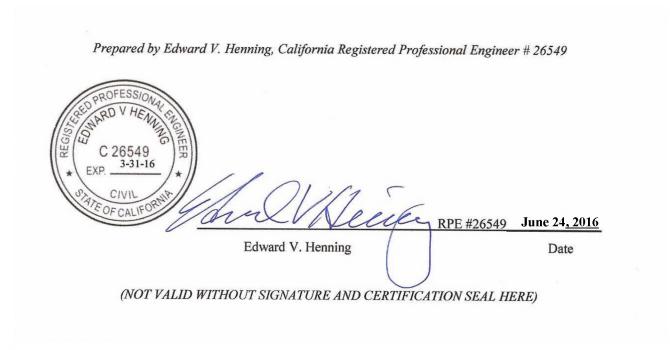
VENICE BEACH BUSINESS IMPROVEMENT DISTRICT – ENGINEER'S REPORT

DISTRICT ASSESSMENT ENGINEER'S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Venice Beach Business Improvement District ("Venice Beach BID") being established for a five (5) year term will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.



Introduction

This report serves as the "detailed engineer's report" required by Section 4(b) of Article XIIID of the California Constitution (Proposition 218) to support the benefit property assessments proposed to be levied within the proposed Venice Beach BID in the City of Los Angeles, California being established for a five (5) year term. The discussion and analysis contained within this Report constitutes the required "nexus" of rationale between assessment amounts levied and special benefits derived by real properties within the proposed Venice Beach BID. It is noted that whole numbers shown in this Report may have been rounded up or down for simplicity.

For the purposes of this Report, a "general benefit" is hereby defined as: "A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied". "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.