

FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT

This First Amendment to Reimbursement Agreement ("the Amendment") is made and entered into as of the 5TH day of April, 2016, (the "Effective Date"), by and between the **CITY OF REDONDO BEACH**, a chartered city and municipal corporation ("City"), and South Bay Associates SPE, LLC a Delaware limited liability company ("Developer").

RECITALS

A. Developer is the owner of a shopping center known as the South Bay Galleria in the City of Redondo Beach and it proposes to redevelop into a mixed-use development including retail, hotel and residential uses ("Proposed Project"); and

B. The City and the Developer have entered into a "Reimbursement Agreement," dated as of December 16, 2014, which sets forth the terms and conditions for Developer to reimburse costs incurred by City to fund the environmental review and the review, preparation and processing of all required entitlements for the Proposed Project; and

C. The City and the Developer originally estimated the reimbursable cost of the CEQA Consultant at \$350,400 but that amount needs to be amended to account for an increase in work.

NOW, THEREFORE, the City and Developer hereby agree to amend the Reimbursement Agreement as follows:

1. Exhibit A. The reimbursable cost for Environmental Science Associates ("ESA") shall increase from \$350,400 to \$413,099, reflecting the increase amount of \$62,699. In addition, the reimbursable cost for the City's Administrative Costs shall increase from \$52,560 to \$61,965. An amended Exhibit A reflecting these amendments is attached hereto and incorporated herein by this reference.

2. No Further Changes. Except as expressly provided herein, nothing in this Amendment shall be deemed to waive or modify any of the other provisions of the Reimbursement Agreement. In the event of any conflict between this Amendment and the Reimbursement Agreement, the terms of this Amendment shall prevail. Unless otherwise expressly provided in this Amendment, capitalized terms used in this Amendment shall have the same meanings as in the Reimbursement Agreement.



3. **City Council Authority and Responsibility.** Nothing in this Amendment or the Reimbursement Agreement, or any previous agreements between the Parties, should be construed to delegate or otherwise limit the City Council's discretionary authority to approve, disapprove, or elect not to proceed with the Proposed Project or any associated future agreements. Nothing in this Amendment or the Reimbursement Agreement, or any previous agreements between the Parties, should be construed to delegate or otherwise limit the City Council's responsibilities under CEQA, including, but not limited to, the consideration of any feasible alternatives and mitigation measures that may be developed during CEQA review.

SIGNATURES ON FOLLOWING PAGES



IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the Effective Date.

CITY:

CITY OF REDONDO BEACH,
a Chartered City and Municipal
Corporation

Steve Aspel, Mayor

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

ATTEST:

Eleanor Manzano, City Clerk



DEVELOPER:

SOUTHBAY ASSOCIATES SPE, LLC,
a Delaware Limited Liability Company

By: South Bay Associates, a California
limited partnership, its sole member

By: Forest Bay, Inc., an Ohio
corporation, its general partner

By: _____

Title: _____



AMENDED EXHIBIT A TO REIMBURSEMENT AGREEMENT

Summary of Developer Reimbursable Costs

<u>Service</u>	<u>Provider of Service</u>	<u>Estimated Cost of Service</u>
CEQA Consultant	ESA	\$413,099
City Administrative Costs 15 percent	City	\$61,965

