

August 30, 2018

Mr. John Raymond  
Executive Director  
Carson Reclamation Authority  
701 East Carson Street  
Carson, California 90745

Re: The District at South Bay Development (Cells 1, 3, 4 and 5)

Dear Mr. Raymond:

We understand that on or about October 25, 2017, the Carson Reclamation Authority (“Authority”) initiated an Invitation to Propose process to identify one or more potential developers for the development of Cells 1, 3, 4 and 5 of the 157 acre site located southwest of the I-405 and Del Amo Boulevard/South Main Street (the “Remaining Property”) that is included within the District at South Bay Specific Plan (the “District”). It is our further understanding that, at this time, the Authority is completing the Invitation to Propose process and the process has not yet resulted in the selection of a developer(s) for the Remaining Property (referred to herein as a “Developer” or if more than one, the “Developers”).

If, at the conclusion of the Invitation to Propose process (by rejection, expiration or otherwise, without any further extensions of the process) (the “RFP Expiration”), the Authority in its sole discretion does not select a Developer for all or any portion of the Remaining Property, then this letter agreement, if accepted and agreed to by the Authority by its execution below, shall constitute the grant to CAM-Carson LLC (“CAM-Carson”) (Simon/Macerich) of a Right of First Negotiation to initiate a conceptual planning process and enter into an Exclusive Negotiating Agreement to be the master vertical developer of the Remaining Property (or any part thereof for which a Developer has not been selected) in accordance with the terms of this letter agreement. We believe that coordinated development of the Remaining Property together with the Los Angeles Premium Outlets on Cell 2 of the District (“LAPO Project”) would be beneficial to all parties, including the Authority and the City. CAM-Carson is prepared to work with the Authority to develop a conceptual development plan, budget and financing plan for the Remaining Property.

We believe, working together, we can develop a conceptual development plan, budget and financing plan for presentation to the Authority Board and City Council within approximately 6 months following notice to CAM-Carson of the RFP Expiration (the “Conceptual Planning Period”). During the Conceptual Planning Period, we anticipate an iterative process working with the Authority. Following our review of prior Authority and City documents relating to the Remaining Property, we would deliver to the Authority an initial conceptual plan. We would expect that process would take approximately 90 days. Following delivery of the initial conceptual plan, we would recommend one or two planning meetings (charrettes) over a 30 day period with the Authority to discuss planning concepts and potential development scenarios. We would then revise the initial conceptual development plan, budget

and financing plan and submit a final conceptual plan, budget and financing plan to the Authority and City for review and approval within 60 days.

At the conclusion of the Conceptual Planning Period, if the Authority and City approve the final conceptual development plan, budget and financing plan for the Remaining Property, we would then proceed with the negotiation of an Exclusive Negotiating Agreement to provide for the potential development of the Remaining Property.

Subject to full execution and delivery of this Right of First Negotiation, upon the RFP Expiration, CAM-Carson will provide \$200,000 (to be pro-rated if the Remaining Property for which a Developer has not been selected does not constitute the entirety of Cells 1, 3, 4 and 5 within the District) in funding to the Authority to cover actual, out-of-pocket costs during the Conceptual Planning Period for such planning process with CAM-Carson, up to execution of the Exclusive Negotiating Agreement. We understand that the grant of the Right of First Negotiation is conditioned on CAM-Carson proceeding with the LAPO Project as provided for in the LAPO Project agreements, including without limitation the LAPO schedule as provided by the LAPO Project agreements. In other words, the Right of First Negotiation shall not be effective until the LAPO Project agreements are fully executed and delivered, and we guarantee to you that should the Right of First Negotiation be granted, we will not delay the LAPO Project in an attempt to consolidate the development of the remainder of the Remaining Property with the LAPO Project.

If the Authority is in agreement with these terms please countersign this letter agreement and return a fully executed original to us.

Sincerely,

Agreed to and Accepted by  
The Carson Reclamation Authority

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By:  
Date:

Approved as to form and legality:

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By: Sunny Soltani, Authority Counsel

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