

1 FIRST AMENDMENT TO SALES TAX AGREEMENT NO. 32583, LEASE NO. 32584  
2 AND SUBLEASE NO. 32585  
3 **32583**

4 THIS FIRST AMENDMENT TO SALES TAX AGREEMENT NO. 32583,  
5 LEASE NO. 32584 AND SUBLEASE NO. 32585 ("First Amendment") is made and entered,  
6 in duplicate, as of January 7, 2016 (the "Effective Date"), pursuant to a minute order  
7 adopted by the City Council of the City of Long Beach at its meeting on January 5, 2016  
8 by and between CABB BROTHERS, a California corporation ("Owner"), and the CITY OF  
9 LONG BEACH, a municipal corporation ("City").

10 WHEREAS, Owner and City have entered into (i) that certain Sales Tax  
11 Incentive Agreement No. 32583 (the "Incentive Agreement"), (ii) that certain Lease No.  
12 32584 (the "Lease"), and (iii) that certain Sublease No. 32585 (the "Sublease", and together  
13 with the Incentive Agreement and the Lease, the "Incentive Documents"); and

14 WHEREAS, the Incentive Documents support expansion and improvements  
15 at Owner's Toyota dealership located at 2895 Long Beach Boulevard; and

16 WHEREAS, the primary structure of the Incentive Documents is that fifty  
17 percent (50%) of sales tax generated by the dealership beyond an established base-year  
18 is shared with Owner for a fixed period of time, or until achieving a set numerical cap; and

19 WHEREAS, although Owner has completed the extensive expansion and  
20 remodel of its Toyota dealership, certain provisions of the Incentive Documents were not  
21 sufficient to provide Owner with economic relief necessary to support the cost of facility  
22 upgrades; and

23 WHEREAS, City and Owner now desire to amend certain provisions of the  
24 Incentive Documents;

25 NOW, THEREFORE, in consideration of the mutual terms, covenants and  
26 conditions herein, the parties agree as follows:

27 1. Effective as of the first day of the first calendar quarter after the  
28 Effective Date, Section 2.3.1 of the Lease is hereby amended and restated to read in its

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Lona Beach, CA 90802-4664

1 entirety as follows:

2 "2.3.1 "Base Year Sales Tax Increment" shall mean the Sales Tax Increment  
3 generated by operations of Owner on the Site in 2009, which was \$170,340", and other  
4 provisions of the Incentive Documents are hereby amended accordingly, as necessary.

5 2. Section 2.3.3 of the Lease is hereby amended and restated to read in  
6 its entirety as follows:

7 "2.3.3. "Maximum Rent Amount" shall be Three Million Dollars (\$3,000,000)",  
8 and other provisions of the Incentive Documents are hereby amended accordingly, as  
9 necessary.

10 3. Sub-clause (i) of Section 8.6 of the Lease, and other provisions of the  
11 Incentive Documents as necessary, are hereby amended so that the Lease and other  
12 Incentive Documents shall terminate on December 31, 2030.

13 4. Except as expressly modified herein, all of the terms and conditions  
14 contained in the Incentive Agreement, the Lease and the Sublease are ratified and  
15 confirmed and shall remain in full force and effect.

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1 IN WITNESS WHEREOF, the parties have caused these presents to be duly  
2 executed with all formalities required by law as of the date first stated above.

3 CABE BROTHERS, a California  
4 corporation

5 \_\_\_\_\_, 2016

By John R. CABE  
6 Name \_\_\_\_\_  
7 Title President

8 \_\_\_\_\_, 2016

By \_\_\_\_\_  
9 Name \_\_\_\_\_  
10 Title \_\_\_\_\_

11 "Owner"

12 CITY OF LONG BEACH, a municipal  
13 corporation

14 May 10, 2016

By [Signature]  
15 City Manager  
16 Assistant City Manager  
17 "City"

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

18 This First Amendment is approved as to form on February 10,  
19 2016.

20 CHARLES PARKIN, City Attorney

By [Signature]  
21 Deputy

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