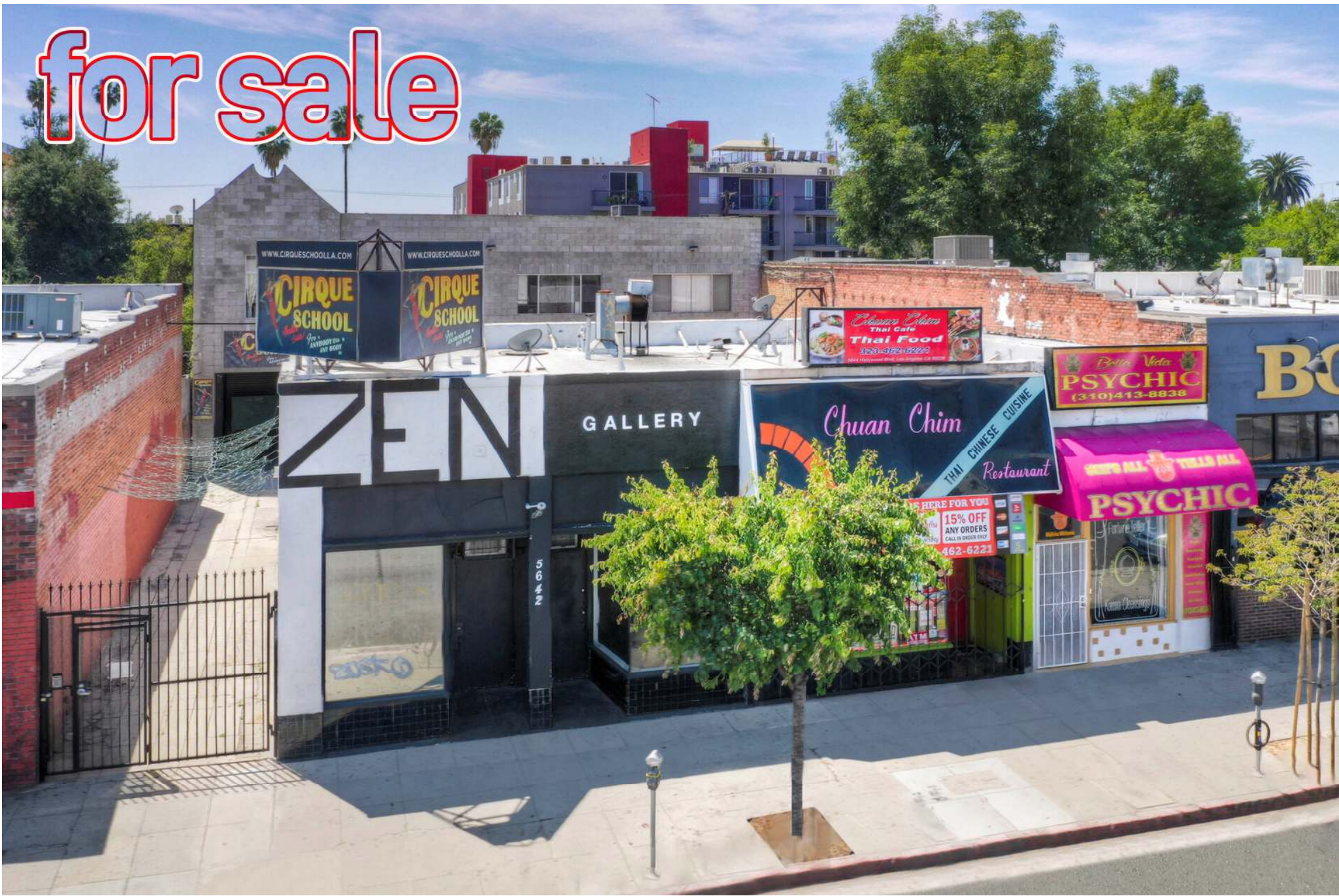


for sale



A DIVISION OF
LEE & ASSOCIATES

5640 HOLLYWOOD BLVD
LOS ANGELES, CA 90028

DISCLAIMER

The material contained in this Investment Offering Brochure is furnished solely for the purpose of considering the purchase of 5640 Hollywood Blvd and is not to be used for any other purpose. This information should not, under any circumstances, be photocopied or disclosed to any third party without the written consent of Lee and Associates Los Angeles West, Inc. or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property.

The only party authorized to represent the Property Owner ("Owner") in connection with the sale of the Property is Lee and Associates Los Angeles West, Inc. ("Broker") and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to Lee and Associates Los Angeles West, Inc.

Neither Broker nor Owner make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Brochure may include certain statements and estimates by Lee and Associates Los Angeles West, Inc with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Further, Lee and Associates Los Angeles West, Inc and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Investment Offering Brochure, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase Agreement between it and Owner.

The information contained herein is subject to change without notice and recipient of these materials shall not look to Owner or Lee and Associates Los Angeles West, Inc, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at any time with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release Owner and from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

It is incumbent upon any prospective purchaser to verify and validate any and all representations, statements, forecasts, estimates, or other information contained herein provided by either Owner or Broker.

LEE & ASSOCIATES LOS ANGELES WEST, INC.

1508 17TH ST
SANTA MONICA, CA 90404
WWW.LEEWESTLA.COM
COMPANY DRE# 01222000

PAUL BREHME

PRINCIPAL
310-899-2755
PBREHME@LEEWESTLA.COM
DRE# 01476686



ASKING PRICE	\$4,200,000
GROSS BUILDING SF:	±11,020 SF
\$ / SF (BUILDING):	\$381.13 / SF
TOTAL RETAIL SF:	±2,500 SF
TOTAL OFFICE / WAREHOUSE SF:	±8,520 SF
LOT SF:	±11,408 SF
NUMBER OF UNITS:	5
NUMBER OF STORIES:	Two
APN #:	5544-026-003
ZONING:	LA[Q]R5-2
YEAR BUILT:	1923 (Renovated 2004)
STREET FRONTAGE:	60 Feet along Hollywood Blvd
PARKING:	6 Parking Spaces
WALK SCORE:	91 (Walker's Paradise)
TOC OVERLAY:	Tier 3
OPPORTUNITY ZONE:	Yes
STATE ENTERPRISE ZONE:	Yes
CROSS STREET:	Wilton Place

Space	Tenant Name	Square Footage
5640 (Warehouse)	Troupe Vertigo	±6,000
5640.5 (Office)	Ruckus Music	±2,200
5642	Art Gallery	±1,150
5644	Chuan Chim	±775
5646	Psychic	±550

PROPERTY HIGHLIGHTS

5640 Hollywood consists of five leasable units. There are three retail units in the front of the building that consist of ±2,500 square feet of building. In addition there is an office and warehouse in the back, which consists of ±8,520 square feet combined. The warehouse has beautiful bow truss ceilings and the middle office space consists of three music rehearsal studios plus a lounge area.

The property is currently master leased for the next four years until May 2nd, 2025 and is generating ±\$4,415 per month (\$52,980 annually) with 3% increases. It's a triple net lease so the master tenant should be responsible for any increase in property taxes due to the sale of the property.

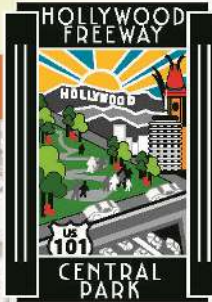
This is a great opportunity for a patient investor who is willing to hold this property and forego a maximum return until the expiration of the master lease on April 2nd, 2025. At which point they will be able to receive market rents, thereby allowing them to earn upwards of a 7% cap rate, potential more, on their investment.

Ideally situated between the 101 Freeway and Western Ave, 5640 Hollywood is surrounded by many developments as "Hollywood" is moving further and further east every day. Take for example, Wood Partners developing a six-story mixed-use property with ±12,600 square feet of ground floor retail right down the street next to the 101 Freeway. In addition, 5640 Hollywood is located approximately two blocks from the proposed Hollywood Central Park (see next page).



Hollywood Central Park

ILLUSTRATIVE PLAN



BOARD OF DIRECTORS

- Philip E. Aarons *Chairman*
- Laurie L. Goldman *President*
- Alfred Fraijo, Jr. *Vice President*
- David Eads *Secretary*
- Terri Gerger *Treasurer*
- Georges Abou-Daoud
- Jeffrey C. Briggs
- Doug Campbell
- Scott Campbell
- Heather Cochran
- Betty Fraser
- Brian Foltz
- David Gajda
- Cheryl Gaskell
- Phil Hart
- Alfredo Hernandez
- Helmi Hissenich
- Edward V. Hunt
- Coby King
- Jacob Lipa
- Jerold Neuman
- Susan Polifronio
- Don Scott
- Nicole Shamenian
- Thaddeus H. Smith
- Tom Trynin
- Christi Van Cleave

Hollywood Central Park Feasibility Report

hollywoodfreewaycentralpark.org

60+ years after being torn in two by the construction of the 101 freeway, the proposed Hollywood Central Park seeks to reconnect a community by creating a world-renowned urban oasis.

When completed, the 44 acre green space would cap a mile section of the 101 freeway between Santa Monica and Hollywood Boulevards and will include pedestrian meadows, an amphitheater, a community center, small retailers (bike rentals, art galleries, seasonal markets, and restaurants), play grounds, athletic courts, and interactive community areas.

The project is currently in the Environmental Impact Study phase and is estimated to cost \$1 billion to complete. This landmark infrastructure project will generate over 40,000 direct and indirect jobs over the next decade and will create a much needed green space in the heart of the concrete jungle.

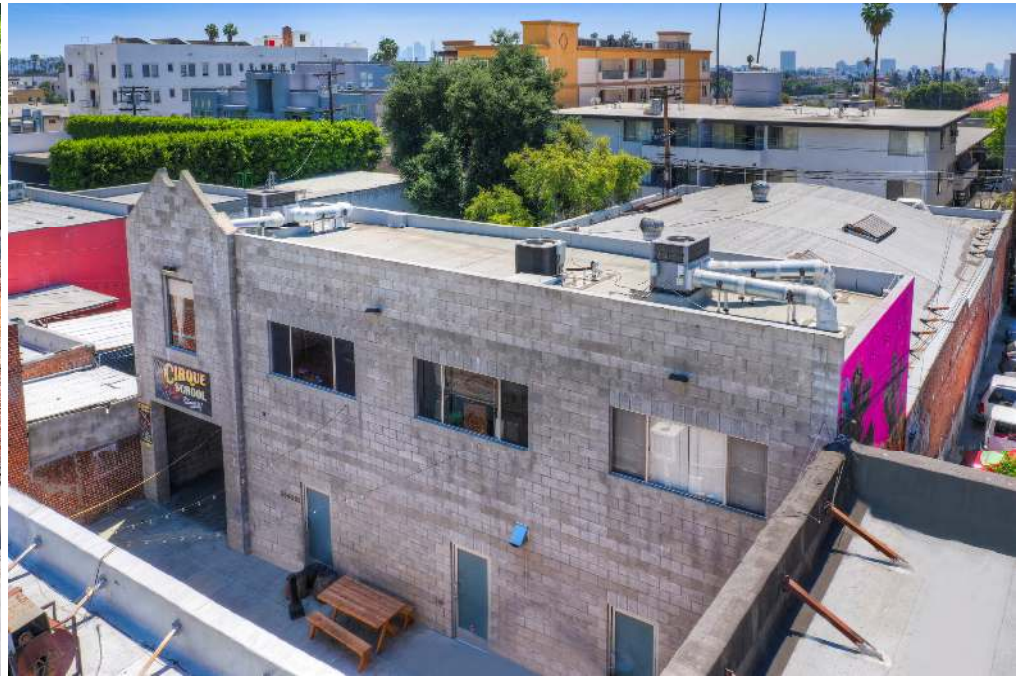
Per the project's official website, approximately 180,000 people live within a one-mile radius of the freeway trench. Hollywood is among the most park-poor neighborhoods in Los Angeles, with just .005 acres of open space per resident.





A DIVISION OF
LEE & ASSOCIATES

EXTERIOR PHOTOS





A DIVISION OF



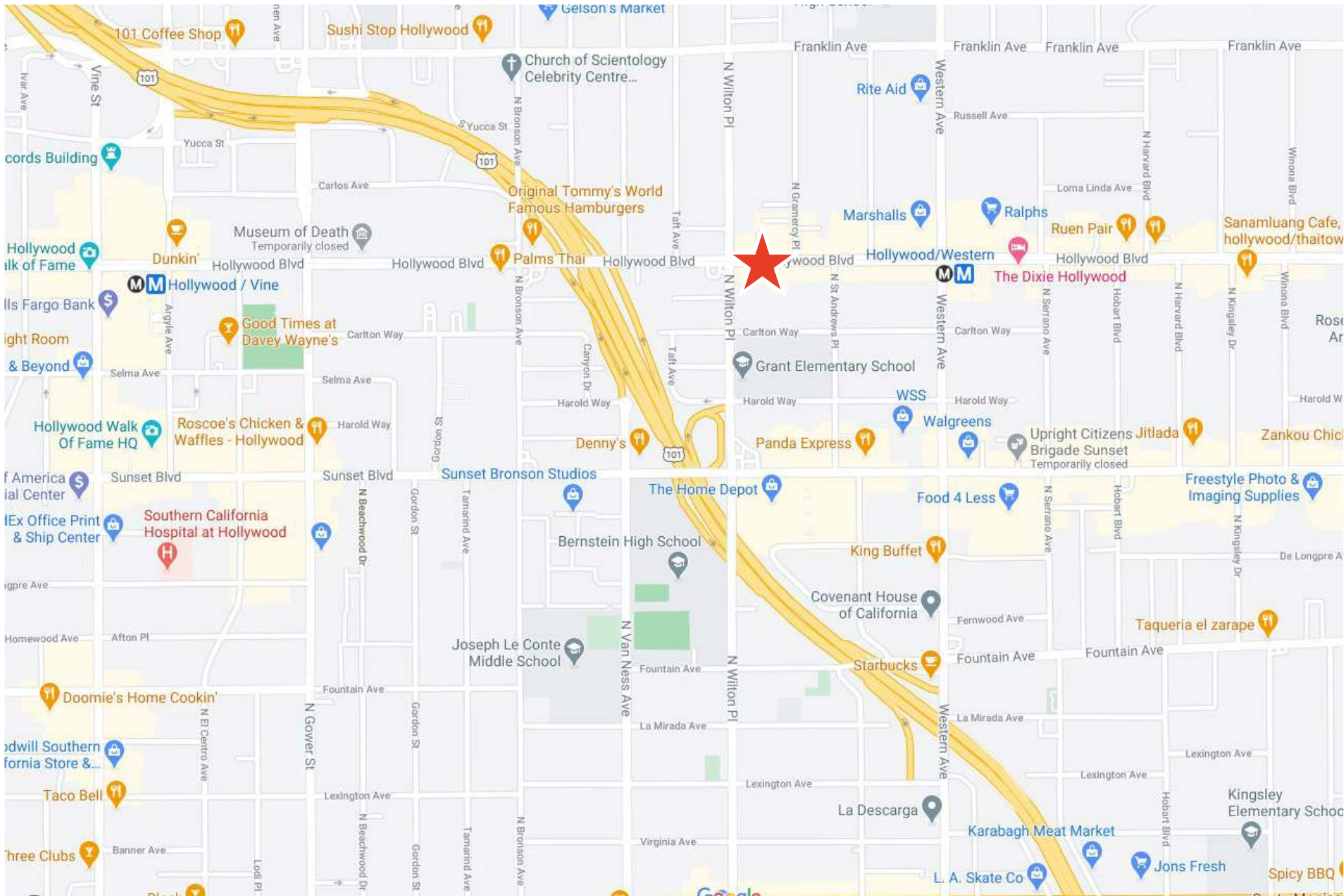
EXTERIOR PHOTOS

2012



A DIVISION OF
LEE & ASSOCIATES

PLAT MAP



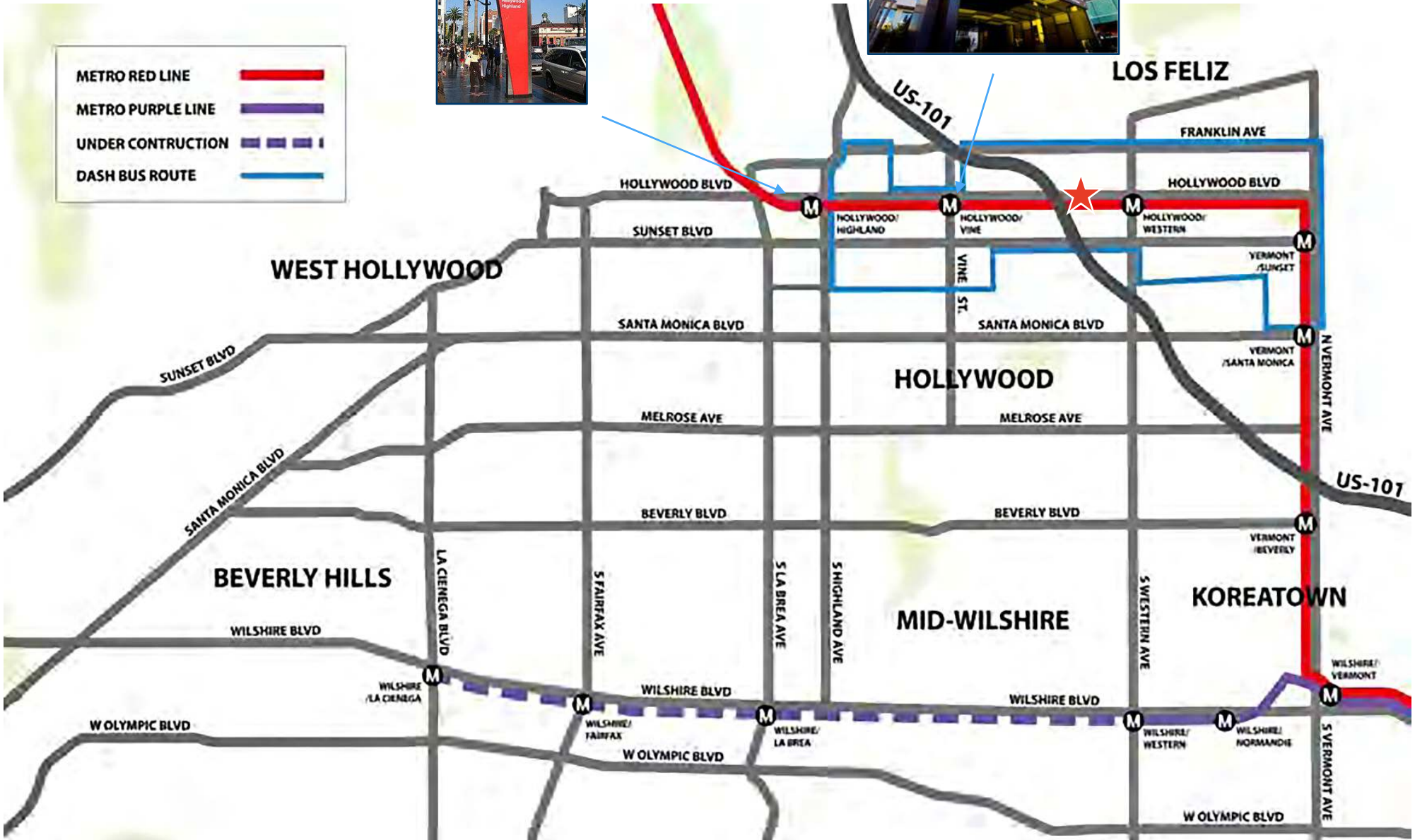
A DIVISION OF



LOCATION MAP

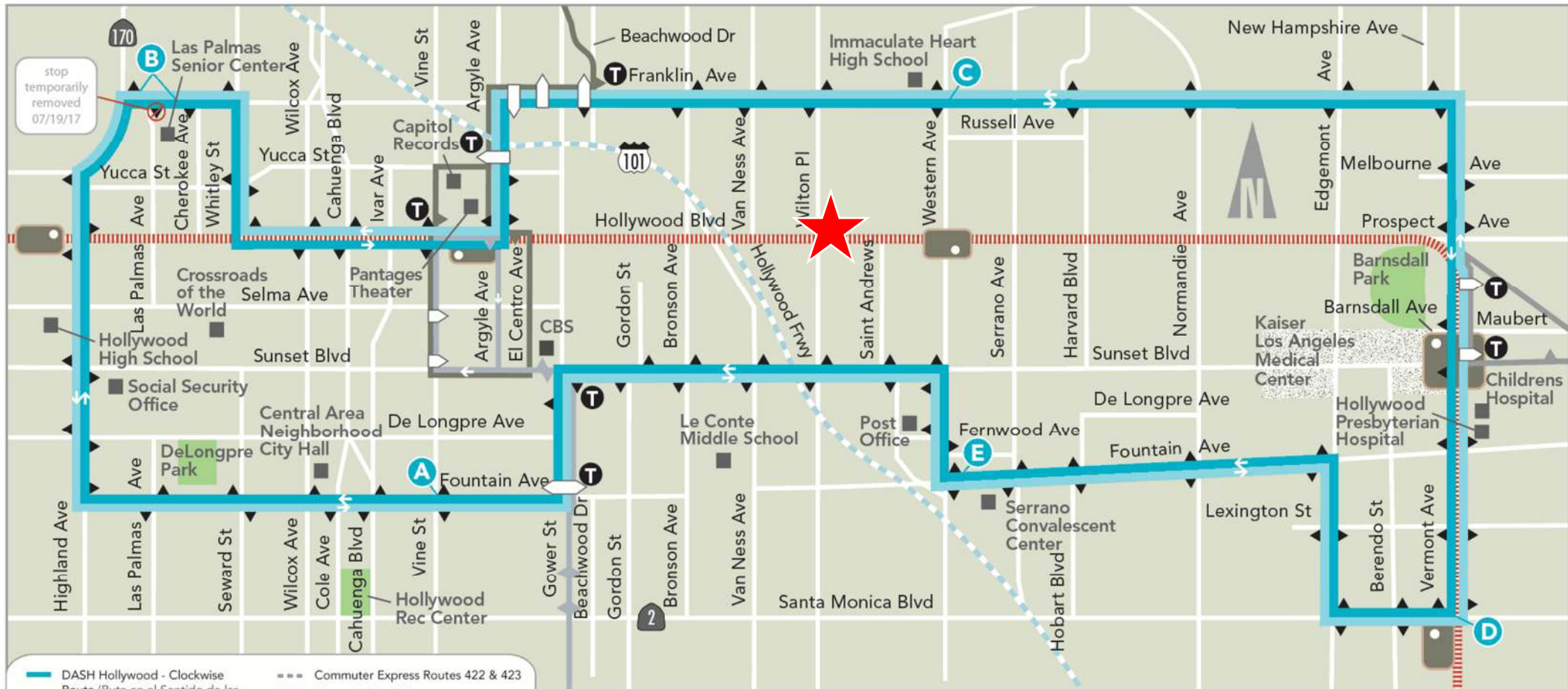


METRO RED LINE	
METRO PURPLE LINE	
UNDER CONSTRUCTION	
DASH BUS ROUTE	



A DIVISION OF
LEE & ASSOCIATES

METRO RAIL



stop temporarily removed 07/19/17

- DASH Hollywood - Clockwise Route (Ruta en el Sentido de las Manecillas del Reloj)
- DASH Hollywood - Counterclockwise Route (Ruta en el Sentido Opuesto de las Manecillas del Reloj)
- DASH Hollywood/Wilshire Route
- DASH Los Feliz Route
- DASH Beachwood Canyon Route
- - - Commuter Express Routes 422 & 423
- - - Metro Rail Red Line
- ▲ Bus Stop (Parada de Autobús)
- Multiple Route Stop (Parada de Rutas Múltiples)
- Points of Interest (Puntos de Interés)
- A Time Point (Punto Clave de Horario)
- T Transfer Point (Punto de Transbordo)
- Metro Rail Station & Entrance (Estación y Entrada de Metro)

Designated Qualified Opportunity Zones for California

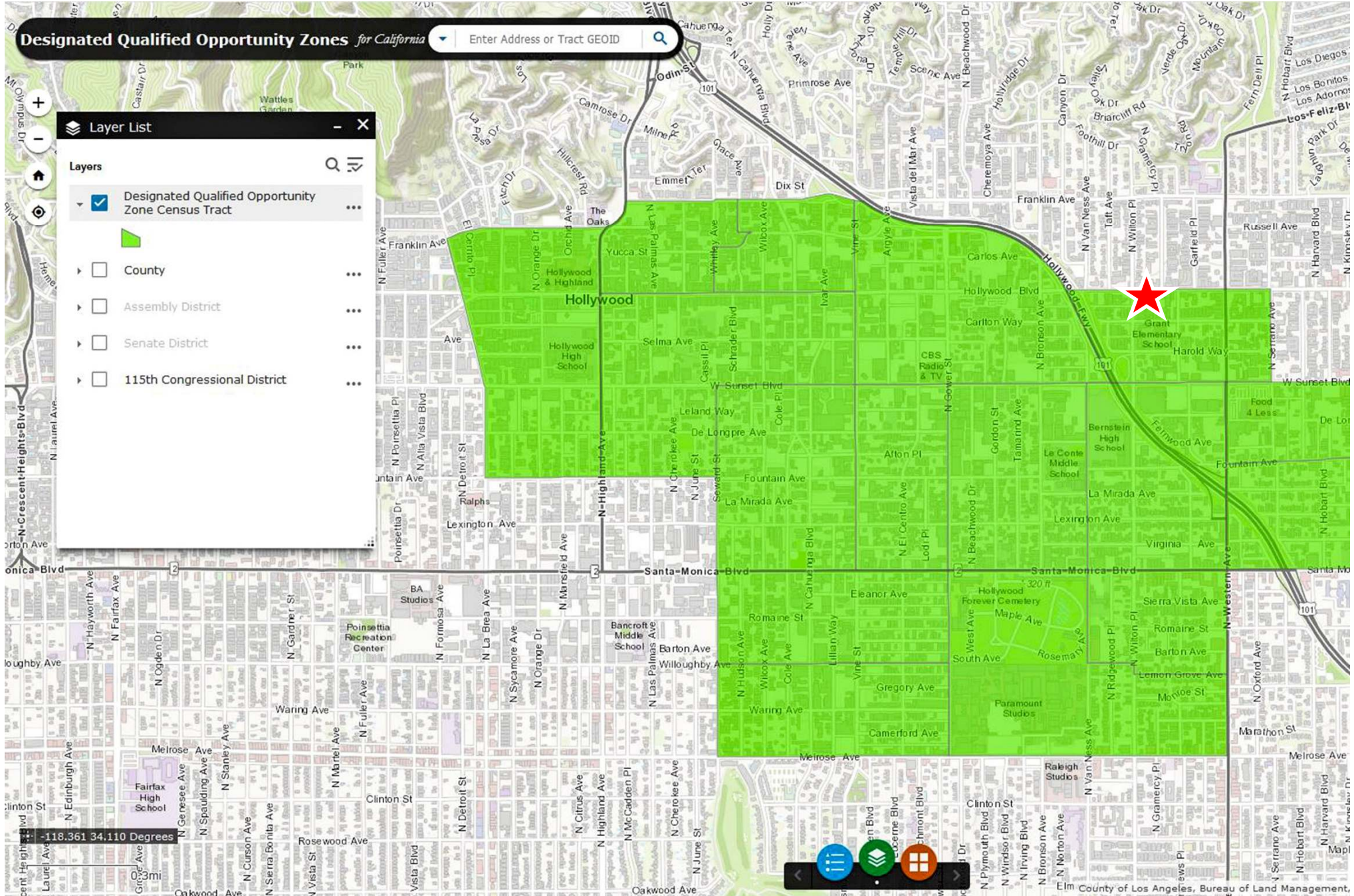
Enter Address or Tract GEOID



Layer List

Layers

- Designated Qualified Opportunity Zone Census Tract
- County
- Assembly District
- Senate District
- 115th Congressional District



A DIVISION OF



OPPORTUNITY ZONE MAP

Capital Gain Deferral Opportunities abound in Los Angeles

Thursday, July 12, 2018

Embedded in the 2017 tax reform law commonly known as the Tax Cuts and Jobs Act (TCJA) is an opportunity that can minimize your capital gains tax. The Qualified Opportunity Zone (QOZ) program is a unique tax incentive program for investments in designated low-income communities, known in the program as Qualified Opportunity Zones.

In the greater Los Angeles area, there are 274 designated zones that qualify for the program, including locations in Sylmar, Sun Valley, Northridge, Canoga Park, North Hollywood, Hollywood, Culver City, Downtown LA, and Long Beach. Additional zones are scattered across locations including Bell, Huntington Park, Lynwood, Westmont, Compton, Torrance, and Lakewood. Time is of the essence in taking advantage of the program because it comes with an expiration date—Dec. 31, 2026. Investors who understand how the program works and what types of opportunities may be eligible for the program could realize significant tax savings if they make the investment in 2018.

QOZ BASICS

The QOZ program's big selling point is the ability for taxpayers to defer the capital gains tax on qualifying investment sales. Virtually any type and amount of investment is eligible for the program, but the arrangement must meet the qualifying criteria.

Capital gains from the initial sale of an investment must be invested into a Qualified Opportunity Fund (QO) fund within 180 days of the sale or exchange. A QO Fund is a corporation or partnership that invests at least 90 percent of its funds into QOZ Property. Eligible QOZ property includes QOZ stock, a QOZ partnership interest, or a direct investment in trade or business (TOB) property of a QOZ Business. A QOZ Business must have a minimum of 50 percent of its gross income derived from the active conduct of a trade or business in the QOZ. Other provisions also apply to determine whether an entity qualifies as a QOZ Business, including a notable restriction: A QOZ Business cannot engage in a certain businesses. These include private or commercial golf courses, country clubs, massage parlors, or other facilities used for gambling, or any liquor store (not including restaurants that serve alcohol, or bars).

Additionally, there is an original use requirement: substantially all of the QOZ business's tangible property must be purchased after Dec. 31, 2017, and the original use of the TOB property must begin with the QO Fund or the underlying QOZ Business in the QO Zone.

Aside from the original use requirement, taxpayers may also reap capital gains benefits if the QO Funds are used for existing QOZ Businesses, and the investment is used to substantially improve the property (defined as capital expenditures that exceed the original purchase basis during a 30-month period), and substantially all of the use of the property is in a QOZ.

HOLDING PERIODS FOR DEFERRAL AND EXCLUSION

Provided that the above conditions are met for the investment, taxpayers would then be eligible for a generous deferral period for the capital gains tax. The deferral period extends as long as the taxpayer holds the qualifying investment, but no longer than Dec. 31, 2026.

There is no minimum required holding period in order to receive the deferral, but taxpayers have the potential to receive two increments of additional basis in a QO Fund investment. If the taxpayer holds the QO Fund investment for at least five years, the basis bonus is equal to 10 percent of the original gain deferred. This means that only 90 percent of the deferred gain invested in a QO Fund that is held for at least five years would be subject to tax. The second tranche of the basis bonus is available if the taxpayer holds the QO Fund investment for at least seven years, in which case the basis bonus is equal to an additional 5 percent. This leaves only 85 percent of the original deferred gain as ultimately taxable.

Taxpayers also are eligible to receive total gain exclusion from post-acquisition gains in the QO Fund. The post-acquisition gain exclusion is available for QO Fund investments that satisfy a 10-year holding period. Once the QO Fund investment has been held for 10 years, the taxpayer can elect, upon sale of the investment, to have a basis in the QO Fund investment equal to its fair market value. This results in no gain on the sale, other than any gain recognized on Dec. 31, 2026 with respect to the original gain deferral on the existing investment.

EARLY BIRD GETS THE WORM

The QOZ program is structured to reward those who invest early, so investors with interest in projects in the Los Angeles market should move quickly. Many of the benefits are set to expire in 2027, and QOZ areas lose their designations after Dec. 31, 2028. Making an investment in 2018 could result in significant tax savings, particularly if taxpayers can utilize the post-acquisition gain exclusion. Taxpayers who invest in a QO Fund before Dec. 31, 2018 could potentially exclude 15 percent of the pre-acquisition gain, defer 85 percent of the pre-acquisition gain until 2027, and exclude all post-acquisition gain after the investment date.

A tax professional knowledgeable of the program and the LA-area opportunities can help taxpayers make the most of this program.

Jim Parks is an Executive Director in the Los Angeles office of CBIZ and MHM. He has more than 40 years of diversified tax, business management and litigation consulting experience.



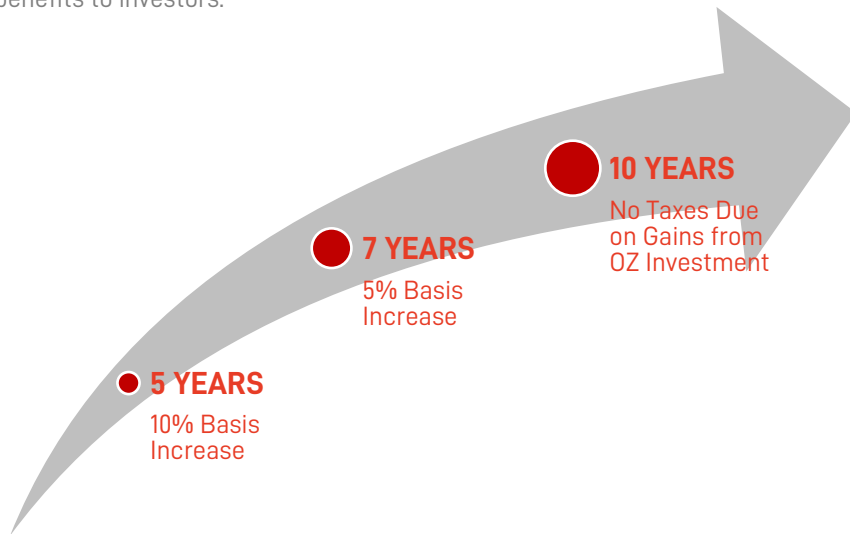
OPPORTUNITY ZONES

HOW QUALIFIED OPPORTUNITY FUNDS WORK

1. Investors should reinvest capital gains from the sale of an asset within 180 days into a Qualified Opportunity Fund
2. The fund then invests in a qualified Opportunity Zone (OZ) property
3. Within the OZ, they can be invested in real estate, business, or infrastructure projects
4. Geographically restricted but inclusive of various kinds of investment

BENEFITS TO INVESTORS

Opportunity Zones are designed to spur economic development by providing tax benefits to investors.



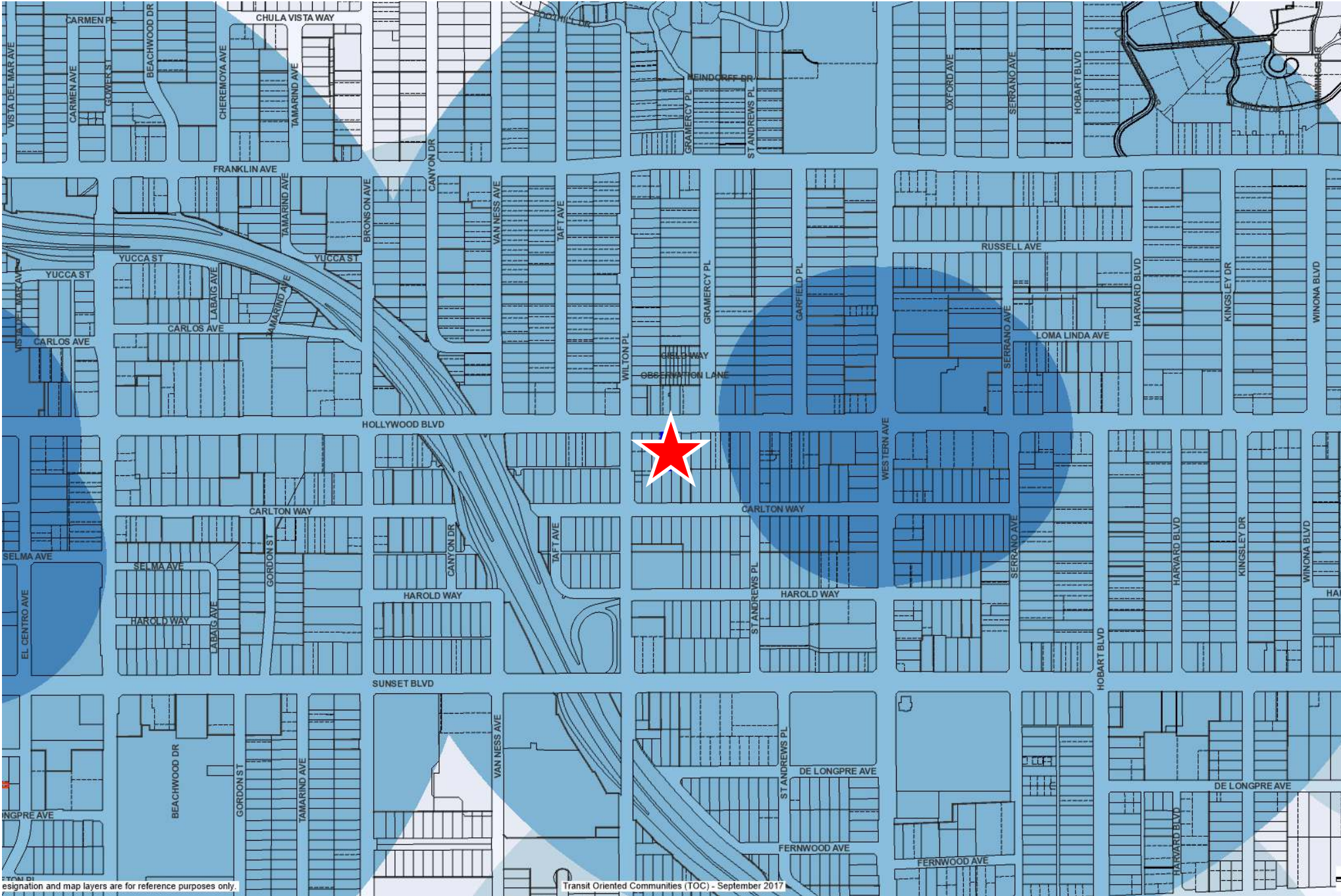
ECONOMIC BENEFITS



- Capital Gains reinvested in a QOF will receive a temporary tax deferral. This deferral will be recognized on the date when the investment is sold or on December 31, 2026, whichever is earlier.
- The basis of the original investment goes up by 10 % if the investment is held for at least five years and by an extra 5% if it's held for at least seven years. In other words, if the investor holds the investment in OZ for 7 years, as much as 15% of the original gain would avoid taxation.
- If an investment in a QOF is held for at least 10 years, there will be no tax on the profits produced by the sale of the investments.



OPPORTUNITY ZONE BASICS



Designation and map layers are for reference purposes only.

Transit Oriented Communities (TOC) - September 2017



A DIVISION OF
LEE & ASSOCIATES

TRANSIT ORIENTED COMMUNITIES

Type of Major Transit Stop	Tier 1 (Low)	Tier 2 (Medium)	Tier 3 (High)	Tier 4 (Regional)
	Distance to Major Transit Stop			
Two Regular Buses (intersection of 2 non Rapid Bus* lines, each w/ at least 15 min. average peak headways)	750 - 2640 ft.	< 750 ft.	-	-
Regular plus Rapid Bus* (intersection of a Regular Bus and Rapid Bus line)	1500 – 2640 ft.	750 – <1500 ft.	< 750 ft.	-
Two Rapid Buses* (intersection of two Rapid Bus lines)	-	1500-2640 ft.	< 1500 ft.	-
Metrolink Rail Stations	1500 – 2640 ft.	750 – <1500 ft.	< 750 ft.	-
Metro Rail Stations	-	-	≤ 2640 ft.	< 750 ft. from intersection with another rail line or a Rapid Bus*

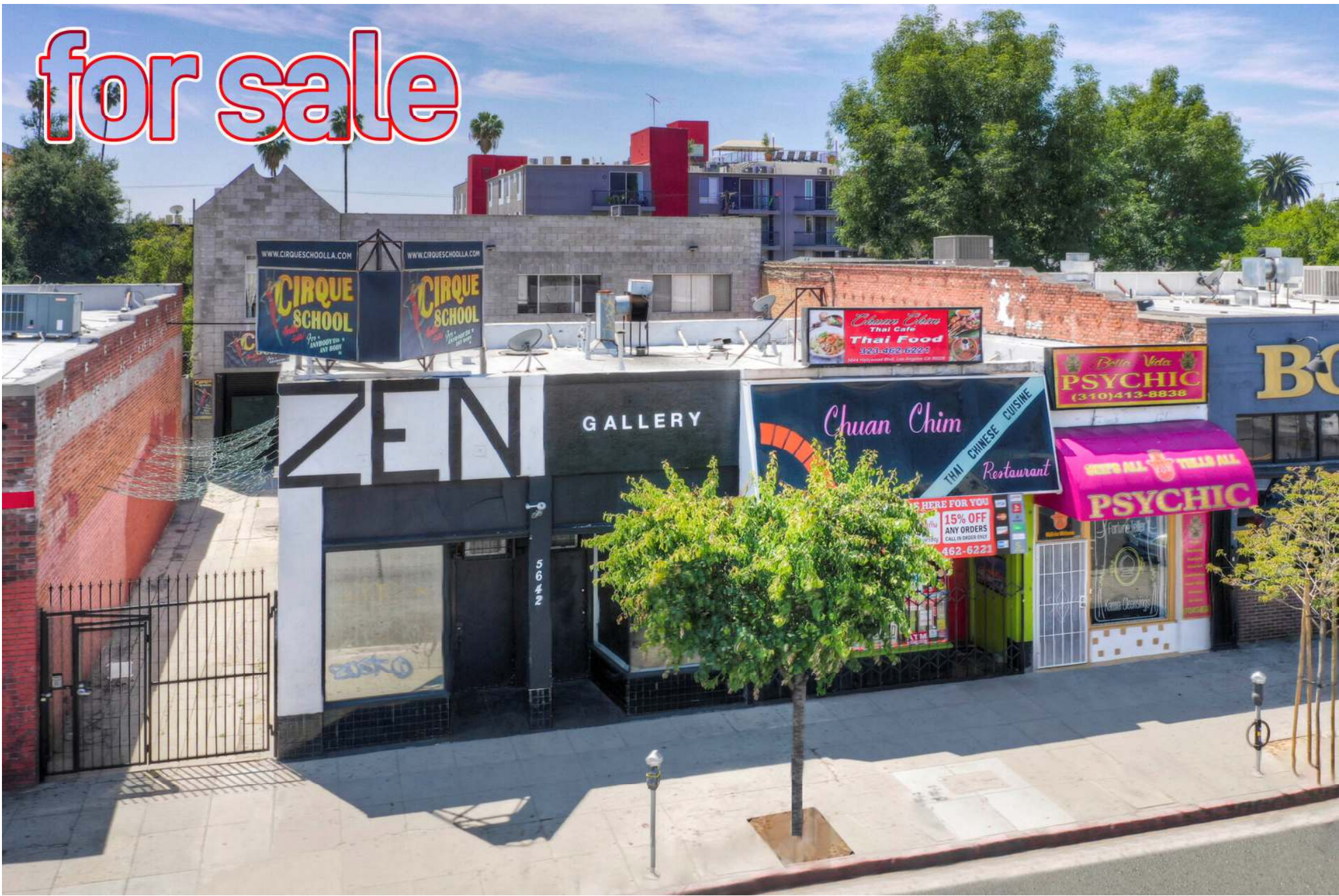
Chart 1. Base Incentives

	Tier 1 (Low)	Tier 2 (Med)	Tier 3 (High)	Tier 4 (Regional)
Affordable Housing Requirement	8% ELI 11% VL 20% Low	9% ELI 12% VL 21% Low	10% ELI 14% VL 23% Low	11% ELI 15% VL 25% Low
Density	50% increase	60% increase	70% increase	80% increase
Exception	RD Zones = 35% increase	RD Zones = 35% increase	RD Zones = 40% increase	RD Zones = 45% increase
FAR (Residential Portion)	40% increase	45% increase	50% increase	55% increase
Commercial Zones (including HI and CM)	At least 2.75:1	At least 3.25:1	At least 3.75:1	At least 4.25:1
Exception	See below	See below	See below	See below
Residential Parking (allows for unbundled and tandem)	0.5 per bedroom	0.5 per bedroom; No more than 1 required per unit	0.5 per unit;	None
Ground Floor Commercial	10% reduction	20% reduction	30% reduction	40% reduction

Chart 2. Menu of Additional Incentives

	Tier 1 (Low)	Tier 2 (Med)	Tier 3 (High)	Tier 4 (Regional)
Affordable Housing Requirement	8% ELI 11% VL 20% Low	9% ELI 12% VL 21% Low	10% ELI 14% VL 23% Low	11% ELI 15% VL 25% Low
Height	11 ft. for one story	11 ft. for one story	22 ft. for two stories	33 ft. for three stories
Transitional Height	Low	Low	Med	High
Exception	See below	See below	See below	See below
Yard/Setback	25% reduction (one yard)	30% reduction (one yard)	30% reduction (two yard)	35% reduction (two yards)
R Zones				
C Zones	Same as RAS3	Same as RAS3	Same as RAS3	Same as RAS3
Exception	Front yards in R zones may only be reduced in certain cases	Front yards in R zones may only be reduced in certain cases	Front yards in R zones may only be reduced in certain cases	Front yards in R zones may only be reduced in certain cases
Open Space	20% reduction	20% reduction	25% reduction	25% reduction
Lot Coverage	25% increase	25% increase	35% increase	35% increase
Lot Width	25% reduction	25% reduction	25% reduction	25% reduction
Averaging	Y	Y	Y	Y
Density Calculation	Y	Y	Y	Y
PF Zone	Y	Y	Y	Y

for sale



A DIVISION OF
LEE & ASSOCIATES

5640 HOLLYWOOD BLVD
LOS ANGELES, CA 90028