Harold Way	Permit for new roof over power tool area and the site is used for commercial films.
01-17-1969	V.P.I. Films	Certificate of occupancy and canopy addition to existing commercial film structure.
11-08-1975	Coldwell Banker & Co.	Permit to demolish, hand wreck and clear lot.

1517 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-05-1936	Times Mirror Co.	New building permits for a store market.
03-09-1937	Acme scale and fixture Co.	New building permits for a store market and 1 roller awning complete.

1519 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
10-28-1912	E. F. Bogardus	New buildings permit.
08-11-1913	Allan E. Colley	Permit to move cottage from 1519 Western Ave. to 2123 Marathon St. for site usage as residential.
06-16-1915	E. F. Bogardus	Permit to build a new garage.
11-17-1919	E. F. Bogardus	Permit to build a private garage.
09-15-1924	Hollywood Military Academy	Alteration/modification of church structure into boys' auditorium.
09-18-1924	J. B. Saquahar	Permit to install two fire balconies, one permanent ladder, and one iron stairway built of black iron and painted for an apartment building.
11-05-1936	Times Mirror Co.	New building permits for a store market.

1521 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-05-1936	Times Mirror Co.	New building permits for a store market.
03-09-1937	Acme scale and fixture Co.	New building permits for a store market and 1 roller awning complete.

1523 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-17-1923	E. F. Bogardus	New buildings permit for three stores and 12 apartments.
11-05-1936	Times Mirror Co.	New building permits for a store market.
05-02-1953	Video Film Services	Permit to erect a new retractable canvas canopy.

1525 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-17-1923	E. F. Bogardus	New buildings permit for three stores and 12 apartments.

1527 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-17-1923	E. F. Bogardus	New buildings permit for three stores and 12 apartments.

1529 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
11-17-1923	E. F. Bogardus	New buildings permit for three stores and 12 apartments.

1535 North Western Avenue (Subject Site)

Date	Owner/Business	Comments
06-09-1950	Signal Oil Co.	New buildings permit for a service station.(Gas Station)

Building Permit Summary:

- According to the building permits between 1912 and 1994 indicated that the site was occupied by multiple tenants and was used for residential, retail stores, drug store, Tele-picture studios, dry cleaning, gas and oil service station, auto repair, hotel, real estate, modeling school, TV commercial studio, offices, restaurant, furniture repair, barber, and hardware purposes. The onsite structure was reportedly built in 1977 and has been used for retail purposes since construction. The onsite structure has been used by Orchard Hardware Supply for retail of household and hardware items since at least 1984.

2.11 CITY DIRECTORY SEARCH

The purpose of the City Directory research was to determine the businesses that were historically located onsite. City Directories have been published for cities and towns across the US since the 1700s. Originally a list of residents, the city directory developed into a sophisticated tool for locating individuals and businesses in particular. With each address the directory lists the name of the resident or if a business operated from this addresses, and a street index. While city directory coverage is usually comprehensive for major cities, it may be spotty for rural areas and small towns. The tabulated information was listed for the subject and adjacent sites in the following page.

<p>5525 W Sunset Blvd (Subject Site)</p> <p>2006 HARDWARE; HDWRCOMLSERV; ORCHARD SPLY; ORCHARD SUPPLY; HARDWARE; HDWRCOMLSERV; ORCHARD SPLY; ORCHARD SUPPLY</p> <p>2000 ORCHARD SUPPLY HDWR; ORCHARD SUPPLY HDWR</p> <p>1990 BUILDERS EMPORIUM; BUILDERS EMPORIUM</p> <p>1986 BUILDERS EMPORIUM; BUILDERS EMPORIUM</p> <p>1981 BUILDERS EMPORIUM; BUILDERS EMPORIUM</p> <p>1976 Pak Bros Printing; Pak Publishing Co; Pak Bros Printing; Pak Publishing Co</p> <p>1971 Pak Brothers Printing; Pak Publishing Inc; Pak Stationers; Pak Stationery & Printer; Pak Brothers Printing; Pak Publishing Inc; Pak Stationers</p> <p>Pak Stationery & Printer; 1967 Pak Publishing Co</p> <p>1967 Pak Publishing Co Inc</p> <p>1962 Asher H E Co Inc; Asher H E Co Inc</p> <p>1958 Photo & Sound Co; Photo & Sound Co</p> <p>1942 Bedell Engineering Co W E Clopine pres W G Clopine v pres Mrs M E Pierce sec treas refrig equip Bedell Engineering Co; W E Clopine pres W G; Clopine v pres Mrs M E Pierce sec treas refrig equip</p> <p>1929 Adachi Kumiro florist; Adachi Kumiro florist</p> <p>1924 DAVIS Jas R barber; DAVIS Jas R barber</p> <p>5509 W Sunset Blvd (Subject Site)</p> <p>1976 K Z Photographic Industries; Leopold J F Quantity Photos; QUANTITY PHOTOS INC</p> <p>1975 Quantity Photos Inc</p> <p>1971 Leopold J F Quantity Photos; QUANTITY PHOTOS INC; Official Photos</p> <p>1967 QUANTITY PHOTOS INC; Official Photos; Leopold J F Quantity Photos</p> <p>1962 Leopold J F Quantity Photos; Official Photos; QUANTITY PHOTOS INC</p> <p>1951 Sunset Leopold J F Quantity; Sunset Quantity</p> <p>5511 W. Sunset Blvd. (Subject Site)</p> <p>1951 Sunset Allied Rug Co main ofc</p> <p>5513 W. Sunset Bl.</p> <p>1942 Mondshine Wm Rose hosiery</p> <p>1933 Oishi Sizuka Itusvo fruit</p> <p>1929 BOGARDUS John J real est</p>	<p>Photos Inc</p> <p>1942 Bois Smith Murray H fruit pker</p> <p>1937 Kliunnak Nick Mary liquors</p> <p>1933 RHODES Wilfred bakerp</p> <p>1505 Western Avenue (Subject Site)</p> <p>1971 Pathfinder School Of Electronics; GRANTHAM SCHOOL OF ENGINEERING; Hollywood Advertising Agcy</p> <p>1967 Grantham School of Electronics; Grantham School of Electronics; Grantham School of Electronics</p> <p>Hollywood Advertising Agcy</p> <p>1958 - 1962 Grantham Electronics School; GRANTHAM SCHOOL OF ELECTRONICS;</p> <p>1942 JONES Rubie chiropractor; LAWRENCE Theo H baths; Schuster Wm Gussie chiropractor; Blankenship Edith Mrs tchr A P Carter; Bogardus Building</p> <p>1937 Corsillo Emil A hair gds; LAWRENCE Theo H physiotherapist; Sturdevant Ralph S dentist; Blackstone College of Law I J Bogardus rep Bogardus Building 1937 Hersey Julius Sarah phys</p> <p>Meeks Ralph P Evelyn G brassiere mfr; Schuster Wm I chiropractor</p> <p>1933 Schuster Wm I chiropractor Skaletar Edw A phys</p> <p>STURDEVANT Ralph S Alice dentist; Bogardus Building</p> <p>Bogardus Edw F real est; LAWRENCE Theo H physiotherapy</p> <p>1929 COAST Spiritualist Assn Mrs Sarah; Rountree pres I O O F Halls; HOLLYWOOD Security Investment Co E; E Hansen; LAWRENCE Theo H chiropractor</p> <p>SCHUSTER Wm I chiropractor; Skaletar Edw A phys</p> <p>Spiritualist Church; ALDER L Reed dentist; Bogardus Building; Knights of Pythias Halls</p> <p>1924 BARKER Merl L archit; BAKER J B phys; GREEN Kath A dentist; CUNNINGHAM Walter C adv; BENNETT Financing Sales Service C C; Ingram rep; Chapin Cyrus J pub; Lovranich John drugless phys; Bogardus Building</p> <p>Bogardus Building; SCHUSTER Wm I chiro; Kiplink Richd</p> <p>1962 TOTS TRADE TOWN</p> <p>1958 Tots Trade Town</p> <p>1942 Weinstein I L Sadie womens clo</p> <p>1937 Bordeaux Bert barber</p> <p>1933 Finnerman Sol Rita clo clnr</p> <p>1929 BERMAN Anita womens clo</p> <p>1924 LEROY STEINER & HARTMAN INC H H Steiner Pres J P Le Roy V Pers W K Hartman Sec Subdividers, Moran John Ins</p>
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<p>1962 PHOTO & SOUND CO; Standard Oil Company of California Western Operations Inc Other Departments; Film Library 1958 Permacolor Studio Inc 1942 Berndt E M Corp E M Berndt pres G A Bush v pres Walter Bach sec treas sound Equip</p> <p>5529 W. Sunset Blvd. (Subject Site) 1976 Artistic Tile Co 1975 Artistic Tile Co; ARTISTIC TILE CO 1971 Artistic Tile Co 1967 ARTISTIC TILE CO 1962 ARTISTIC TILE CO; Smith Sidney S Artistic Tile Co 1942 Adachi Yoshio florist 1937 Adachi K florist 1933 Adachi Kumaro florist 1929 FEDERAL MANUFACTURING; Olvis Pres J N Joerger V Pres; Ladd Sec Vending Machines and Detectors 1924 Bennewitz Fredk O furn repr mot plot producer; SADLER Harry dentist</p> <p>1507 Western Avenue (Subject Site) 1971 Tots Trade Town 1967 COOPER EDNA Tots Trade Town</p>	<p>Great Books Discussion Program The 1958 Josephs Carpet Serv 1942 HOW Yuen Indy 1937 Chung Willie Indy 1933 HOLLYWOOD PICTURE FRAME STORE Ralph Joseph Lot Us Frame That Picture For You Picture Frames and Greeting Cards All Work Delivered 1929 Mc DERMOTT John W tile 1924 PREMIER Refinishing Co G H and S S Skofield furn reprs</p> <p>1511 Western Ave. (Subject Site) 1942 Espinosa Jos G Anna shoe repr 1937 Bellesi Arnold Jennie shoe repr 1933 Bellesi Arnold shoe repr</p> <p>1527 Western Avenue (Subject Site) 1933 WEBSTER Paul N 1929 Sunderman J Wm clo clnr</p>
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2.12 REGIONAL HYDROGEOLOGY

The subject site is located along the northern edge of the Coastal Plain within the Hollywood Basin on the north flank of the Hollywood Syncline at approximately 360 feet above sea level (USGS Hollywood 7.5 minute topographic Quadrangle). The Hollywood Reservoir is located approximately 1.7 miles northwest of the site. Hydrologic units beneath the site are primarily aquicludes within the Quaternary alluvial fan sediments of granitic sands derived from the adjacent Santa Monica -Mountains.

Los Angeles Department of Public Works, Hydrologic Records Division was contacted regarding reported depths to water in municipal supply wells in the vicinity. No active municipal wells were located near the site. The closest active and historical municipal wells were reported as follows:

Well Number	Date Measured	Street Location	Depth to Water (in feet)	Surface Elevation (ft above MSL)
2671A	07-29-2009	El Centro Ave. & Melrose Ave. T.G. 593/F6; 1.0 Miles to SW	20.2	283.6
3928	01-05-2010	Crystal Spring Dr. & Los Feliz T.G. 594/C1; 2.6 Miles to the NE	20.7	379
2642M	07-29-2009	Beverly Blvd. & N. Gardner St. T.G. 633/C1; 2.9 Miles to the SW	13.3	196.9.0

This data represents the reported depth at that time to the static water level. The actual depth to the water table as well as the direction of flow may vary depending on extraction activities and natural or artificial recharge rates. Based on the LADPW groundwater data, the depth to groundwater is expected to be in excess of 13 feet below ground surface. The regional groundwater flow is expected to follow the inclination of sediments and is anticipated to be southwest toward the Ballona Creek.

2.13 GENERAL SITE HISTORY SUMMARY

An outline of the general history of the site is listed below. Each item listed has been described in greater detail in the Reconnaissance, Interviews, Aerial Photograph, Building Permits, and City Directory sections of this report.

- From before 1919 to the early 1920s: The site was used for residential purposes.
- From early 1920s to 1976: The site was used by multiple tenants for residential, retail stores, drug store, Tele-picture studios, dry cleaning, gas and oil service station, auto repair, hotel, real estate, modeling school, TV commercial studio, offices, restaurant, furniture repair, barber, and hardware purposes.
- From 1976 to the present: The onsite structures were reportedly built in 1977 and have been used for retail purposes since construction. The onsite structure has been used by Orchard Hardware Supply for retail of household and hardware items since at least 1984 to the present.

2.13.1 Data Gaps

A data gap is considered a lack of, or inability to obtain, information required by the ASTM E 1527-05 practice despite good faith efforts by the environmental professional to gather such information. This Phase I Environmental Site Assessment has not identified significant data gaps that affect our ability to identify recognized environmental conditions.

2.14 ADJACENT SITES

In general, the adjacent sites have been used primarily for residential, retail, and commercial purposes. The adjacent sites are discussed in detail in the following sections of the report: Site Reconnaissance, Aerial Photograph Review, and City Directory Search. An adjacent oil and gas service station to the southeast (1500 N. Western Ave.) was identified in the 1919 Sanborn Map. Due to the close proximity of the adjacent site, there is a moderate risk for the site to have been impacted due to potential leaks, spills, and/or inappropriate handling of hazardous materials at the adjacent site. However, it is SEG's opinion that it is the responsibility of the adjacent site owner for clean up at the subject site in case a plume extends beyond their property boundaries.

3.0 HAZARDOUS SUBSTANCE SEARCH

3.1 UNDERGROUND STORAGE TANKS

Research for Underground Storage Tanks (USTs) was conducted for the subject site at City of Los Angeles Bureau of Fire Prevention, Environmental/UST Unit. No records were found for the subject site at the regulatory agency. Research at the regulatory database report is discussed in the following paragraph:

Former Service Station /Auto Repair Facility (1535 North Western Avenue)

According to the regulatory database research, City Directory listings, and Sanborn map research the northeastern portion of the subject site was occupied by an auto repair shop/gas and oil service station from at least 1933 to 1962. In addition, a auto repair facility was located at the same vicinity from at least 1933 to 1970. Generally such businesses are associated with the use of hydrocarbons, solvents, and other hazardous materials.

According to the EMG Phase II ESA report (November 2011); ground penetrating radar survey (GPR) did not identify any USTs or backfilled UST excavations at the historical auto repair shop/service station location. In addition subsurface investigations including analytical results of soil samples collected from four soil borings (B5, B6, B7, & B8) did not reveal any significant levels of Volatile Organic Compounds (VOCs), Total Petroleum Hydrocarbons fuel range (TPH-g) range, or Total Petroleum Hydrocarbons diesel range (TPH-d) at the historical location.(please refer to Appendix B).

The GPR site data map indicated four unidentified lines extend westerly at the approximate location of the former dispenser and pipe lines locations shown in the Sanborn Maps (1950-1970). Some portions of the area of concern reportedly were not investigated due to access limitations. However, based on the borings locations (B5, B6, B7, & B8) and the analytical results of the soil samples collected at these locations; it is SEG opinion that, the risk for impacted resources at the former gas station location is considered to be low.

Underground Storage Tanks (UST)

- Based on our research, no records were found for the subject site at the regulatory agency. Regulatory Database research, Sanborn Maps, Building Permits, and City Directory listings have revealed evidence of former gas station and auto repair shop (1535 N. Western Ave.) located at the northeastern portion of the site from at least 1933 to 1970. According to EMG Phase II ESA (November 2011) GPR survey and subsurface soil investigations did not reveal any USTs, backfilled USTs excavations, or any significant levels of volatile organic compounds (VOCs), total petroleum hydrocarbons fuel range (TPH-g) range, or total petroleum hydrocarbons diesel range (TPH-d) at the historical auto repair shop/ service station location. It is our opinion that no further investigations are required at this time.

3.2 HAZARDOUS MATERIALS

Research for hazardous materials inventories was conducted for the subject site at the City of Los Angeles Fire Department, Bureau of Fire Prevention, Hazardous Materials Section, and Data Management Unit. Research for industrial waste permits was conducted for the subject site at the Los Angeles County Department of Public Works, Bureau of Sanitation. Results for the research are summarized in the following paragraphs.

5509 and 5517 Sunset Boulevard (Subject Site)

According to records the Sanitation 1952 to 1978 discharge to sanitary sewers of Photographic imagery and film processing materials was permitted onsite under permit conditions identified within the records (please refer to Appendix B). No citations or any violations were reported for the subject site.

5525 West Sunset Boulevard (Subject Site)

According to Regulatory Database report the site stores bulks of unspecified solvent mixtures that is transferred off site. SEG did not observe any bulk storage of solvent mixtures in the areas that were accessible. Hazardous materials inventory records at the regulatory agency have indicated that, multiple retail packaged chemical products are stored onsite for retail purposes. Chemical products include, cleaning solvents, muriatic acid, pest control, paint thinners and paints, propane, acetone, aerosol, adhesive removal, alcohol products, fertilizers, and oil stains products. Waste gasoline was listed as one of the items that are stored onsite. However, no violations or spills records were reported by the regulatory agency. The materials are retailed packaged and stored in minor amounts. Hence, the hazardous materials stored onsite is not expected to have significantly impacted the subject site.

Former Dry Cleaning & Printing Facilities (Subject Site)

According the City Directory and Regulatory Database Report, the southeastern portion of the site (1507 N. Western Ave.) and the southern portion (5527 W. Sunset Blvd.) were occupied by dry cleaning facilities from at least 1924 to 1937. The southeastern portion (1509 N. Western Ave.) and the eastern portion (1523-1527 N. Western Ave.) of the site

were reported by the Regulatory Database Report to have been occupied by dry cleaning facility from 1929 to 1942. In addition, Sanborn Map research indicated that the southern/southwest portion (5519 & 5525 W. Sunset Blvd.) of the subject site was reportedly occupied by printing facilities from 1950 to 1970.

According to the Phase II Report (EMG November 2011) provided to SEG by the User, five soil borings (B1, B2, B3, B4, & B9) were advanced at the east, southeast, and south portions corresponding to the former dry cleaning and printing facilities. Analytical results from the collected soil samples at these locations did not reveal any significant levels of Volatile Organic Compounds (VOCs), Total Petroleum Hydrocarbons fuel range (TPH-g) range, or Total Petroleum Hydrocarbons diesel range (TPH-d) at the historical dry cleaning or the printing facilities locations.

Hazardous Materials Conclusions:

- Based on our research, minor quantities of retail packaged materials including miscellaneous paints, propane, acids, and solvents/cleaning products are presently stored onsite. Regulatory Database research and City Directory listings have revealed evidence of multiple dry cleaners at the eastern (1523-1527 N. Western Ave.), at the southeast (1507 & 1509 N. Western Ave.), and at the southwest portion (5527 W. Sunset Blvd.) of the site. In addition, Sanborn Map research revealed former printing facilities at the southern/southwest portion of the site (5519 & 5525 W. Sunset Blvd.) from at least 1950 to 1970. However, based on the Phase II ESA report (EMG November 2011), subsurface soils investigations did not reveal any significant levels of volatile organic compounds (VOCs), total petroleum hydrocarbons fuel range (TPH-g) range, or total petroleum hydrocarbons diesel range (TPH-d) at the former dry cleaning or printing facilities. It is our opinion that no further investigations are required at the subject site this time.

4.0 REGULATORY LIST REVIEW

An outside information service, EDR, was contracted to perform a database search of government record sources and to provide a compiled report of listed sites within a one-mile radius of the subject property. EDR’s report is attached as Appendix A of this report and should be referenced for specific information and explanation of government records sources, dates of source listings, and locations of sites. A select list of records searched, summary of listed sites, and the potential for listed sites to impact the subject property are discussed as follows:

Database	Description	Search Distance
NPL	National Priorities List (Superfund)	1.0 Mile
De-listed NPL	Former National Priorities List (Superfund)	0.5 Mile
CERCLIS / CERCLIS NFRAP	Comprehensive Environmental Response, Compensation and Liability Information System / Archived CERCLIS	0.5 Mile
RCRA CORRACTS	Corrective Action Report	1.0 Mile
RCRA-TSD	Resource Conservation and Recovery Act (Transport, Storage and Disposal Facilities)	0.5 Mile
RCRA GNTR	RCRA registered small or large generators of hazardous waste	Subject and Adjacent Sites
US ENG / US INST CONTROLS	Federal Engineering and Institutional Controls	Subject Site
ERNS	Emergency Response Notification System	Subject Site
STATE / TRIBAL NPL	State and/or Tribal Equivalents to the Federal NPL	1.0 Mile
STATE / TRIBAL CERCLIS	State and/or Tribal Equivalents to the Federal CERCLIS	0.5 Mile
STATE / TRIBAL LANDFILL	State and/or Tribal <i>landfill or solid waste disposal</i> sites	0.5 Mile
STATE / TRIBAL LSTs	State and/or Tribal leaking storage tanks	0.5 Mile
STATE / TRIBAL RSTs	State and/or Tribal registered storage tanks	Subject and Adjacent Sites
STATE / TRIBAL ENG / INST CONTROLS	State and/or Tribal Engineering and Institutional Controls	Subject Site
STATE / TRIBAL VCS	State and/or Tribal Voluntary Cleanup Sites	0.5 Mile
STATE / TRIBAL BROWNFIELD	State and/or Tribal Brownfield sites	0.5 Mile

Most of the listings in the EDR report do not appear to have impacted the subject site with hazardous materials based on one or more of the following reasons:

- Listed on CERCLIS but a preliminary assessment has determined that no hazard was identified and no further action is needed.
- Listed as having registered underground storage tanks (USTs) or as small or large quantity generators only, and are not listed on any other lists indicating that a release to the environment had occurred.

- Listed on LUST as having a leaking tank but is greater than 0.25 miles from the subject site, is located hydrologically cross or down gradient, or is indicated to have a signed-off site status.
- Listed on other listings and in our opinion is unlikely to have impacted the subject site based on one or more of the following reasons: located hydrologically cross or downgradient, have a signed-offsite status, is located over 0.25 miles away from the subject site, and/or lack of impacted resources.

The sites that do not fall in the above mentioned categories, in our opinion, do not constitute a recognized environmental condition. These sites are likely to be considered a *de minimus* condition, (under ASTM Standard E1527), as they “generally would not be the subject of an enforcement action if brought to the attention of appropriate government agencies” with regards to the subject site.

The following table summarizes the regulatory listings in the EDR Radius Map Report for the subject site and immediately adjacent sites:

EDR Map ID#	Site Name/Address & Distance/ Direction from subject site	Regulatory database	Site Status	Potential for a REC
A1	Orchard Supply Hardware 5525 Sunset Blvd Hollywood, Ca 90028 (Subject Site)	HAZNET RCRA SQG	The site is reported as a facility that no treatment or recovery conducted onsite. No violations reported.	Low
A2	Ferguson B C 5527 S Sunset Blvd Los Angeles, Ca (Subject Site)	EDR Historical Cleaners	This address was reported as a historical dry cleaner and clothing presses in 1924-1933.	High
C15	Finnerman Sol 1507 N Western Ave. Los Angeles, Ca (Subject Site)	EDR Historical Cleaners	This address was reported as a historical dry cleaner and clothing presses in 1933.	High
D20	Mc Neill H K Mrs 1523 N Western Ave Los Angeles, Ca (Subject Site)	EDR Historical Cleaners	This address was reported as a historical dry cleaner and clothing presses from 1933 to 1937	High
D21	Sunderman J W 1527 N Western Ave Los Angeles, Ca (Subject Ct Site)	EDR Historical Cleaners	This address was reported as a historical dry cleaner and clothing presses in 1929.	High
D23	Figoff Leon 1535 N Western Ave Los Angeles, Ca (Subject Site)	EDR Historical Auto Stations	This address was listed as a historical auto repair station from 1933 to 1942. The listing indicated the usage of gasoline and oil service station as well as auto repair activities.	High

EDR Map ID#	Site Name/Address & Distance/ Direction from subject site	Regulatory database	Site Status	Potential for a REC
17	How Yuen 1509 N Western Ave Los Angeles, Ca (Subject Site)	EDR Historical Cleaners	This address was reported as a historical dry cleaner and clothing presses in 1933.	High
C13	Brazil Tiffany 1500 N Western Ave Los Angeles, Ca (Adjacent Site to E)	EDR Historical Auto Stations	This address was listed as a historical auto station in 1924.	Moderate
C14	Ribecca F M A 1506 N Western Ave Los Angeles, Ca (Adjacent Site to E)	EDR Historical Cleaners	This address was reported as a historical dry cleaner and clothing presses in 1929.	Moderate
D19	Bachrach Louis 1538 N Western Ave Los Angeles, Ca (Adjacent Site to NE)	EDR Historical Cleaners	This address was reported as a historical dry cleaner and clothing presses in 1937.	Moderate
18	Cohen Chas Los Angeles, Ca 1436 N Western Ave (Adjacent Site to E-SE)	EDR Historical Cleaners	This address was reported as a historical dry cleaner and clothing presses in 1937.	Moderate

Regulatory Database Review Conclusions:

- The subject site is reported on the regulatory database as a historical auto repair/gas & oil service station, historical dry cleaner, and as a handler of large quantities of unspecified solvent mixtures. During our site reconnaissance, SEG observed only minor amounts (5-gallon) retail packaged solvent cans. It is SEG’s opinion that the storage of solvents for retail is not expected to have significantly impacted the subject site. The adjacent sites to the east and to the southeast were reported as a historical dry cleaning and clothing pressers facilities. There is moderate risk to the subject site from these adjacent sites. However, it is SEG’s opinion that it is the responsibility of the adjacent site owner for clean up at the subject site in case a plume extends beyond their property boundaries. The remaining listed sites, in our opinion, are considered to have a low potential for negative impact at the subject site. These sites are likely to be considered a de minimus condition, (under ASTM Standard E1527), as they “generally would not be the subject of an enforcement action if brought to the attention of appropriate government agencies” with regard to the subject site.

5.0 EVALUATION OF ADDITIONAL RISKS

5.1 PETROLEUM ACTIVITY

The California Department of Conservation, Division of Oil and Gas and Geothermal Resources (DOGGR) regulate the drilling, operation, and abandonment of gas and oil wells throughout the State of California. If an active, idle, or abandoned well is located on or adjacent to a proposed construction site, DOGGR requires a site plan review prior to issuing a building permit. Abandoned oil wells must meet the current regulatory standards.

The DOGGR Online Mapping System Website (references) was reviewed to attempt to determine the location of petroleum activity in the area of the property. The site is located in the Township-1-South, Range-14-West, and Section 11. According to the DOGGR information, no oil wells are located on the subject site, any of the adjacent sites. No oil wells found within a search radius of 0.5 miles from the subject site.

Petroleum Activity Summary:

- Based on our review of the DOGGR information, the potential for petroleum related problems at the subject site is considered to be low.

5.2 PCB POTENTIAL

Polychlorinated biphenyls (PCBs) were once used as industrial chemicals whose high stability contributed to both their commercial usefulness and their long-term deleterious environmental and health effects. These substances have been listed as carcinogens by the Environmental Protection Agency (EPA). PCBs were banned from general commercial use in 1977. Items which may potentially impact the subject site with PCBs include electrical capacitors and transformers, hydraulic oils used in hydraulic lifts and elevators,

vacuum pumps, gas turbines, and other petroleum products manufactured prior to the 1977 ban. Pad mounted transformer adjacent to the eastern portion of the onsite structure was observed to be in good condition.

PCB Potential Summary:

- Based on the above information, the potential for PCB-related problems onsite is considered to be low.

5.3 NON-SCOPE CONSIDERATIONS

5.3.1 ASBESTOS POTENTIAL

Asbestos is a natural occurring mineral fiber utilized in a multitude of building material products due to its high tensile strength and excellent fire resistant properties. The EPA has defined asbestos materials as being either friable or non-friable materials. Friable material is defined as being easily broken or crushed by hand pressure (e.g., soft acoustical ceilings or blown-on fireproofing).

Non-friable asbestos is generally found in pre-manufactured products that bind the asbestos in an adhesive material, such as roofing felts, floor tile, transite pipe and mastics. This is significant, due to the ability to create a fiber release and cause human exposure during normal activities. The EPA currently does not require the removal of asbestos-containing materials that do not present a problem for human exposure. Most friable asbestos-containing materials were banned in building materials by 1978.

On November 9, 1994, a new FED-OSHA ruling became effective which redefined building materials perceived as asbestos containing into four classes of work and modified the way in which these asbestos-containing materials are handled. Under this ruling, “thermal

system insulation and sprayed-on or troweled on or otherwise applied surfacing materials installed before 1980 are considered presumed asbestos-containing material (PACM) unless sampled and identified by a certified individual as to asbestos content”.

These materials are considered high-risk materials for abatement and their removal is classified under Class I removal activities. Other building materials such as “floor or ceiling tiles, siding, roofing, transite panels, (floor sheeting, floor or roof mastics) are also considered PACM” unless sampled and identified by a certified individual as to asbestos content but are considered low risk materials for abatement and their removal is classified under Class II, III and IV removal and repair and maintenance operations.

Significant under these new regulations is the deletion of the category of “Small Scale Short Term Duration” removal activities which regularly allowed Class I through IV activities to proceed with less regulatory oversight. Under the NESHAPS laws of 1976 and as later amended, asbestos does not have to be removed from a facility until such time as it undergoes major renovations or is demolished. Until that time, the present emphasis by the EPA is to recommend repair of any damaged areas and management materials.

Prior to any renovation work being done involving ACBM of 260 lineal feet or 160 square feet in area, the local branch of the EPA must be notified. Prior to the demolition of any building or house, mandatory bulk sampling must be accomplished and, if asbestos is present, notification must be made to the local branch of the EPA and Air Quality Management District. In California, for the removal of any ACBM greater than 0.1 percent

by weight, notifications must also be made to CAL-OSHA and a licensed contractor with an asbestos certification is required for any work, which exceeds 100 square feet.

Asbestos Potential Summary:

- The onsite structure was built before the 1978 federal regulations banning the use of asbestos containing building materials (ACBMs). Hence, there is potential for the presence of ACBMs in the onsite building. SEG recommends complete asbestos survey prior to any demolition and/or any significant renovations that would potentially disturb the existing building materials.

5.3.2 LEAD POTENTIAL

Lead and lead compounds can be found in many types of paint. In 1978, the Consumer Product Safety Commission set the allowable lead levels in paint at 0.06% by weight in a dry film of newly applied paint. In the 1970s, the chief concern of lead paint was its cumulative effect on bodily systems, primarily when paint chips containing lead were ingested by children. Research in the early 1980s showed that lead dust is of special concern, because the smaller particles are more easily absorbed by the body. Common methods of paint removal, such as sanding, scraping, and burning, create excessive amounts of dust. Lead dust is especially hazardous to young children because they on the floor and engage in a great deal of hand-to mouth activity, increasing their potential for exposure. Lead based paints were commonly used on buildings built prior to 1970s.

Lead Potential Summary:

- The onsite structure was built before the 1978 federal regulations banning the use of lead based paints. Hence, there is potential for the presence of lead based paints in the onsite buildings. SEG recommends complete lead paint survey prior to any demolition and/or any significant renovations that would potentially disturb the existing building materials.

5.3.3 RADON POTENTIAL

High levels of radon may be found in every state. Medical and environmental studies have shown that radon can be a health risk, primarily as a cause of lung cancer. Radon is a naturally occurring colorless, odorless and tasteless gas produced by the decay of uranium and radium. Radon levels vary from place to place depending on the underlying geology.

Radon Potential Summary:

- Based on our research at the State of California Department of Health Services, Radon Program Database, the radon level for Los Angeles County averages approximately 2 picoCuries/liter (pCi/L), below the 4.0 pCi/L action level set by the Environmental Protection Agency.

6.0 SUMMARY AND CONCLUSIONS

6.1 SUMMARY

Smith-Emery GeoServices has performed a Phase I Environmental Site Assessment at 5525 West Sunset Boulevard, in the City of Los Angeles, County of Los Angeles, and State of California. The site is located at the northwest corner of the intersection of West Sunset Boulevard and North Western Avenue. The site is bordered on the north by Harold Way. The site is located along the northern edge of the Coastal Plain within the Hollywood Basin on the north flank of the Hollywood Syncline approximately 360 feet above mean sea level. The site is currently occupied by a retail structure and is located in a mixed residential and commercial neighborhood. Sampling and chemical analysis of soils and/or groundwater was not within the scope of this study.

The following items were found during the course of our investigation:

Site History Summary

- Before 1919 the site was used for residential purposes. From at least 1920 to the late 1970s the site was used for residential, retail stores, drug store, Tele-picture studios, dry cleaning, gas and oil service station, auto repair, hotel, real estate, modeling school, TV commercial studio, offices, restaurant, furniture repair, barber, and hardware store purposes. The existing onsite structure was reportedly built in 1977. From the date of construction to the present, the site has been used as a retail store of household and hardware items.

Data Gaps

- This Phase I Environmental Site Assessment has not identified significant data gaps that affect our ability to identify recognized environmental conditions.

Environmental Liens

- No environmental liens and/or activity and use limitations research/reports were provided to SEG. According to the EDR regulatory database search report, there are no liens listed in the United States Environmental Protection Agency (USEPA)'s Federal Superfund Liens List, and no known recorded land-use environmental deed restrictions pertaining to the subject site listed in DTSC's liens database.

Site Reconnaissance Summary

- The site is approximately 2.2 acres in size, is occupied by a retail structure that is 35,000 square feet in size. The structure is presently used by Orchard Hardware Supply as a retail store of household and hardware items. No items of any significant environmental concerns were observed during our site reconnaissance.

PCBs and Petroleum Related Concerns

- Based on our research, the potential for PCBs and petroleum related problems at the subject site are considered to be low.

Non Scope Considerations

- Based on the age of the onsite structure, SEG recommends asbestos and lead surveys prior to any renovation or demolition activities that would potentially disturb the existing building materials.

Underground Storage Tanks (UST)

- No records of any USTs were found for the subject site at the regulatory agency. Regulatory Database research, Sanborn Maps, Building Permits, and City Directory listings have revealed evidence of former gas station and auto repair shop (1535 N. Western Ave.) located at the northeastern portion of the site from at least 1933 to 1970. According to EMG Phase II ESA (November 2011) GPR survey and subsurface soil investigations did not reveal any USTs, backfilled USTs excavations, or any significant levels of volatile organic compounds (VOCs), total petroleum hydrocarbons fuel range (TPH-g) range, or total petroleum hydrocarbons diesel range (TPH-d) at the historical auto repair shop/ service station location. Some portions of the area of concern reportedly were not investigated due to access limitations. However, based on the borings locations (B5, B6, B7, & B8) and the analytical results of the soil samples collected at these locations; it is SEG opinion that, the risk for impacted resources at the former gas station location is considered to be low.

Hazardous Materials Conclusions:

- Based on our research, minor quantities of retail packaged materials including miscellaneous paints, propane, acids, and solvents/cleaning products are presently stored onsite. Regulatory Database research and City Directory listings have revealed evidence of multiple dry cleaners at the eastern (1523-1527 N. Western Ave.), at the southeast (1507 & 1509 N. Western Ave.), and at the southwest portion (5527 W. Sunset Blvd.) of the site. In addition, Sanborn Map research revealed former printing facilities at the southern/southwest portion of the site (5519 & 5525 W. Sunset Blvd.) from at least 1950 to 1970. There is potential for the site to be impacted due to potential spills, leaks, and/or inappropriate handling of hazardous materials. However, according to the Phase II ESA report (EMG November 2011), subsurface soils investigations did not reveal any significant levels of volatile organic compounds (VOCs), total petroleum hydrocarbons fuel range (TPH-g) range, or total petroleum hydrocarbons diesel range (TPH-d) at the former dry cleaning or printing facilities.

6.2 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05 of the subject site located at 5525 Sunset Boulevard, Los Angeles, California. Any exceptions to, or deletions from, this practice are described in the various sections of this report. **This assessment has revealed evidence of historical auto repair, gas station, dry cleaners, and printing facilities. Such businesses are generally associated with the use of solvents, hydrocarbons, and other hazardous materials. There is potential for the subject site to be impacted due to historical spills, leaks, and/or inappropriate disposal. However, according to the Phase II ESA report (EMG November 2011), GPR survey and subsurface soil investigations at the historical auto repair/gas station, dry cleaning, and printing facilities did not reveal any USTs, excavations, or any significant levels of contaminations at the historical locations of concern. It is SEG opinion that the historical Recognized Environmental Condition is no longer an item of concern and no further investigation is recommended at this time. Based on the age of the onsite structure, SEG recommends complete asbestos and lead surveys prior to any significant renovation or demolition activities that would potentially disturb the existing building materials.**

7.0 LIMITS OF LIABILITY

The findings, conclusions, and recommendations contained in this report are based on site conditions as they existed at the time of our investigation. Our review of all documents, lists, databases, and public agency files has been conducted with due diligence. However, our conclusions are based on available information and are further subject to constraints imposed by public agencies on review procedures and information retrieval. As a result, Smith-Emery GeoServices may have been unable to identify potential concerns.

Smith-Emery GeoServices assumes no responsibility for conditions that did not come to our attention despite reasonable care, or for conditions which were not generally recognizable as environmentally unacceptable at the time of this report. Opinions and judgments expressed are based on our understanding and interpretations of currently available regulatory standards and should not be construed as legal opinions or advice.

The factual data and interpretations contained herein pertain to the specific project described in this report and are not applicable to any other project or site. This document has been prepared for the sole use and benefit of **Reliable Properties**. Any reliance on this document by any other person or entity shall be at that party's sole risk. **Reliable Properties** may designate assignees to this report, which may assume the same rights of reliance as **Reliable Properties** for all errors and omissions. However, any potential assignee must provide Smith-Emery GeoServices with information necessary to update *Section 2.7 User Provided Information* of this report, and is bound by the terms and conditions of the original contract. A copy of the original contract is provided in Appendix C of this Report.

Our investigation was performed using the standard of care and level of skill ordinarily exercised under similar circumstances by reputable environmental assessors and geologists currently practicing in these or similar localities. No other warranty, express or implied, is made as to the conclusions and professional advice included in this report.

This Phase I ESA Report is compliant and consist with the United States Environmental Protection Agency's *40 CFR Part 312 Standards and Practices for All Appropriate Inquiries* and the *ASTM E 1527-05 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, based on the information provided by the User. Smith-Emery GeoServices assumes no responsibility for errors or omissions of information provided by the User.

This Phase I ESA Report is intended to satisfy one of the requirements to qualify for the *Landowner Liability Protections* from CERCLA liability and does not address whether other requirements in addition to all appropriate inquiry have been met. Other requirements may include, but are not limited to, the continuing obligation not to impede the integrity and effectiveness of existing activity and use limitations (AULs), the duty to take reasonable steps to prevent releases, or the duty to comply with legally required release reporting information. This Report is not intended to be nor interpreted as Legal advice.

ILLUSTRATIONS



QUADRANGLE LOCATION



NOT TO SCALE



REFERENCE
U.S. GEOLOGICAL SURVEY
HOLLYWOOD QUADRANGLE
LOS ANGELES COUNTY, CALIFORNIA

5525 W. SUNSET BLVD.
LOS ANGELES, CALIFORNIA

VICINITY MAP

Smith-Emery GeoServices
FILE NO.: 40437-1

DWG BY E.D.
PLATE NO.: 1

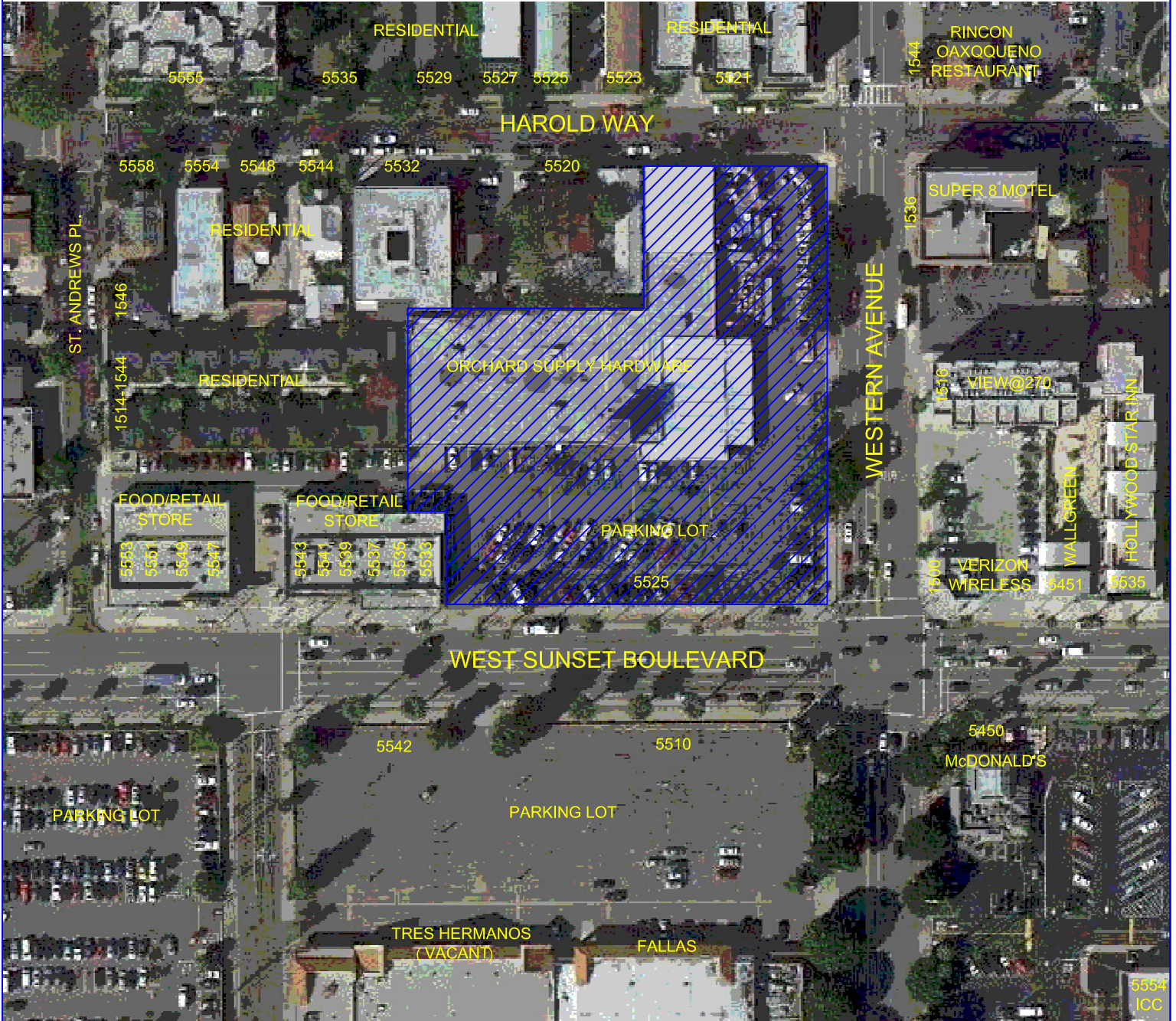
LEGEND :

 : SUBJECT SITE



NOT TO SCALE

- 5533 W. SUNSET BLVD. - GAME STOP
- 5535 W. SUNSET BLVD. - SPRINT
- 5537 W. SUNSET BLVD. - SUBWAY
- 5539 W. SUNSET BLVD. - ONO HAWAIIAN BBQ
- 5541 W. SUNSET BLVD. - YOGURT LAND
- 5543 W. SUNSET BLVD. - PANDA EXPRESS

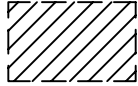


5525 W. SUNSET BLVD.
LOS ANGELES, CALIFORNIA

SITE SCHEMATIC

Smith-Emery GeoServices
 FILE NO. : 40437-1

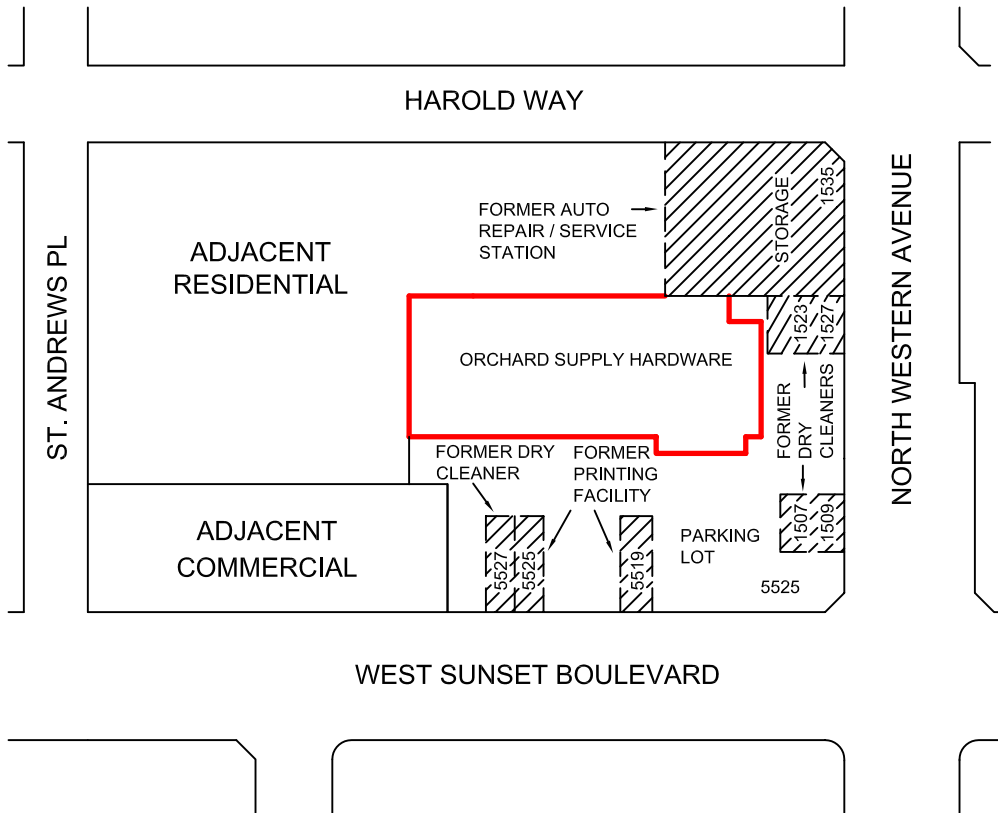
DRAWING BY: L.A.
 PLATE NO.: 2



HISTORICAL AREAS OF CONCERN



APPROX. SCALE : 1" = 100 FEET



PLEASE NOTE THAT THE ITEMS PLOTTED ARE AT APPROXIMATE LOCATIONS.

5525 W. SUNSET BLVD.
LOS ANGELES, CALIFORNIA

SUBJECT SITE DIAGRAM

Smith-Emery GeoServices
FILE NO. : 40437-1

DRAWING BY: E. D.
PLATE NO.: 3



WEST SUNSET BOULEVARD

VIEW OF SUBJECT SITE FACING NORTH



VIEW OF PARKING LOT FACING EAST SIDE

5525 W. SUNSET BLVD.
LOS ANGELES, CALIFORNIA

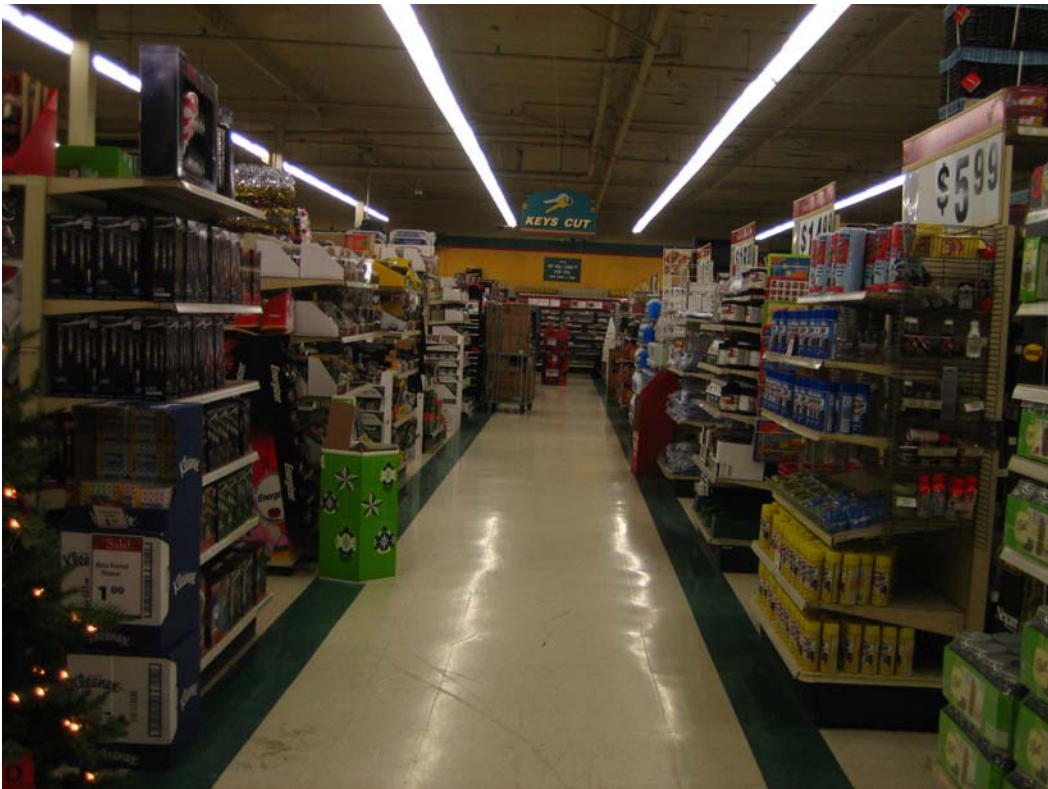
PHOTO PLATE

Smith-Emery GeoServices
FILE NO.: 40437-1

DWG BY: E.D.
PLATE NO.: 4A



INSIDE VIEW OF CHECK OUT AREA



INSIDE VIEW OF THE ONSITE STRUCTURE FACING EAST

5525 W. SUNSET BLVD.
LOS ANGELES, CALIFORNIA

PHOTO PLATE

Smith-Emery GeoServices
FILE NO.: 40437-1

DWG BY: E.D.
PLATE NO.: 4B



INSIDE VIEW OF PAINT SECTION



VIEW OF GARDEN SECTION ALONG THE

5525 W. SUNSET BLVD.
LOS ANGELES, CALIFORNIA

PHOTO PLATE

Smith-Emery GeoServices
FILE NO.: 40437-1

DWG BY: E.D.
PLATE NO.: 4C

|

APPENDIX A
REGULATORY DATABASE REPORT

APPENDIX B
SITE DOCUMENTATION

APPENDIX B

Items included in this Appendix are:

Maps

- County Assessors Map
- Site Maps

Historical Documents

- Historical USGS Topographic Maps
- Historical Aerial Photographs
- Sanborn Maps
- Local City Directories
- Building Permits
- Zoning and Land Use Records
- Property Tax Files
- Recorded Land Title Records

Questionnaires

- User Questionnaire
- Key Site Manager Questionnaire
- Tenant Records of Conversation
- Local Officials Records of Conversation

Hazardous Substances

- UST Records
- HAZMAT Records

APPENDIX C

RESUMES / CONTRACT / REFERENCES

Ms. Ayesha S. Syeda

Title: **Environmental Manager**

Academic Background: M.S. Environmental Engineering, Cal. State University, Long Beach (1993)
B.S. Civil Engineering, Osmania University, India (1988)
Certificate -Industrial Hygiene Technician, Cal. State University, Long Beach
OSHA 29 CFR 1910.120 - 40 hour training.
AHERA Certified Building Inspector;
AHERA Certified Asbestos Contractor/Supervisor.

Registrations: Registered Environmental Assessor, #5738

Professional Experience: **March 2006 to Present: Environmental Manager
Smith-Emery GeoServices - Los Angeles, California**

Oversees and manage all personnel associated with Smith-Emery Los Angeles County's office assisting with Phase I Assessments. Responsible for supervising research and analysis of Phase I Environmental Assessments, report preparation, and project supervision.

**December 1993 to March 2006: Environmental Engineer
Smith-Emery GeoServices - Los Angeles, California**

Responsible for field research and analysis of Phase I Environmental Assessments, report preparation, and project supervision. Assists with Phase II Assessment fieldwork and report preparation.

**June 1993 - September 1993: Environmental Engineer
BCM Engineers- Ontario, California**

Project manager for Phase I and Phase II Environmental Assessments, asbestos sampling, and supervising asbestos abatement.

**June 1992-March 1993: Engineer
Epics International Engineers-Long Beach, California**

Duties included Phase I Site Assessments, including research for federal and state requirements. Performed building inspections for asbestos potential.

**October 1991 to May 1992: Volunteer Student Intern
Public Works Department-San Bernardino County, California**

Assisted civil engineers in their duties, including surveying and drafting, research and collecting data for specialized engineering functions. Reviewing geologic and hydrologic information and estimating for quantities of materials.



November 8, 2011

Proposal No. LA-7212

Reliable Properties
6399 Wilshire Boulevard #604
Los Angeles, CA 90048-5709

Attn: Mr. Rod Nourafshan

**Proposal: Phase I Environmental Site Assessment Report
5525 Sunset Boulevard
Los Angeles, California**

Mr. Nourafshan,

INTRODUCTION

In accordance with your request, Smith-Emery GeoServices is pleased to present this proposal for a Phase I Environmental Site Assessment at the above mentioned address. The purpose of the study will be to assess the site with regard to potential onsite and/or offsite sources of contamination. A report will be prepared which will include our findings, conclusions and recommendations. The Phase I Report will be in conformance with the scope and limitations of the ASTM E 1527-05 Standard. A qualified Environmental Professional will conduct the site inspection, interviews, and will be responsible for reviewing research and giving an opinion regarding the findings of the report.

SCOPE OF SERVICES

Our scope of services will include the following:

Site Reconnaissance:

A reconnaissance of the subject property will be conducted to attempt to identify current use and potential issues of concern. SEG will make a reasonable attempt to interview the current owner, tenant(s), and key site manager per the ASTM standard. The adjacent sites will be viewed from publicly accessible roads to attempt to determine nearby land usage. A site schematic referencing the subject site and photographs showing current site conditions will be included in the report. A general opinion as to the non-scope items including potential for lead-based paints and asbestos containing building materials at the subject property will be included in the final report.

Historic Site and Surrounding Land Use:

A review of one or more the following reasonably available information sources will be performed to determine previous site usage and historic surrounding land use back to its first development or 1940, whichever is earlier. Current and historical site addresses identified during the course of our research will be researched as practically reviewable under the ASTM standard and time provided by the client.

- * Aerial Photographs
- * Building Permits
- * Historical Directory Listings
- * Sanborn Fire Insurance Maps
- * U.S. Geological Survey (Topographic Map)
- * A reasonable attempt will be made to interview past owners and tenants of the subject site in order to determine historical negative environmental conditions, if they can be identified and can provide new information as per the ASTM standard.

Regulatory List Review:

A due diligence review of the following regulatory agency lists will be included in the Phase I. Lists are reviewed to meet the specified ASTM minimum search distance from the subject property.

- * U. S. Environmental Protection Agency (NPL, CERCLIS, RCRA)
- * Department of Health Services (BEP, CORTESE, CAL-Sites)
- * Regional Water Quality Control Board (UST, LUST)

Hazardous Materials Search:

The appropriate local and/or state agencies will be contacted to obtain reasonably ascertainable information regarding hazardous materials usage, underground storage tanks, emergency release response reports, contaminated sites. A street address is typically required to review files at the agencies.

Evaluation of Site Hydrogeology:

A summary and discussion of the reasonably ascertainable published information on site geology, groundwater occurrence, and direction of regional groundwater flow will be included. The potential impact of regional groundwater contamination problems will be discussed if applicable. In addition to reference literature, the following information sources may be consulted.

- * U. S. Geologic Survey (Topographical Information)
- * Department of Public Works (Hydrologic Records)
- * Regional Water Quality Control Board (Nearby monitoring well depths)

Oil & Gas Map Review:

Applicable and reasonably ascertainable Department of Conservation Oil and Gas maps will be reviewed to attempt to assess potential contamination due to historic or current oil and/or gas wells on or in the vicinity of the site.

Review of Additional Documentation

SEG will conduct a review of previous environmental and geotechnical reports, regulatory permits, tenant lists, and site plans pertaining to the subject property as provided by the client in a timely manner.

USER RESPONSIBILITY ITEMS TO BE PROVIDED BY THE CLIENT

According to the ASTM standards, the following site information must be provided by the client to facilitate research and to be eligible for the CERCLA liability protection prior to SEG conducting the subject site reconnaissance.

- Provide SEG with the purpose for conducting the Phase I report. In case a purpose for conducting the Phase I is not specified, then SEG will assume that the purpose is for CERCLA Landowner Liability Protection.
- Title and Judicial records search for Environmental Liens or Activity and Use Limitations due to environmental conditions.

This information can be provided by SEG for a fee of \$210.00 for one parcel. If more than one parcel is listed for the subject site, there will be charge fee of \$210.00 for each additional parcel with a different owner, or a fee of \$60.00 for each additional parcel that has the same owner. Additional fee of \$75.00 applies for projects that are requested as rush.

- Provide any actual or specialized knowledge regarding environmental conditions at the site, and any commonly known environmental information that the client may be aware of in relation to the site.
- A written note to identify the purchase price of the property and an explanation for any purchase price which does not reasonably reflect fair market value if the property were not contaminated.

Additional Documents Requested to be Provided by the Client

SEG requests the following site information be provided (if available) to facilitate research:

- Plot plan or facility design drawing;
- Previous environmental or geotechnical studies;
- Current title report including environmental liens and AULs;
- List of past and present owners and tenants, and contact information, if available;
- Name and number of site personnel or contact available for site walk-through of the facility
- Any environmental or regulatory permits.

Not included in the scope of this proposal for the subject site are: subsurface investigation, chemical analysis of soil, groundwater, air, asbestos, or lead-based paint, testing for radon or methane gas or for mold, mildew or other biohazards, handling and/or disposal of hazardous materials, and any responses to agency comments or inaccuracies.

SMITH-EMERY GEOSERVICES

"No environmental site assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with the property. Performance of this practice is intended to reduce, but not eliminate, uncertainty regarding the potential for recognized environmental conditions in connection with a property, and this practice recognizes reasonable limits of time and cost." ASTM E 1527-05

FEE

The fee for this project is [] and we will not exceed this figure without your notification. A signed faxed copy of the attached Terms and Conditions will initiate the work. **The rates quoted in this proposal are valid for 7 days.** The estimated cost breakdown is as follows:

Phase I Assessment	= \$	[]
Optional Extra Items (If Requested)		
RUSH Turnaround fees (includes overnight delivery fee)	= \$	[]
Electronic Copy of Report (.pdf format)	= \$	
Overnight report delivery fee	= \$	
Environmental Lien and AUL Research	= \$	

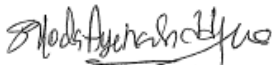
Note: Please check the box(s) for optional extra items on the signature page (last page).

SCHEDULE

We are prepared to start research immediately upon receipt a faxed signed copy of our terms and conditions. The project total is requested upon initiation of the project. In case we do not receive the fee prior to project initiation, the entire project amount is due at the time of report delivery. Smith-Emery GeoServices will complete the report within 10-15 working days. This time frame is occasionally subject to constraints imposed by regulatory and public agencies on accessibility of information required to complete the report (some agencies require written requests for file review and have been known to take longer than 15 working days to respond). If this occurs we will provide verbal results after the file review has been granted. If a written report of the agency delayed file review is required, it will be provided as an addendum to the Phase I at additional cost.

We appreciate the opportunity to submit this proposal and look forward to working with you. If you have any questions regarding this proposal, please do not hesitate to contact us.

Respectfully submitted,
SMITH - EMERY GEOSERVICES



AYESHA SYEDA
Manager of GeoServices

BID QUALIFIERS

- Please note that this Phase I scope of work does not include evaluation for potential vapor intrusion conditions and/or any indoor air quality evaluation.
- Phase II recommendations may be included in the report if any Recognized Environmental Conditions are found unless requested in writing to not include Phase II recommendations prior to completion of the report.
- Assumes that the site has one address for each building not exceeding a total of three addresses.
- If more than one original report is required, it must be requested in writing at the time of proposal signing. A \$75.00 fee will be charged for each additional report requested after the original report has been issued.
- Any addendum(s) required in association with the Phase I report or consultations needed by the client, lending institutions, or agencies after the report has been issued will be charged to the client on time and materials basis.
- The client will provide all available information on the subject site(s) to SEG prior to initiating the fieldwork.
- Report will be prepared in standard Smith-Emery GeoServices format.
- Assumes no work is necessary outside SEG's scope of services as outlined in this proposal. If conditions indicate that a change in the scope of services is required, the client will be notified and a change order will be issued to the client for the approval of the associated cost.
- If the record research fee at agencies exceeds \$100 per project, the additional fee will be billed directly to the client.
- The records researched may be limited by SEG pending the various regulatory agencies' policies and requirements, and may be limited to "reasonably ascertainable" and "practically reviewable" records as defined under the ASTM standard E1527-05.
- Report will be shipped via US mail unless overnight or rush charges are requested.
- No property addresses will be investigated as subject site other than those addresses specified by this proposal.

TERMS AND CONDITIONS:

The following Terms and Conditions are incorporated in full as part of this agreement. The client's signature at the end of this document is required for the work to proceed and indicates that the client is aware of the Risk Allocation Section of this document.

SECTION 1: THE AGREEMENT

1.1 Smith Emery GeoServices (hereinafter known as SEG) agrees to perform its services, which are intended solely for the use of the client, in a manner consistent with the current standards of professional practice in the community. Client agrees to pay for and to look to SEG for only such services as set forth in this work order and/or the attached proposal. Submittals to governmental agencies are the responsibility of the Client.

1.2 The agreement between the parties consists of these terms, the attached proposal, if any, and any exhibits or attachments noted in the proposal. Together these elements will constitute the entire agreement superseding any and all prior negotiations, correspondence, or agreements either written or oral. Any changes to this agreement must be mutually agreed to in writing.

1.3 If the Client is a corporation or public entity, the individuals who sign this agreement on behalf of the Client warrant that they are duly authorized agents of the Client and guarantee that the Client will perform its duties under this agreement. The client binds itself, its partners, successors, executors, administrators and assigns to this agreement in respect to all its terms and conditions.

SECTION 2: STANDARD OF CARE

2.1 The client recognizes that subsurface conditions may vary from those observed at locations where borings, surveys, or explorations are made, and that site conditions may change with time. Data interpretations and recommendations by SEG will be based solely on information available to SEG. SEG is responsible for those data, interpretations, and recommendations, but will not be responsible for other parties' interpretations or use of the information developed.

2.2 Services performed by SEG under this agreement will be conducted in a manner consistent with the level of care and skill ordinarily exercised by members of this profession currently practicing under similar conditions and in the same locality of the project. No warranty, expressed or implied, is made.

SECTION 3: SITE ACCESS AND SITE CONDITIONS

3.1 Client will grant or obtain free access to the site for all equipment and personnel necessary for SEG to perform the work set forth in this agreement. Client will grant or obtain permission for SEG personnel to photograph the site. The client will notify any and all possessors of the project site that client has granted SEG free access to the site. SEG will take reasonable precautions to minimize damage to the site, but it is understood by client that, in the normal course of work, some damage may occur and the correction of such damage is not part of this agreement unless so specified in the proposal.

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3.2 The client is responsible for the accuracy of locations for all subterranean structures and utilities. SEG will take reasonable precautions to avoid known subterranean structures, and the client waives any claim against SEG, and agrees to defend, indemnify, and hold SEG harmless from any claim or liability for injury or loss, including costs of defense, arising from damage done to subterranean structures and utilities not identified or accurately located. In addition, client agrees to compensate SEG for any time spent or expenses incurred by SEG in defense of any such claim with compensation to be based on SEG's prevailing fee schedule and expense reimbursement policy.

SECTION 4: COOPERATION AND PROJECT UNDERSTANDING

4.1 Client will make available to SEG all information regarding existing and proposed conditions of the site. The information shall include, but not be limited to plot plans, topographic surveys, hydrographic data and previous soil data including borings, field and laboratory tests, and written reports. Client will immediately transmit to SEG any new information which becomes available or any change in plans.

4.2 Client agrees to provide a representative at the job site to supervise and coordinate the job when required by SEG and upon 24 hours notice. SEG shall not be liable for any incorrect advice, judgment or decision based on any inaccurate information furnished by client, and client will indemnify SEG against claims, demands, or liability arising out of or contributed to by such information.

SECTION 5: SAMPLE DISPOSAL

5.1 SEG will dispose of all remaining soil, rock and materials samples at the time of report completion. Further storage or transfer of samples can be made at client's expense upon client's prior written request.

5.2 Contaminated drill cuttings, sample spoils, and wash water may be produced as a result of encountering hazardous materials at the site. Such materials will be properly contained, labeled, and stored on-site by SEG. It is the client's responsibility for the proper transportation and disposal of such hazardous materials. SEG can arrange for the transportation and disposal of hazardous materials at the client's request.

SECTION 6: CONSTRUCTION MONITORING

6.1 If SEG is retained by the client to provide a site representative for the purpose of monitoring specific portions of the construction work as set forth in the proposal, then this section applies. For the specified assignment, SEG will report observations and professional opinions to the client. No action of SEG or SEG's site representative can be construed as altering any agreement between the client and others. SEG will report any observed work to the client which, in SEG's professional opinion, does not conform with plans and specification. SEG has no right to reject or stop work of any agent of the client. Such rights are reserved solely for the client. Furthermore SEG's presence on site does not in any way guarantee the completion or quality of the performance of the work of any party retained by the client to provide construction related services.

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6.2 Neither the professional activities of SEG, nor the presence of SEG or its employees and subcontractors, shall be construed to imply that SEG has any responsibility for methods of work performances, supervision, sequencing of construction, or safety in, on, or about the job site. Client agrees that the General Contractor is solely responsible for job site safety, and warrants that this intent shall be made evident in the Owner's agreement with the General Contractor. This requirement shall be made to apply continuously and not be limited to normal working hours. Client also warrants that SEG shall be made an additional insured under the General Contractor's general liability insurance policy.

6.3 In the event that SEG expressly assumes health and safety responsibilities for toxic or other concerns specified, the acceptance of such responsibility does not and shall not be deemed an acceptance of responsibility for any other health and safety requirements, such as but not limited to those relating to excavating, trenching, drilling or backfilling.

SECTION 7: BILLING AND PAYMENT

7.1 Client will pay SEG the fee indicated in the proposal or, if no fee is indicated, in accordance with the schedule of personnel and equipment charges, as shown in the proposal and its attachments. Backup data on billing will not be available unless prior arrangements have been made. Prior to initiation of field work, a retainer as specified in the proposal, is required. Invoices for the balance will be submitted to client by SEG, and will be due and payable upon presentation. If client objects to all or any portion of any invoice, client will so notify SEG in writing within fourteen (14) calendar days of the invoice date, identify the cause of disagreement, and pay when due that portion of the invoice not in dispute. The parties will immediately make every effort to settle the disputed portion of the invoice. In the absence of written notification described above, the balance as stated on the invoice will be paid.

7.2 Invoices are delinquent if payment has not been received within thirty (30) days from date of invoice. Client will pay an additional charge of 1 1/2 (1.5) percent per month (or the maximum percentage allowed by law, whichever is lower) on any delinquent amount, excepting any portion of the invoiced amount in dispute and resolved in favor of client. Payment thereafter will first be applied to accrued interest and then to the principal unpaid amount. All time spent and expenses incurred (including any attorney's fees) in connection with collection of any delinquent amount will be paid by the client to SEG per SEG's current fee schedule. In the event client fails to pay SEG within sixty (60) days after invoices are rendered, client agrees that SEG will have the right to consider the failure to pay SEG's invoice as a breach of this agreement. (See Section 11, Termination.)

7.3 Fee schedules are periodically revised. Unless otherwise agreed, new rates apply to ongoing work as the rates are issued.

7.4 If client or SEG should become bankrupt or make an assignment for the benefit of creditors, SEG, or trustee in bankruptcy, shall be paid the reasonable value of all work theretofore performed, and the obligations of all parties under the agreement shall thereupon terminate. In determining reasonable value under this paragraph, the agreement shall be deemed reasonable.

SECTION 8: OWNERSHIP OF DOCUMENTS

8.1 All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates, and other documents prepared by SEG as instruments of service, shall remain the property of SEG.

8.2 Client agrees that all reports and other work furnished to the client or his agents, which are not paid for, will be returned upon demand and will not be used by the client or others for any purpose whatsoever.

8.3 SEG will retain pertinent records relating to the services performed for a period not exceeding three years following submission of the report, during which period the records will be made available to the client at reasonable times.

SECTION 9: CLIENT CHANGES

9.1 In the event any changes are made in the plans and specifications by the client, or persons other than SEG, client agrees to hold SEG harmless from any liability arising out of such changes and the client assumes full responsibility unless the client has given SEG prior notice and has received SEG's written consent for such changes.

SECTION 10: INSURANCE

10.1 SEG and its agents, staff, and consultants employed by it are protected by Worker's compensation insurance and maintain coverage under public liability and property damage insurance policies which SEG deems to be adequate. Certificates for all such policies of insurance shall be provided to client upon request in writing. SEG shall not be responsible for any loss, damage or liability beyond the amounts, limits, and conditions of such insurance. SEG shall not be responsible for any loss, damage, or liability arising from any acts by clients, its agents, staff, and other consultants employed by it. Provided however such insurance coverage should be for not less than one million dollars.

SECTION 11: TERMINATION

11.1 This agreement may be terminated by either party upon written notification, or seven (7) days after written notice in the event of nonpayment (see Section 7), any breach of any provision of this agreement, in the event of substantial failure of performance by the other party, or if the client suspends the work for more than three (3) months. In the event of termination, SEG will be paid for services performed prior to the date of termination plus reasonable termination expenses, including the cost of completing analyses, records, and reports necessary to document job status at the time of termination.

SECTION 12: RISK ALLOCATION

12.1 There are a variety of risks which potentially affect SEG by virtue of entering into an agreement to perform professional engineering services on the client's behalf. In order for the client to obtain the benefit of a fee which includes a lesser allowance for dealing with SEG's risks, the client agrees to limit SEG's liability to the client and to all other parties for claims arising out of SEG's performance of the services described in this agreement. The total aggregate liability of SEG will not exceed \$50,000 for negligent professional acts, errors or omissions, and the client agrees to indemnify SEG for all liabilities in excess of the monetary limits established above.

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12.2 Client agrees that in no instance shall SEG be responsible, in total or in part, for the errors or omissions of any other Design Professional, Contractor, Subcontractor or any other party. Client also agrees that SEG shall not be responsible for the means, methods, procedures, performance or safety of the construction contractors or subcontractors or for their errors or omissions. Client agrees to indemnify, hold harmless and defend SEG from and against any and all loss, expenses, including attorney fees, injury, damage, liability or cost claims arising out of the services performed by SEG or work by Client or other parties upon the real property described above, except where such loss, injury, damage, liability, cost, expenses or claims are the result of the negligence or willful misconduct of SEG, its agents, employees, or officers. Liability resulting from design defects (as defined in California Civil Code Section 2782.5) shall be the sole responsibility of the Client.

SECTION 13: DISCOVERY OF UNANTICIPATED HAZARDOUS MATERIALS

13.1 Client warrants that a reasonable effort to inform SEG of known or suspected hazardous materials on or near the project site has been made.

13.2 Hazardous materials may exist at a site when there is no reason to believe they could or should be present. SEG and client agree that the discovery of unanticipated hazardous materials constitutes a changed condition mandating a re-negotiation of the scope of work or termination of services. The client recognizes that the discovery of hazardous materials may necessitate immediate protective measures to safeguard the public health and safety and agrees to compensate SEG for measures that in our professional opinion are justified to preserve and protect the health and safety of site personnel and the public.

13.3 SEG agrees to notify client as soon as practically possible should hazardous materials be encountered at the site that pose a threat to human health, safety, or the environment. Client agrees that the discovery of hazardous materials at the site must legally be reported to the proper authorities as required by Federal, State, and local regulations. Client agrees to make the required report at the recommendation of SEG or, if unable to do so, authorizes SEG to make this report. Client also agrees to inform the property owner in the event that hazardous materials are encountered at the site.

13.4 Notwithstanding any other provision of the agreement, client waives any claim against SEG, and to the maximum extent permitted by law agrees to defend, indemnify, and save SEG harmless from any claim, liability, and/or defense costs for injury or loss arising from SEG's discovery of unanticipated hazardous materials or suspected hazardous materials including any costs created by delay of the project and any cost associated with possible reduction of the property's value. Client will be responsible for ultimate disposal of any samples secured by SEG which are found to be contaminated.

SECTION 14: AQUIFER CONTAMINATION

14.1 The client recognizes that it is impossible for SEG to know the exact composition of a site's subsurface even after conducting a comprehensive exploratory program. As a result, there is a risk that drilling and sampling may result in contamination of certain subsurface areas, as when a boring passes through a contaminated zone, connecting it to one or more aquifers not previously contaminated and capable of spreading contamination.

14.2 Although SEG will take all reasonable precautions to avoid such an occurrence, client waives any claim against, and agrees to defend, indemnify and save SEG harmless from any claim or liability for injury or loss which may arise as a result of cross-contamination caused by drilling, sampling, or monitoring well installation. Client also agrees to adequately compensate SEG for any time spent and expenses incurred in defense of any such claim.

SECTION 15: DISPUTES RESOLUTION

15.1 All claims, disputes, and other matters in controversy between SEG and client arising out of or in any way related to this agreement will be submitted to "Alternative Dispute Resolution" (ADR) such as mediation and/or arbitration, before and as a condition precedent to other remedies provided by law. If and to the extent client and SEG have agreed on methods for resolving such disputes, then such methods will be set forth in the "Alternative Dispute Resolution Agreement" which, if attached, is incorporated and made a part of this agreement.

15.2 If a dispute at law related to the services provided under this agreement arises and that dispute requires litigation instead of ADR as provided above, then:

(1) the claim will be brought and tried in judicial jurisdiction of the court of the county where SEG's principal place of business is located and client waives the right to remove the action to any other county or judicial jurisdiction; and

(2) the prevailing party will be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorney's fees, and other claim related expenses.

SECTION 16: ASSIGNS

16.1 Neither the client nor SEG may delegate, assign, sublet or transfer his duties or interest in this Agreement without the written consent of the other party.

16.2 The contractual agreement between the client and SEG shall pertain only to the benefit of the parties hereto, and no third party shall have any rights hereunder.

SECTION 17: GOVERNING LAW AND SURVIVAL

17.1 The laws of the State of California will govern the validity of these terms, their interpretation and performance.

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17.2 If any of the provisions contained in this agreement are held illegal, invalid, or unenforceable, the enforceability of the remaining provision will not be impaired. Limitations of liability and indemnities will survive termination of this agreement for any cause.

SMITH-EMERY GEOSERVICES

Ayesha Syeda

Manager of GeoServices

November 8, 2011

Date

Smith-Emery GeoServices Job Name:

Phase I Environmental Site Assessment
5525 Sunset Avenue
Los Angeles, California

SEG Proposal LA-7212

Ms. Ayesha Syeda, Manager Of GeoServices
Ph: 213-745-5333 ext 360
Fax: 213-746-0744
ayesha@smithemerylabs.com

**AGREED TO AND ACCEPTED:
(By party responsible for payment)**

By: RELIABLE properties

Client Name (please print)

By: Mr. Rod Nourafshan

Signature and Title

11-8-2011

Date

323-653-3777

Telephone Number

Please return a signed copy
to Smith-Emery GeoServices

Mr. Rod Nourafshan
Ph: (323) 653-3777 ext 102
Fax (323) 4011
rod@reliableprop.com

Please Check the Appropriate Box(s) if optional item(s) are requested:

- Environmental Lien and AUL Research (\$250.00/parcel).
- RUSH Turnaround Requested (includes overnight report delivery fee).
- Electronic Copy of Report Requested
- Overnight Report Delivery Requested.

Note: Only the signing party or parties of this proposal will be listed in SEG's report. Any other parties that want reliance on this report may rely on the report only if designated as an assignee by the signing party, and are bound by the terms and conditions of this proposal.

REFERENCES

1. AAI 2005, *40 CFR Part 312: Standards and Practices for All Appropriate Inquiries*, Prepared by United States of America Environmental Protection Agency, November 2005.
2. ASTM 2005, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Prepared by ASTM International, November 2005.
3. Department of Water Resources, Bulletin 104. *Planned utilization of the ground water basins of the coastal plain of Los Angeles County, with Appendix A: Ground water geology*. June 1961. Reprinted April 1988.
4. The US Geological Survey Hollywood Quadrangle, Los Angeles County, California.
5. The Los Angeles County Department of Public Works, Hydrologic Records.
6. Geotracker, web site (www.geotracker.swrcb.ca.gov) maintained by the Regional Water Quality Control Board.
7. State of California, Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR), DOMS 2.0, Online Mapping System Website (<http://maps.conservation.ca.gov/doms/index.html>)
8. Phase II ESA Report, for 5525 West Sunset Boulevard, Hollywood, CA, DATED November 28, 2011, prepared by EMG Inc., for Orchard Hardware Supply.