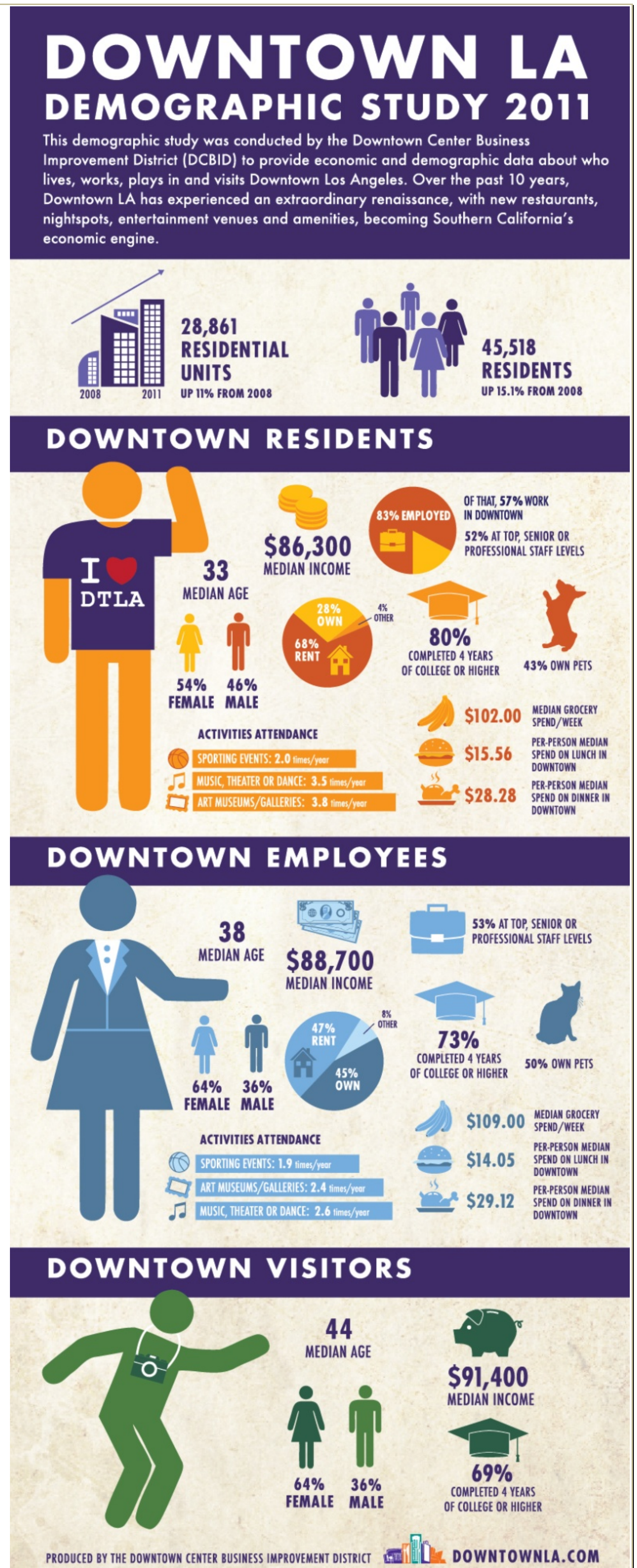
6) SUPPLY/DEMAND

Downtown Los Angeles is the center of a vibrant 24-hour international gateway city that is slated for major population growth. Downtown offers an exciting living environment and proximity to over 500,000 jobs, according to the Downtown Los Angeles Demographics Study 2011. It is amazing that with so many jobs Downtown only has a population of 45,518 residents. This is up from 39,546 in 2008, a growth of 15.1% over three years. During that same time the number of housing units in Downtown grew only by 11%. Many of these units were built as for-sale condominium units, which do not meet the current demands of Downtown residents, who are predominantly renters (68%). With the lack of financing for for-sale units and the recent consumer preference shift towards rental units there is a large shortage of rental units in Downtown Los Angeles, exemplified by low vacancy rates (3-4% according to various sources) and increasing rents (6.8% increase since 2010).

South Park is perfectly situated to absorb the bulk of the coming residential growth. It offers great access to entertainment with its proximity to LA Live, Staples Center, the Convention Center, and the coming Farmer's Field. Residents are also within walking distance or a short trip on the MetroRail to the over 500,00 jobs that Downtown Los Angeles has to offer, with a median salary of $88,700 per year. This means that the median Downtown employee can afford to pay $2,218 in rent per month per person. Median household income isn't too far off, at $86,300, and an affordable rent of $2,157 per month per household.



Residents of South Park also benefit from living in an area that is considered one of the top 5% most walkable neighborhoods in Los Angeles, with a Walk Score of 95. Downtown also has the most extensive public transportation network in Southern California with 5 light rail lines, the Downtown Dash bus system, and access to the Metrolink and Amtrak system at Union Station. South Park is also expecting the construction of a streetcar system that will connect South Park to Civic Center, a major employment area.

SCAG recently completed a population growth study for the area, which estimates that population will increase at a rate of 8.13% per year through 2020. Downtown has sustained a similar population growth since 2006, at a rate of 9.5% annually. The numbers shown below are from SCAG's population growth projections for the Greater Downtown area, along with all units that are in the pipeline for the same area. Javier Minjares, Regional Planning Specialist at SCAG, provided these projections. They are the recent population growth projections approved by SCAG, in May 2012. The demand for units is based on population growth and the current rate of persons per household in South Park of 1.72, according to 2010 Census Data. The supply and demand chart on the following page is based on projections for South Park only, and does not include the greater Downtown Los Angeles area.

South Park Residential Supply & Demand Study	2012	2013	2014	2015	2016
Total Population	23434	25338	27397	29623	32030
Population Growth	1761	1904	2059	2226	2407
Units Required	1024	1107	1197	1294	1399
Units Coming to Market	271	270	990	876	
Excess Supply/Demand	(753)	(837)	(207)	(418)	(1399)
Total Supply/Demand	(753)	(1590)	(1797)	(2215)	(3615)

Annual Employment Growth Rate		
2008-2020	2008-2035	2020-2035
0.67%	0.48%	0.32%

Annual Population Growth Rate		
2008-2020	2008-2035	2020-2035
8.13%	3.83%	0.52%

The Units Coming to Market mentioned above includes all projects that are currently entitled, under constructions, and under consideration for approval by the City of Los Angeles. A map and list of these properties can be found on the following page.

	Condo Conversion	Units	Status
1340-1360 S Figueroa	No	270	2013 Delivery
Jade Enterprises	No	Unknown	Conceptual
Omni Group Site	No	Unknown	Conceptual
Evoq Site	Yes	374	Conceptual
South Park Tower	Yes	283	Entitled
Angelena	Yes	700	2014 Delivery
Apex	Yes	271	2012 Delivery
Metropolis	No	400-600	2014 Delivery
1027 Wilshire	No	376	2015 Delivery
iHope	No	290	2014 Delivery

There is a projected shortage of 3,615 units in South Park by the year 2016. 1027 Olive would deliver units in early 2014, when there will be a pent up shortage of 1,797 units, and a shortage of 207 units for that year alone. 1027 Olive could deliver anywhere from 105 to 201 units at this time, depending on the construction type. With vacancy rates below 5% there is strong upward pressure on rents in this area. Although there is significant supply coming to the market it will not be enough to meet the projected demands.

Vacancy rates in Downtown Los Angeles range between 3-4% from various sources. The comparable projects listed on the previous page have vacancy rates between 1.1% and 5.0%. There is currently a large shortage of housing units in South Park, and there will be a continued shortage of units for at least the next five years. Many of the rental units currently coming to the market are projects that have been converted from failed condominium projects. These units will likely convert back to condominium once the for-sale market improves, reducing rental supply on the market at that time. These facts demonstrate a strong potential for upward rent growth in Downtown Los Angeles, and especially in South Park, which offers the best residential experience in the area.

7) CONCLUSION

South Park is a great place to live offering a great residential experience and proximity to Southern California's largest employment center. With many planned civic, entertainment, and retail projects planned for Downtown, South Park will only improve and expand on what is currently has to offer its residents. The current shortage of units coupled with the projected continue shortage will lead to low vacancy rates, increased rents, and a quick absorption. 1027 Olive is perfectly situated to capitalize on this by being able to bring units to market quickly and effectively which can offer competitive pricing against existing projects. With no reliance on discretionary approvals the project can be entitled in at little at 6 months. The potential for discretionary approval to more than double the allowable floor area would only serve to strengthen the project and has no opportunity to weaken its position. The 1027 Olive project is especially well positioned in South Park. A comparable fully entitled property in South Park recently sold for $500 per square foot and is only one and a half blocks away from 1027 Olive. UVD currently has the project under contract at only $300 per square foot. This represents an amazing opportunity to capitalize on the future of South Park and Downtown Los Angeles at a lower basis than current market prices.

Population	1-mi.	3-mi.	5-mi.
2011 Male Population	26,793	272,977	634,816
2011 Female Population	18,091	246,641	609,318
% 2011 Male Population	59.69%	52.53%	51.02%
% 2011 Female Population	40.31%	47.47%	48.98%
2011 Total Adult Population	39,885	412,588	962,772
2011 Total Daytime Population	176,782	607,967	1,163,827
2011 Total Daytime Work Population	152,700	347,239	539,047
2011 Median Age Total Population	35	24	24
2011 Median Age Adult Population	39	30	31
2011 Age 0-5	1,222	27,462	67,761
2011 Age 6-13	1,109	28,506	76,038
2011 Age 14-17	2,668	51,063	137,562
2011 Age 18-20	3,768	63,255	145,925
2011 Age 21-24	7,167	94,632	207,435
2011 Age 25-29	3,163	41,593	94,278
2011 Age 30-34	2,943	36,244	84,068
2011 Age 35-39	2,717	31,105	74,565
2011 Age 40-44	3,146	28,215	68,513
2011 Age 45-49	3,359	25,734	64,097
2011 Age 50-54	2,896	21,730	53,764
2011 Age 55-59	2,441	17,776	43,853
2011 Age 60-64	2,052	14,310	35,068
2011 Age 65-69	1,778	10,633	26,241
2011 Age 70-74	1,513	9,049	21,891
2011 Age 75-79	1,289	7,335	17,411
2011 Age 80-84	892	5,454	12,716
2011 Age 85+	764	5,523	12,947
% 2011 Age 0-5	2.72%	5.29%	5.45%
% 2011 Age 6-13	2.47%	5.49%	6.11%
% 2011 Age 14-17	5.94%	9.83%	11.06%
% 2011 Age 18-20	8.39%	12.17%	11.73%
% 2011 Age 21-24	15.97%	18.21%	16.67%
% 2011 Age 25-29	7.05%	8.00%	7.58%
% 2011 Age 30-34	6.56%	6.98%	6.76%
% 2011 Age 35-39	6.05%	5.99%	5.99%
% 2011 Age 40-44	7.01%	5.43%	5.51%
% 2011 Age 45-49	7.48%	4.95%	5.15%
% 2011 Age 50-54	6.45%	4.18%	4.32%
% 2011 Age 55-59	5.44%	3.42%	3.52%
% 2011 Age 60-64	4.57%	2.75%	2.82%
% 2011 Age 65-69	3.96%	2.05%	2.11%
% 2011 Age 70-74	3.37%	1.74%	1.76%
% 2011 Age 75-79	2.87%	1.41%	1.40%
% 2011 Age 80-84	1.99%	1.05%	1.02%
% 2011 Age 85+	1.70%	1.06%	1.04%
2011 White Population	16,856	177,817	455,398
2011 Black Population	8,266	45,208	134,859
2011 Asian/Hawaiian/Pacific Islander	7,521	87,863	163,163
2011 American Indian/Alaska Native	612	5,805	12,473
2011 Other Population (Incl 2+ Races)	11,629	202,924	478,240
2011 Hispanic Population	18,931	338,440	817,214
2011 Non-Hispanic Population	25,953	181,177	426,920
% 2011 White Population	37.55%	34.22%	36.60%
% 2011 Black Population	18.42%	8.70%	10.84%
% 2011 Asian/Hawaiian/Pacific Islander	16.76%	16.91%	13.11%
% 2011 American Indian/Alaska Native	1.36%	1.12%	1.00%
% 2011 Other Population (Incl 2+ Races)	25.91%	39.05%	38.44%
% 2011 Hispanic Population	42.18%	65.13%	65.69%
% 2011 Non-Hispanic Population	57.82%	34.87%	34.31%
2000 Non-Hispanic White	3,400	32,059	99,700
2000 Non-Hispanic Black	5,338	46,163	150,530
2000 Non-Hispanic Amer Indian/Alaska Native	197	1,308	2,769
2000 Non-Hispanic Asian	3,961	70,860	141,974
2000 Non-Hispanic Hawaiian/Pacific Islander	5	517	1,112
2000 Non-Hispanic Some Other Race	38	952	2,287
2000 Non-Hispanic Two or More Races	568	5,951	18,373
% 2000 Non-Hispanic White	25.17%	20.31%	23.92%
% 2000 Non-Hispanic Black	39.52%	29.25%	36.12%
% 2000 Non-Hispanic Amer Indian/Alaska Native	1.46%	0.83%	0.66%
% 2000 Non-Hispanic Asian	29.33%	44.90%	34.07%
% 2000 Non-Hispanic Hawaiian/Pacific Islander	0.04%	0.33%	0.27%
% 2000 Non-Hispanic Some Other Race	0.28%	0.60%	0.55%
% 2000 Non-Hispanic Two or More Races	4.21%	3.77%	4.41%

Population Change	1-mi.	3-mi.	5-mi.
Total Employees	n/a	n/a	n/a
Total Establishemnts	n/a	n/a	n/a
2011 Total Population	44,884	519,618	1,244,134
2011 Total Households	21,393	167,161	388,799
Population Change 1990-2011	15,813	16,019	27,676
Household Change 1990-2011	10,648	23,142	31,620
% Population Change 1990-2011	54.39%	3.18%	2.28%
% Household Change 1990-2011	99.10%	16.07%	8.85%
Population Change 2000-2011	13,577	7,492	7,834
Household Change 2000-2011	8,876	14,930	17,519
% Population Change 2000-2011	43.37%	1.46%	0.63%
% Households Change 2000-2011	70.91%	9.81%	4.72%

Housing	1-mi.	3-mi.	5-mi.
2000 Total Housing Units	14,039	163,007	394,757
2000 Occupied Housing Units	12,579	152,231	371,323
2000 Owner Occupied Housing Units	611	17,725	80,061
2000 Renter Occupied Housing Units	11,968	134,506	291,262
2000 Vacant Housing Units	1,460	10,776	23,434
% 2000 Occupied Housing Units	89.60%	93.39%	94.06%
% 2000 Owner Occupied Housing Units	4.35%	10.87%	20.28%
% 2000 Renter Occupied Housing Units	85.25%	82.52%	73.78%
% 2000 Vacant Housing Units	10.40%	6.61%	5.94%

Income	1-mi.	3-mi.	5-mi.
2011 Median Household Income	$25,140	$26,236	$30,397
2011 Per Capita Income	$22,180	$14,370	$16,207
2011 Average Household Income	$46,536	$44,669	$51,861
2011 Household Income < $10,000	4,227	24,894	48,663
2011 Household Income $10,000-$14,999	2,727	23,103	46,674
2011 Household Income $15,000-$19,999	2,084	17,328	35,677
2011 Household Income $20,000-$24,999	1,621	15,231	32,603
2011 Household Income $25,000-$29,999	1,347	12,228	28,741
2011 Household Income $30,000-$34,999	1,398	10,385	25,652
2011 Household Income $35,000-$39,999	952	9,721	23,473
2011 Household Income $40,000-$44,999	799	7,516	18,506
2011 Household Income $45,000-$49,999	458	6,253	15,832
2011 Household Income $50,000-$59,999	931	9,594	26,021
2011 Household Income $60,000-$74,999	1,643	10,193	27,425
2011 Household Income $75,000-$99,999	948	8,239	23,270
2011 Household Income $100,000-$124,999	728	4,815	13,185
2011 Household Income $125,000-$149,999	535	2,894	8,146
2011 Household Income $150,000-$199,999	478	2,442	7,085
2011 Household Income $200,000-$249,999	226	1,019	2,812
2011 Household Income $250,000-$499,999	221	1,079	4,319
2011 Household Income $500,000+	71	227	716
2011 Household Income $200,000+	518	2,325	7,847
% 2011 Household Income < $10,000	19.76%	14.89%	12.52%
% 2011 Household Income $10,000-$14,999	12.75%	13.82%	12.00%
% 2011 Household Income $15,000-$19,999	9.74%	10.37%	9.18%
% 2011 Household Income $20,000-$24,999	7.58%	9.11%	8.39%
% 2011 Household Income $25,000-$29,999	6.30%	7.32%	7.39%
% 2011 Household Income $30,000-$34,999	6.53%	6.21%	6.60%
% 2011 Household Income $35,000-$39,999	4.45%	5.82%	6.04%
% 2011 Household Income $40,000-$44,999	3.73%	4.50%	4.76%
% 2011 Household Income $45,000-$49,999	2.14%	3.74%	4.07%
% 2011 Household Income $50,000-$59,999	4.35%	5.74%	6.69%
% 2011 Household Income $60,000-$74,999	7.68%	6.10%	7.05%
% 2011 Household Income $75,000-$99,999	4.43%	4.93%	5.99%
% 2011 Household Income $100,000-$124,999	3.40%	2.88%	3.39%
% 2011 Household Income $125,000-$149,999	2.50%	1.73%	2.10%
% 2011 Household Income $150,000-$199,999	2.23%	1.46%	1.82%
% 2011 Household Income $200,000-$249,999	1.06%	0.61%	0.72%
% 2011 Household Income $250,000-$499,999	1.03%	0.65%	1.11%
% 2011 Household Income $500,000+	0.33%	0.14%	0.18%
% 2011 Household Income $200,000+	2.42%	1.39%	2.02%

Retail Sales Volume	1-mi.	3-mi.	5-mi.
2011 Children/Infants Clothing Stores	$6,614,940	$47,481,639	$121,098,115
2011 Jewelry Stores	$4,968,945	$35,744,118	$89,102,263
2011 Mens Clothing Stores	$10,117,897	$74,950,085	$187,598,520
2011 Shoe Stores	$9,001,595	$67,105,925	$172,600,538
2011 Womens Clothing Stores	$17,120,925	$134,121,625	$337,032,187
2011 Automobile Dealers	$113,110,058	$811,973,809	$2,080,446,882
2011 Automotive Parts/Acc/Repair Stores	$14,667,812	$106,361,653	$268,343,779
2011 Other Motor Vehicle Dealers	$4,643,923	$33,547,864	$84,772,761
2011 Tire Dealers	$3,812,744	$28,000,600	$70,446,493
2011 Hardware Stores	$3,363,245	$16,111,934	$44,614,331
2011 Home Centers	$13,605,100	$91,900,579	$238,021,690
2011 Nursery/Garden Centers	$4,125,486	$29,086,608	$72,785,045
2011 Outdoor Power Equipment Stores	$1,389,293	$9,080,072	$23,323,517
2011 Paint/Wallpaper Stores	$494,706	$3,415,830	$8,657,017
2011 Appliance/TV/Other Electronics Stores	$11,043,062	$83,255,116	$210,237,093
2011 Camera/Photographic Supplies Stores	$1,913,116	$13,696,248	$34,772,696
2011 Computer/Software Stores	$5,483,028	$41,376,234	$105,389,793
2011 Beer/Wine/Liquor Stores	$7,321,389	$52,268,366	$133,095,549
2011 Convenience/Specialty Food Stores	$6,709,584	$96,809,371	$282,307,694
2011 Restaurant Expenditures	$19,171,946	$254,193,423	$869,535,855
2011 Supermarkets/Other Grocery excl Conv	$82,336,283	$592,851,792	$1,509,401,564
2011 Furniture Stores	$11,441,465	$83,944,264	$212,701,914
2011 Home Furnishings Stores	$8,096,816	$56,647,063	$142,170,831
2011 Gen Merch/Appliance/Furniture Stores	$104,057,785	$762,351,122	$1,925,681,074
2011 Gasoline Stations w/ Convenience Stores	$64,510,052	$518,659,491	$1,324,129,980
2011 Other Gasoline Stations	$57,800,468	$421,850,119	$1,041,822,290
2011 Department Stores excl Leased Depts	$115,100,846	$845,606,239	$2,135,918,148
2011 General Merchandise Stores	$92,616,322	$678,406,854	$1,712,979,144
2011 Other Health/Personal Care Stores	$7,683,985	$54,432,110	$137,672,674
2011 Pharmacies/Drug Stores	$40,032,948	$287,162,186	$726,367,760
2011 Pet/Pet Supplies Stores	$5,508,904	$41,475,368	$106,588,373
2011 Book/Periodical/Music Stores	$1,929,425	$19,443,390	$45,898,100
2011 Hobby/Toy/Game Stores	$2,493,562	$14,895,958	$37,748,680
2011 Musical Instrument/Supplies Stores	$1,011,064	$7,399,986	$18,876,374
2011 Sewing/Needlework/Piece Goods Stores	$412,854	$3,236,058	$7,890,820
2011 Sporting Goods Stores	$7,094,860	$50,322,994	$127,146,643
2011 Video Tape Stores - Retail	$920,195	$6,774,242	$17,187,803