

**FIRST AMENDMENT TO LICENSE AGREEMENT  
BETWEEN  
CITY OF REDONDO BEACH  
AND  
NORTHROP GRUMMAN SYSTEMS CORPORATION  
FOR USE OF AVIATION PARK GYMNASIUM**

THIS FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF REDONDO BEACH AND NORTHROP GRUMMAN SYSTEMS CORPORATION (this "Amendment") is entered into between the City of Redondo Beach ("City"), and Northrop Grumman Systems Corporation ("NORTHROP GRUMMAN"), a Delaware corporation.

WHEREAS, the parties have entered into that certain License Agreement for Use of Aviation Park Gymnasium Between the City of Redondo Beach and Northrop Grumman Space & Mission Systems Corp. (hereinafter, Northrop Grumman Systems Corporation), dated April 7, 2009 (the "Agreement").

**RECITALS**

- A. The City owns and operates certain facilities comprising a gymnasium building with physical training rooms, a Performing Arts Center and Track located in Aviation Park in the City of Redondo Beach, California.
- B. The City intends to continue to operate the Performing Arts Center for the benefit of the community and acknowledges the parking access provided by NORTHROP GRUMMAN which contributes to the operation of the Performing Arts Center and the Aviation Gym and Track.
- C. City and NORTHROP GRUMMAN desire to amend the Agreement in order to:
  - 1. Extend the term of the Agreement which expired on March 31, 2012;
  - 2. Increase the fees for NORTHROP GRUMMAN's use of the licensed premises and amend the procedure for City to notify NORTHROP GRUMMAN when the licensed premises are unavailable for use by NORTHROP GRUMMAN;
  - 3. Amend the procedures of Section 7 of the Agreement to allow NORTHROP GRUMMAN to perform meter readings on the air conditioning ("AC") unit in the licensed premises in order to determine the electrical usage costs associated with the AC unit so that NORTHROP GRUMMAN may reimburse City for such use;
  - 4. Reduce the number of parking spots City may utilize in NORTHROP GRUMMAN parking lots as indicated in Exhibit B to the Amendment;
  - 5. Change notification procedures of Section 9 to allow City to notify NORTHROP GRUMMAN via email when City needs to utilize the NORTHROP GRUMMAN parking lots and allow NORTHROP GRUMMAN to notify City by email when the parking lots are unavailable for use by City;

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6. Change the parties at NORTHROP GRUMMAN to be notified pursuant to Section 13 of the Agreement; and
7. Add Section 18 regarding the incorporation of Exhibits into the Agreement.

WHEREAS, the parties desire to amend the Agreement as follows:

1. Section 2 regarding Uses shall be deleted and replaced with the following:

**"Uses.** During the term of this Agreement, NORTHROP GRUMMAN shall have the following rights to the Licensed Premises:

- a. Exclusive use of the Fitness Center (Rooms G-7, G-8 and G-9);
- b. Non-exclusive use of the Restroom/Locker Room;
- c. Exclusive Use of the Large Gym and Small Gym (Rooms G-1 and G-2) between the hours of 11:30 a.m. and 1:30 p.m. Monday through Friday, except those rooms will not be made available to NORTHROP GRUMMAN up to six days per year for City sponsored functions/events. City shall provide NORTHROP GRUMMAN with at least ten (10) days notice via email prior to the event date. Such notice shall include the start and end times of the event. The email notice shall be sent directly to: Community Relations Representative, Phyllis Glock at [phyllis.glock@ngc.com](mailto:phyllis.glock@ngc.com) with a copy to Scott Frezieres at [scott.frezieres@ngc.com](mailto:scott.frezieres@ngc.com);
- d. Exclusive use of Dance Room (G-3) between the hours of 6:00 a.m. and 8:00 a.m., and 12:00 noon and 1:00 p.m. Monday through Friday, 4:45 p.m. and 5:45 p.m. Monday, Wednesday and Thursday; and 5:30 p.m. and 6:30 p.m. Tuesday and Friday, except this room will not be made available to NORTHROP GRUMMAN up to six days per year for City sponsored functions/events. The City shall provide NORTHROP GRUMMAN with at least ten (10) days written notice via email prior to the event dates including the start and end times of the event. The email notice shall be sent directly to: Community Relations Representative, Phyllis Glock at [phyllis.glock@ngc.com](mailto:phyllis.glock@ngc.com) with a copy to Scott Frezieres at [scott.frezieres@ngc.com](mailto:scott.frezieres@ngc.com);
- e. Non-exclusive noontime use of the Aviation track, field and park when these facilities are not scheduled for recreation activities or other City events, or closed due to weather, maintenance, or upgrade construction;
- f. Storage space to store miscellaneous fitness equipment, if available."

2. Section 4 regarding Term shall be deleted and replaced with the following:

**"Term.** The term of this Agreement shall be for a period of three (3) years, commencing on May 1, 2012 and expiring on March 31, 2015 unless terminated earlier by either party upon one hundred twenty (120) days prior written notice."

3. Section 5 regarding Option to Extend shall be deleted and replaced with the following:

**"Option to Extend.** The City hereby grants to NORTHROP GRUMMAN the option to extend the Term of this License Agreement for an additional three (3) year period on the same terms and conditions as set forth in the amended Agreement. The option must be exercised, if at all, by written notice delivered to the City at least six (6) months prior to the expiration of the then current term."

4. Section 6 regarding Fees shall be deleted and replaced with the following:

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**"Fees.** For the period from April 1, 2012 through March 31, 2013, NORTHROP GRUMMAN shall pay a total monthly fee in the amount of \$8,767.15 to the City for use of the Licensed Premises, which is calculated as follows:

- a. Base license fee of \$5,965.19 per month for exclusive use of the Fitness Center (G-7, G-8 and G-9);
- b. Maintenance fee of \$642.47 per month for use of the Restroom/Locker Room area;
- c. License fee in the amount of \$2,159.49 per month for use of the Large and Small Gyms and Dance Room Monday through Friday for two hours each day, except holidays;

Each of the fees set forth herein shall be adjusted every April 1<sup>st</sup> in proportion to the increase, if any, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers, Los Angeles – Riverside – Orange County, California (all items) for the calendar year immediately preceding such adjustment. For example only, the scheduled adjustment as of April 1, 2013 will be based upon the increase in CPI, if any, between the period beginning December 31, 2011, and ending December 31, 2012. In no event shall the fees set forth herein be adjusted downward in any given year. Notwithstanding the foregoing, the annual increases shall not exceed three percent (3%).

Fee for each month is due ten (10) days after the end of such month as shall be paid by check made payable to:

City of Redondo Beach  
Department of Recreation and Community Services  
1935 Manhattan Beach Blvd.  
Redondo Beach, CA 90278

In the event the fee is not paid within thirty (30) days of receipt of invoice, there shall be a late charge of five percent (5%) of monthly fee due. Such charge shall be imposed not as a penalty, but as a compensation for the administrative costs resulting from such delay."

5. Section 7 regarding Utilities, Custodial Service Keys shall be deleted and replaced with the following:

**"Utilities. Custodial Service Keys.** Except as otherwise set forth herein, the City shall, at no additional charge to NORTHROP GRUMMAN, furnish electrical, light, water and heat to the Licensed Premises. The City shall furnish daily custodial services Monday through Friday for the Large and Small Gymnasiums, Dance Room and Restroom/Locker Room portion of the Licensed Premises. NORTHROP GRUMMAN shall provide custodial services to the Fitness Center (Rooms G-7, G-8 and G-9). The City shall provide NORTHROP GRUMMAN one set of keys to Rooms G-7, G-8 and G-9.

NORTHROP GRUMMAN shall pay for all costs associated with the continued use of the Air Conditioning ("AC") unit added to the Fitness Center portion of the Licensed Premises in 2008. The AC unit for the Fitness Center portion of the Premises is separately metered. NORTHROP GRUMMAN shall perform monthly meter readings to calculate the kWh usage of the air conditioner at the Fitness Center. NORTHROP GRUMMAN shall reimburse the City for electrical usage costs based on NORTHROP GRUMMAN's monthly meter readings. The City shall provide reasonable access to the AC electric meter for monthly readings. All

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AC equipment installed by NORTHROP GRUMMAN shall be 100% maintained by NORTHROP GRUMMAN for the term of the License Agreement. All AC equipment installed as part of the Fitness Center portion of the Licensed Premises shall be left in place and become the sole property of the City of Redondo Beach upon expiration or termination of the License Agreement or any extension or follow-on thereto."

6. Section 9 regarding City Utilization of NORTHROP GRUMMAN Parking Lots shall be deleted and replaced with the following:

"City Utilization of NORTHROP GRUMMAN Parking Lots. NORTHROP GRUMMAN agrees to make the parking spots located at One Space Park Drive and Doolittle Drive in Redondo Beach and highlighted in Exhibit B available to the City and its invitees during off hours for City events at Aviation Park and/or the Redondo Beach Performing Arts Center. Off hours shall be considered for the purpose of this Agreement weekday evenings after 5:00 p.m. and weekends. Exhibit B is attached hereto. Use of NORTHROP GRUMMAN parking lots shall be for passenger vehicles only. The City shall provide for cleanup and removal of trash and debris left behind in NORTHROP GRUMMAN parking lots by City invitees, as necessary, after each event.

Whenever City has an event requiring the use of the NORTHROP GRUMMAN parking lots designated on Exhibit B, City shall provide NORTHROP GRUMMAN with at least fifteen (15) days notice by email prior to the event date. Such notice shall include the start and end times of the event. The email notice shall be sent directly to: NG Government Affairs: [joseph.ahn@ngc.com](mailto:joseph.ahn@ngc.com), with a copy to: AS Sector Real Estate: [abigail.smith@ngc.com](mailto:abigail.smith@ngc.com); Design & Estimating: [mike.shanklin@ngc.com](mailto:mike.shanklin@ngc.com); Physical Security: [thomas.shaver@ngc.com](mailto:thomas.shaver@ngc.com); Maintenance: [scott.wolverton@ngc.com](mailto:scott.wolverton@ngc.com); Facility Project Engineering: [doug.pennington@ngc.com](mailto:doug.pennington@ngc.com).

If NORTHROP GRUMMAN has a conflicting activity that precludes use of the parking lots, NORTHROP GRUMMAN shall respond via email to the City no later than ten (10) working days of receipt of the email notice to Recreation and Community Services: [John.LaRock@redondo.org](mailto:John.LaRock@redondo.org) and [Jack.Meyer@redondo.org](mailto:Jack.Meyer@redondo.org); however, NORTHROP GRUMMAN reserves the right to cancel within 24 hours notice in the event of an unforeseen emergency. NORTHROP GRUMMAN and City shall furnish a mutually accessible locking mechanism at the access point between the Aviation Park property and the NORTHROP GRUMMAN parking spots set forth on Exhibit B. The City shall furnish NORTHROP GRUMMAN with a Certificate of Coverage with an Endorsement naming NORTHROP GRUMMAN as an additional covered entity for liability arising out of and in connection with the use of the designated parking areas."

7. Section 13 regarding Notices shall be deleted and replaced with the following:

"Notices. Except as expressly provided otherwise herein, any notices required or permitted to be given under the terms of this Agreement, shall be given by mailing the same by registered or certified mail return receipt requested, postage prepaid, and addressed as follows:

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If to the City:  
City of Redondo Beach  
Department of Recreation  
& Community Services  
1922 Artesia Blvd.  
Redondo Beach, CA 90278

If to NORTHROP GRUMMAN:  
Northrop Grumman Systems Corporation  
Corporate Real Estate Dept – Legal Notices  
One Space Park Drive, D-2  
Redondo Beach, CA 90278

With copies to:

City Attorney  
City of Redondo Beach  
415 Diamond Street  
Redondo Beach, CA 90277

with mandatory copies to:

Northrop Grumman Systems Corporation  
Sector Real Estate Dept – Legal Notices  
One Space Park Drive, S/2451  
Redondo Beach, CA 90278

Northrop Grumman Systems Corporation  
Sector Law Department – Legal Notices  
One Space Park Drive, E1/5043  
Redondo Beach, CA 90278

After hours issues: call Security Control Center at (310) 812-9711."

8. Section 18 regarding Exhibits is hereby added to the Agreement as follows:

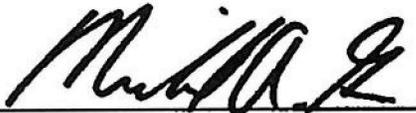
"Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference."

9. Except as expressly provided in this Amendment, all terms and conditions of the Agreement remain in full force and effect.

10. For the period between the expiration of the last Agreement term on March 31, 2012 and commencement of the current Amendment on May 1, 2012, parties have agreed to be bound by the terms of this Amendment and the Agreement. Pursuant to this section, NORTHROP GRUMMAN shall pay City \$8,767.15, the total amount due for NORTHROP GRUMMAN's use of the Licensed Premises during April 2012, upon execution of this Amendment.

IN WITNESS WHEREOF, the parties have entered into this Amendment as of this 1st day of May 2012.

CITY OF REDONDO BEACH

  
\_\_\_\_\_  
Mayor

NORTHROP GRUMMAN SYSTEMS  
CORPORATION

  
\_\_\_\_\_  
A.J. Paz  
Director, Corporate Real Estate

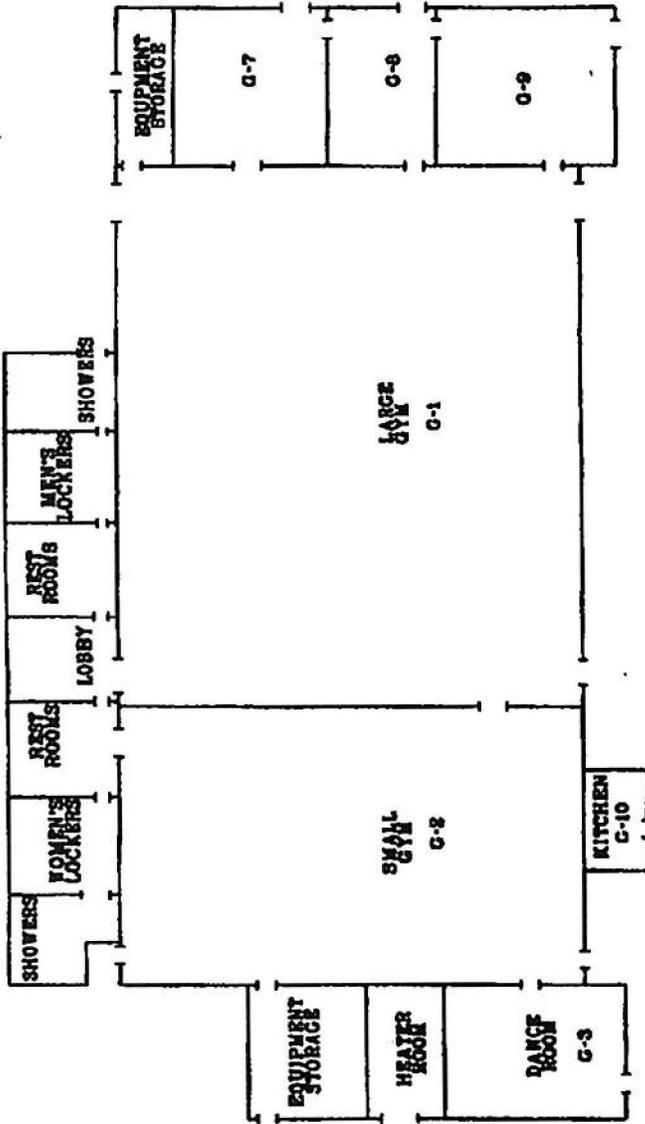
Attest:

  
\_\_\_\_\_  
City Clerk

Approved as to Form:

  
\_\_\_\_\_  
Assistant City Attorney

Exhibit A



| ROOM           | SQ. FT. | SEATING CAP. |         |
|----------------|---------|--------------|---------|
|                |         | ASSEMBLY     | BANQUET |
| LARGE GYM      | 12,000  | 1,100        | 500     |
| SMALL GYM      | 6,300   | 700          | 450     |
| DANCE RM       | 1,821   | 75           | 60      |
| LOBBY & B.R.'S | 3,315   | N/A          | NA      |
| 0-7            | 1,054   | 49           | NA      |
| 0-8            | 714     | 33           | NA      |
| 0-9            | 1,269   | 57           | NA      |
| KITCHEN        | 400     | 6            | NA      |
| TOTAL          | 29,676  | 2,020        | 1,870   |

\* INCLUDES SQ. FOOTAGE OF STORAGE AND EQUIPMENT AREAS

**CITY OF REDONDO BEACH**  
**CALIFORNIA**  
**DEPARTMENT OF ENGINEERING SERVICES**

**AVIATION PARK GYMNASIUM BUILDING**

SCALE: N.T.S.

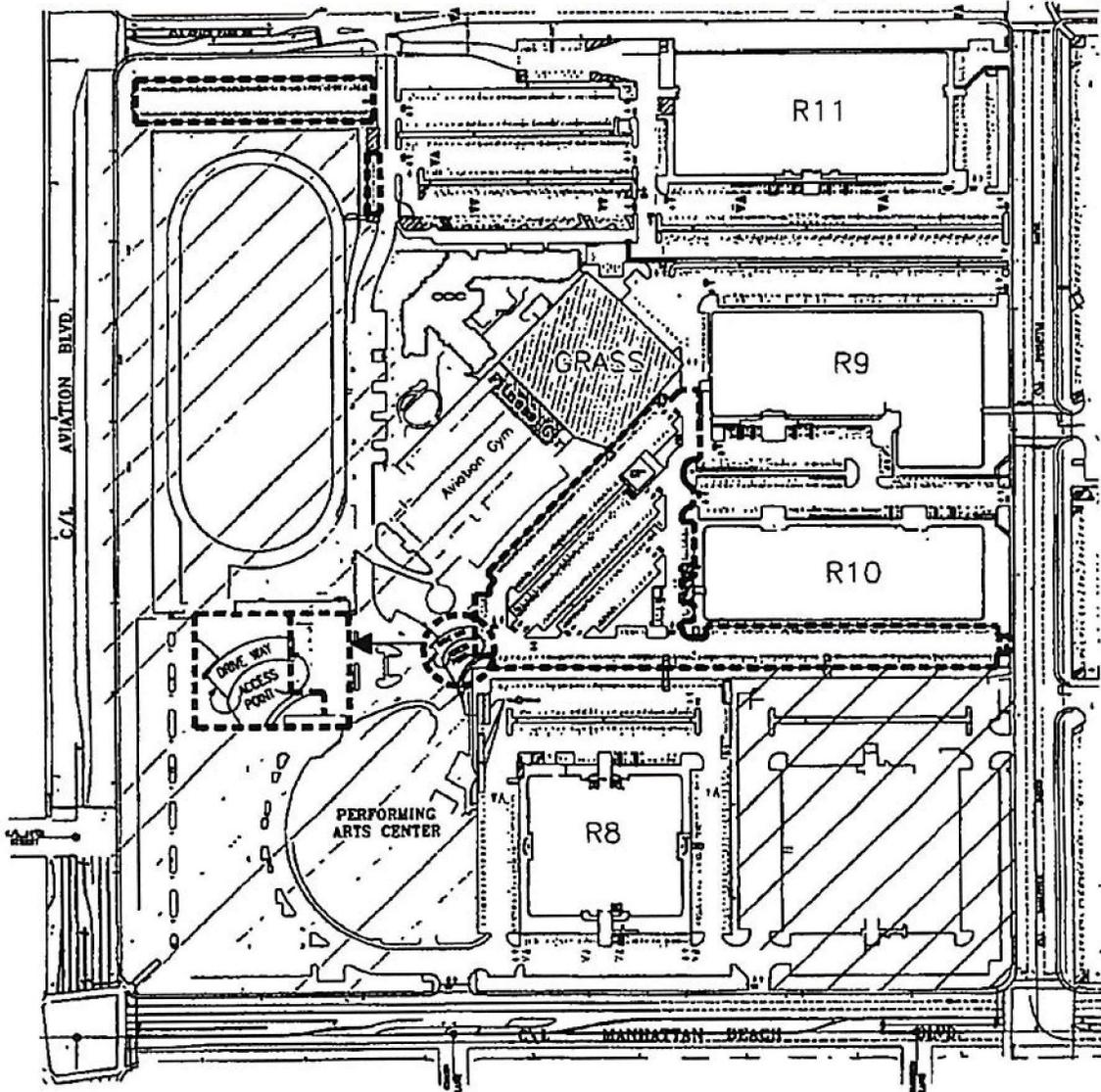
APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_

PROJECT NO. \_\_\_\_\_ SHEET NO. \_\_\_\_\_ OF \_\_\_\_\_ SHEETS

aviation park gymnasium bidg.dgn 01/19/2006 08:53:14 AM

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Exhibit B



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