

32278

**FIRST AMENDMENT TO
AGREEMENT TO NEGOTIATE EXCLUSIVELY**

Property address: The property bounded by Pacific Avenue,
3rd Street, Solana Court and 4th Street)

THIS FIRST AMENDMENT TO AGREEMENT TO NEGOTIATE EXCLUSIVELY ("Amendment") is entered into as of this 24th day of JUNE, 2011, by and among the REDEVELOPMENT AGENCY OF CITY OF LONG BEACH, a public body corporate and politic ("Agency"), the CITY OF LONG BEACH, a charter city ("City") and CITY VENTURES, LLC, a Delaware limited liability company ("Developer").

RECITALS

A. Agency and Developer entered into that certain Agreement to Negotiate Exclusively dated as of April 13, 2010 ("Agreement"), in connection with the purchase and development of property bounded by Pacific Avenue, 3rd Street, Solana Court and 4th Street ("Property"). Capitalized terms used in this Amendment shall have the same meanings ascribed to them in the Agreement unless expressly defined otherwise herein.

B. The Property has been transferred by Agency to City.

C. The parties by this Amendment wish to add City as a party to the Agreement, and to extend the Exclusive Negotiating Period as provided below.

NOW THEREFORE, the parties agree as follows:

1. CITY OF LONG BEACH. City hereby agrees to become a party to the Agreement and to negotiate in good faith with Agency and Developer regarding the terms and conditions of a DDA among Agency, and/or City and Developer concerning the purchase and development of the Property. During the term of this Agreement, City agrees not to negotiate with any other person or entity regarding the acquisition and development of the Property without the written consent of Developer. City shall have no other responsibilities pursuant to the Agreement.

2. NEGOTIATION PERIOD. City, Agency and Developer agree to extend the Exclusive Negotiating Period for a term to expire on October 13, 2011, unless further extended in accordance with this paragraph. At the request of Developer, the Executive Director may, in his or her absolute discretion, extend the Exclusive Negotiation Period for up to two terms of ninety (90) days each. If, upon expiration of the Exclusive Negotiation Period (including extensions, if any), a DDA has not been

approved and executed by Agency and/or City and Developer, then this Agreement shall automatically terminate, Developer shall have no further rights regarding the subject matter of this Agreement or the Property, and City and Agency shall be free to negotiate with any other person or entity with regard to the Property.

3. ACKNOWLEDGEMENTS AND RESERVATIONS

A. No Further Obligations. Agency, City and Developer agree that none of Agency, City or Developer shall be under any further obligation to each other regarding the disposition of the Property or the development of the proposed Project on the Property if this Agreement expires, is terminated for any reason, or a DDA is not executed by Agency and/or City and Developer.

B. No Agreement. Developer acknowledges and agrees that no provision of this Agreement shall be deemed to be an offer by Agency or City, nor an acceptance by Agency or City of any offer or proposal from Developer, for City to convey any interest in the Property to Developer or for Agency or City to provide any financial or other assistance to Developer for redevelopment of the Property.

C. No Acquisition. Developer acknowledges and agrees that it has not acquired, nor will acquire, by virtue of the terms of this Agreement, any legal or equitable interest in real or personal property from City or Agency.

D. Limitations of this Agreement. Nothing contained in this Agreement shall constitute a waiver, amendment, promise or agreement by Agency or City (or any of its departments or boards) as to the granting of any approval, permit, consent or other entitlement in the exercise of Agency's or City's regulatory capacity or function. Developer acknowledges that any proposed DDA or further amendment that may result from these negotiations will have to be submitted to Agency Board, and to the City Council of the City of Long Beach, for review and approval. Developer further acknowledges and agrees that no Agency staff, consultant, agent, or member of the Agency Board has the authority to bind Agency, and that no City staff, consultant, agent, or member of the City Council has the authority to bind City. Although neither Agency nor City will be bound to any agreement nor to any course of action except after approval and execution of the proposed DDA, or, as the case may be, the further agreement to negotiate, it is intended by all parties that these negotiations be conducted to carry out the terms set forth in this Agreement without material change. The final form of any proposed DDA to be negotiated may contain matters not contemplated by this Agreement, including, but not limited to, matters necessary to accommodate compliance with law, including without limitation the California Environmental Quality Act.

4. LIMITATIONS ON REMEDIES FOR BREACH

A. Exclusive Right and Remedy. Agency, City and Developer each acknowledge and agree that none of Agency, City or Developer would have entered into this Agreement if it were to be liable to the other for monetary damages or other remedies. Accordingly, Agency, City and Developer each acknowledge and agree that their respective sole and exclusive right and remedy upon the breach of this Agreement by the other is to terminate this Agreement, without cost, expense or liability to either party or their respective officers, officials, employees, consultants or agents.

B. Section 1542. Each party acknowledges that it is aware of the meaning and legal effect of California Civil Code Section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her would have materially affected his or her settlement with the debtor.

C. General Release. California Civil Code Section 1542 notwithstanding, it is the intention of all of Agency, City and Developer to be bound by the limitation on damages and remedies set forth in this Section 4, and Agency, City and Developer hereby release any and all claims against each other and their respective officers, officials, employees, consultants or agents for monetary damages or other legal or equitable relief related to any breach of this Amendment and the Agreement, whether or not any such released claims were known or unknown to any of Agency, City or Developer as of the date of this Agreement. Agency, City and Developer each waive the benefits of California Civil Code Section 1542 and all other statutes and judicial decisions (whether state or federal) of similar effect with regard to the limitations on damages and remedies and waivers of any such damages and remedies contained in this Section 4.

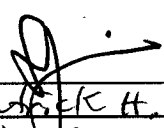
5. IMPACT OF THIS AMENDMENT. Except as expressly amended by this Amendment, all provisions of the Agreement shall remain in full force and effect.

THE PARTIES have executed this Amendment as of the date first written above.

REDEVELOPMENT AGENCY OF CITY OF LONG BEACH, CALIFORNIA, a public body corporate and politic

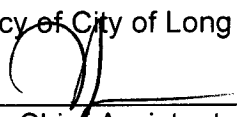
By: 
Name: Amy Bodek ROBERT M. ZUR SCHUMACHER
Its: Asst Executive Director

CITY OF LONG BEACH, CALIFORNIA, a charter city

By:  **Assistant City Manager**
Name: Patrick H. West EXECUTED PURSUANT
Its: City Manager TO SECTION 301 OF
THE CITY CHARTER.

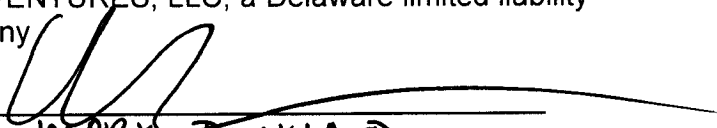
Approved as to form this 7th day of
June, 2011.

ROBERT E. SHANNON, City Attorney of
City of Long Beach, California and
general counsel of the Redevelopment
Agency of City of Long Beach

By: 
Chief Assistant

DEVELOPER

CITY VENTURES, LLC, a Delaware limited liability
company

By: 
Name: MARK BUCKLAND
Its: CEO

By: _____
Name: _____
Its: _____