

**FIRST AMENDMENT TO CONVEYANCING AGREEMENT
AMONG
THE CARSON RECLAMATION AUTHORITY
AND
CAM-CARSON LLC**

THIS FIRST AMENDMENT TO CONVEYANCING AGREEMENT (“**Amendment**”) shall be effective as of September [4], 2018 (“**Effective Date**”), by and between the CARSON RECLAMATION AUTHORITY, a California joint powers authority (“**Authority**”), and CAM-CARSON LLC, a Delaware limited liability company (“**Developer**”, together with the Authority, each individually a “**Party**”, and collectively, the “**Parties**”).

RECITALS:

A. Project Agreements. Authority and Developer are Parties to a Conveyancing Agreement, dated as of _____, 2018. Developer and the City of Carson, a California municipal corporation (“**City**”, or collectively with Authority, the “**City Parties**”), are Parties to a Development Agreement, dated as of _____, 2018. Authority and City are Parties to a Cooperation Agreement, dated as of _____, 2018. The foregoing agreements (collectively, the “**Project Agreements**”) were initially approved by the City and Authority on April 3, 2018, and April 17, 2018, respectively, and were reapproved by City Parties with certain changes on July 19, 2018.

B. Recitals under Project Agreements. All recitals of the Conveyancing Agreement are incorporated herein as though fully set forth herein.

C. Provision of Letter of Credit. Developer has caused to be deposited with Authority an irrevocable letter of credit for the benefit of the Authority, issued by Bank of America, N.A. (“**Bank**”), dated _____, 2018 in the amount of Eleven Million Dollars (\$11,000,000), as security for the performance of Developer’s obligations under Sections 17.5.2 and 17.5.3 of the Conveyancing Agreement, which is intended to be used as the “additional payment” in the event of a Default by Developer under Sections 17.1.1 and 17.1.2 of the Conveyancing Agreement, as further set forth therein (such letter of credit, together with any replacements, substitutes, or renewals thereof, the “**Letter of Credit**”). The Parties wish to amend the Conveyancing Agreement by this Amendment to establish the terms and conditions under which the Authority may draw under the Letter of Credit, as more specifically set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties mutually agree to the following:

AGREEMENT

1. Recitals; Defined Terms.

1.1 The Recitals set forth above are incorporated herein as though fully set forth herein. The Recitals set forth above are agreed to be true and correct by the Parties.

1.2 Any and all references to the term “Macerich” under the Conveyancing Agreement shall be deleted and replaced with the term “Developer” as defined in this Amendment. Capitalized terms used in this Amendment (including the Recitals) but not otherwise defined herein shall have the same meaning ascribed to such terms under the Conveyancing Agreement.

2. Amendments to Conveyancing Agreement.

2.1 Terms and Conditions Regarding the Letter of Credit.

2.1.1 Developer shall pay all fees, charges, and costs of Bank or the applicable Authorized Issuer (as defined below) for maintaining and issuing the Letter of Credit.

2.1.2 Developer shall be obligated to ensure that the Letter of Credit shall be an original unconditional, irrevocable commercial Letter of Credit issued by Bank or by another nationally recognized financial institution with a credit rating of “A” or better from S&P or Moody’s with offices in the State of California acceptable to the Authority (an “**Authorized Issuer**”), and shall be in the amount of Eleven Million Dollars (\$11,000,000), with a term expiring not less than one (1) year after the date of issuance. The Letter of Credit shall specifically permit Authority to draw on same by unilateral certification of the Executive Director of the Authority with the following statement to Bank or Authorized Issuer:

“The Carson Reclamation Authority (“Authority”) hereby certifies that (A) CAM-Carson LLC (“Developer”) is in default under Section [17.1.1 or 17.1.2, as applicable] of the Conveyancing Agreement by and between Authority and Developer dated as of _____, 2018, as amended, and pursuant to Section [17.5.2 or 17.5.3, as applicable], Authority is entitled to the amount drawn pursuant to the terms and conditions set forth in the Conveyancing Agreement or (B) there is an LC Default Event pursuant to Section 2.1.3 of the First Amendment to Conveyancing Agreement by and between Authority and Developer dated as of September [4,] 2018 and Authority is entitled to the amount drawn pursuant to the terms and conditions set forth in the Conveyancing Agreement.”

2.1.3 For the sole purposes of securing any additional payment required pursuant to Section 17.5.2 or 17.5.3 of the Conveyancing Agreement, the Authority shall be entitled to draw on the Letter of Credit if (i) a replacement Letter of Credit (with a term expiring in not less than one (1) year from the date of expiration of

the original Letter of Credit or any replacement Letter of Credit) is not delivered not less than thirty (30) days prior to the expiration of the original Letter of Credit, or (ii) subject to Section 2.1.6 below, if the Letter of Credit is in the process of, or in immediate threat of, being terminated, revoked, withdrawn, or otherwise cancelled for any reason, or becoming invalid or unenforceable for any reason (each such event described under clauses (i) and (ii), an “**LC Default Event**”), such substitute Letter of Credit being in the same amount and having the terms and conditions as the initial Letter of Credit delivered to the Authority, issued by an Authorized Issuer. Notwithstanding anything to the contrary set forth herein, in the event Developer causes an Authorized Issuer to deliver a substitute Letter of Credit to the Authority following a LC Default Event, which contains the same terms and conditions as the initial Letter of Credit delivered to the Authority (or such other replacement or substitute Letter of Credit acceptable to Authority), the Authority shall immediately return via wire transfer and reimburse Developer for any and all amounts drawn on by the Authority under the original or any other Letter of Credit. Additionally, in the event that Developer commences and completes construction of Phase I of the Project (as defined in Recital G of the Conveyancing Agreement) as evidenced by a certification issued by Developer in accordance with the requirements of the Conveyancing Agreement, then the Authority shall return and reimburse Developer for any and all amounts, if any, drawn on by the Authority under the original or prior Letter of Credit.

2.1.4 Authority covenants and agrees not to draw on the Letter of Credit unless and until (i) a LC Default Event has occurred and is continuing without cure, or (ii) a Developer Default has occurred as set forth in Sections 17.5.2 or 17.5.3 of the Conveyancing Agreement.

2.1.5 Any amounts drawn by the Authority under the Letter of Credit for a Developer Default as set forth in Sections 17.5.2 or 17.5.3 of the Conveyancing Agreement shall be used and applied by Authority to remedy the Developer Default. Any amounts drawn by the Authority under the Letter of Credit for an LC Default Event shall be held by Authority solely as security for the additional payment required in the event of a Developer Default pursuant to Sections 17.5.2 or 17.5.3 of the Conveyancing Agreement. In the event that Developer delivers a replacement Letter of Credit following an LC Default Event as set forth herein, then the Authority shall return and reimburse Developer for any and all amounts, if any, drawn on by the Authority under the original or prior Letter of Credit.

2.1.6 The Letter of Credit may be terminated by Developer, Bank and/or an Authorized Issuer upon the completion of Phase I of the Project as evidenced by a certification issued by Developer in accordance with the Project Schedule; *provided, however*, that any delayed completion of Phase I of the Project shall not constitute a Developer Default if Developer is diligently developing Phase I of the Project, until the first anniversary of the completion date set forth in the Project Schedule, as the same may be extended on account of Force Majeure or as otherwise set forth in the Conveyancing Agreement.

2.2 Section 17 Modifications. Sections 17.1.2, 17.5.2 and 17.5.3 of the Conveyancing Agreement shall each be respectively amended and restated in their entirety as follows:

17.1.2 *Failure to Complete in Accordance with Project Schedule; Grace Period.* If Developer does not complete Phase I of the Project in accordance with the Project Schedule, *provided, however*, that such delay shall not constitute a Developer Default if Developer is diligently developing Phase I of the Project, until the first anniversary of the completion date set forth in the Project Schedule, as the same may be extended on account of Force Majeure or as otherwise expressly set forth herein, including, but not limited to, delays pursuant to Section 17.4.3 (e.g., and not by way of limitation, delays to the completion of the Site Development Improvements by the Authority).

17.5.2 *Failure to Complete Phase I of the Project.* In the event of the Developer Default described in Section 17.1.1 above, Authority may, as its sole and absolute remedies therefor (i) terminate this Agreement, (ii) retain the entire Deposit, and (iii) draw on the Letter of Credit for the full amount of Eleven Million Dollars (\$11,000,000).

17.5.3 *Delay Beyond Grace Period.* In the event of the Developer Default described in Section 17.1.2 above, if Developer is, notwithstanding such delay, diligently pursuing completion of Phase I of the Project, Authority may, as its sole and absolute remedies therefor (i) retain the entire Deposit, and (ii) draw under the Letter of Credit for the full amount of Eleven Million Dollars (\$11,000,000). In the event of the Developer Default described in Section 17.1.2 above, if Developer is not diligently pursuing completion of Phase I of the Project, except on account of Force Majeure, Authority shall have the remedies described in Section 17.5.2 above. Developer agrees that such remedies in this Section and Section 17.5.2 above are not in the nature of a penalty, but in the nature of a payment recognizing that Authority has selected Developer and entered into this Agreement in lieu of selecting and negotiating development proposals made by many other entities, and the deferral of the development of the Developer Property will impose substantial hardship on Authority.

3. Miscellaneous.

3.1 Continuing Effect of Conveyancing Agreement. Except as expressly modified or amended by this Amendment, all other provisions of the Conveyancing Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Conveyancing Agreement, it shall mean the Conveyancing Agreement as amended by this Amendment.

3.2 Right to Assign. Developer has the same right to transfer or assign its obligations under this Amendment as provided in the Conveyancing Agreement and any consents given by City and Authority thereunder, subject to the same terms and conditions.

3.3 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

3.4 Severability. If any part of this Amendment is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Amendment shall be given effect to the fullest extent reasonably possible.

3.5 Interpretation. In the event of any asserted ambiguity in, or dispute regarding, the interpretation of any matter herein, the interpretation of this Amendment shall not be resolved by any rules of interpretation providing for interpretation against the party who caused the uncertainty to exist or against the drafting party. The Project Agreements (including the Recitals and Exhibits thereto) and this Amendment, constitute the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Amendment and the terms and provisions of this Amendment shall expressly supersede and cancel any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Amendment. In the event of any conflict between the terms and provisions under the Project Agreements and this Amendment, the terms and provisions of this Amendment shall control and supersede such conflicting terms under the Project Agreements.

3.6 Amendment. No amendment to or modification of this Amendment shall be valid unless made in writing and approved by Authority and Developer. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

3.7 Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other Parties to this Amendment attached thereto. Delivery of a signed counterpart by fax or email shall constitute good and sufficient delivery.

3.8 Entire Agreement. This Amendment and the Project Agreements contain the entire agreement between the Parties with respect to the matters covered by this Amendment, and supersedes (i) any provision of the Project Agreements in conflict

herewith, and (ii) any prior oral or written statements or agreements between the Parties with respect to the subject matter of this Amendment.

3.9 Project Agreements in Force. Except as expressly otherwise provided herein, all provisions of the Project Agreements remain in full force and effect.

3.10 Interpretation and Governing Law. This Amendment and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California without regard to conflict of law principles. The agreements contained herein shall not be construed in favor of or against any of the Parties but shall be construed as if all parties prepared this Amendment.

3.11 Authority. The persons executing this Amendment on behalf of the Parties hereto warrant that: (i) such Party is duly organized and existing; (ii) such Party is duly authorized to execute and deliver this Amendment on behalf of said Party; and (iii) the entering into of this Amendment does not violate any provision of any other agreement to which said Party is bound.

[Signature Pages Follow]

IN WITNESS THEREOF, the Parties hereto have executed this Amendment as of the day and year written alongside their respective signature line below.

DEVELOPER

CAM-CARSON LLC,
a Delaware limited liability company

By: _____
Ann C. Menard, Executive Vice
President, Chief Legal Officer and
Secretary

AUTHORITY

CARSON RECLAMATION AUTHORITY, a
California joint powers authority

By: _____
Albert Robles, Chair

ATTEST:

City Clerk / Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Sunny Soltani
City Attorney / Authority Counsel