




Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council

THROUGH: Geoff Dolan, City Manager 

FROM: Richard Thompson, Director of Community Development 
Eric Haaland, Associate Planner 

DATE: September 20, 2005

SUBJECT: Consideration of a Request for a 6-Month Time Extension for the Property Located at 330 S. Sepulveda Boulevard (Skechers)

RECOMMENDATION:

Staff recommends that the City Council approve a 6-month time extension.

FISCAL IMPLICATION:

There are no fiscal implications associated with the recommended action.

DISCUSSION:

The City Council, at its regular meeting of April 19, 2005, **APPROVED** (4-1 vote) a six-month extension of this use permit for a 54,000 square foot office building. The Planning Commission had granted the typical one-year extension period, however, the Council determined that the applicant should be given a shorter time period in order for the City to more closely monitor the applicant's progress on the project, and responsiveness to neighbor concerns in maintaining the currently vacant site. The project was granted a one-year extension the previous year due to project complexities. Project design revision delays were the primary reasons for this year's extension request. The one Council member vote against granting an extension this year was in opposition to some of the architectural changes in the revised building design.

At this time the applicant has completed demolition of the site, obtained a shoring permit, and nearly completed plan check for the revised building. The applicant has provided itemized documentation (attached) of project activity and progress made since the Council's extension in April. This is intended to verify that the time delays are not due to periods of unnecessary inactivity. The applicant information also points out actions taken to address neighbor concerns including a noticed meeting to get neighbor input.

Since the applicant appears to be making diligent progress toward project implementation, and to have adequately addressed recent neighbor concerns, Staff recommends that the City Council grant the requested 6-month extension ending March 13, 2006.

ALTERNATIVES:

The alternatives to the staff recommendation include:

1. **REMOVE** this item from the Consent Calendar, **DISCUSS** the extension request, and direct staff as determined to be appropriate.

Attachments:

C.C. Minutes excerpt, dated 4/19/05

Applicant material

- C: Skechers USA Inc.- Peter F. Mow, Property Owner
D.F. Hibbert A.I.A. – Project Architect

The following individuals spoke on this item:

- Viet Ngo, No Address Provided
- Patrick McBride, no address provided

MOTION: Mayor Pro Tem Ward moved to approve awarding a contract for the Downtown Streetscape Slurry Seal Project to Pavement Coatings Co. in the net amount of \$76,990 and approve a supplemental appropriation (\$53,000) from the Gas Tax Fund Reserves. The motion was seconded by Councilmember Tell and passed by the following unanimous roll call vote:

Ayes: Tell, Aldinger, Montgomery, Ward and Mayor Fahey.
 Noes: None.
 Absent: None.
 Abstain: None.

05/04/19.20 Consideration of a Planning Commission Decision to Approve a Request for a One-Year Time Extension for a Use Permit for Skecher's Proposed Office Development on the Property Located at 330 South Sepulveda Boulevard

A member of the audience pulled this item from the Consent Calendar for Council discussion.

The following individuals spoke on this item:

- Bill Robinson, 1100 Block of Duncan Drive
- Peter Mow, Senior Vice President Real Estate and Construction, Skechers USA

Council held discussion with Community Development Director Richard Thompson regarding Mr. Robinson's comments about Skechers' property maintenance. Community Development Director Thompson stated that this is the last extension; and that the City has limited authority to impose any new conditions.

City Attorney Robert Wadden commented that the City has limited authority but public nuisance issues could be dealt with through code enforcement.

Peter Mow, Senior Vice President Real Estate and Construction, Skechers USA explained that delays were caused by construction costs; that the project was bid three times; that costs are in excess of \$500 a square foot; that the original design was not cost effective; that the old building was not demolished sooner because they had office functions in the building; and that construction is scheduled to start in the summer of 2005.

In response to Mayor Fahey's questions about the neighbors, Mr. Mow reiterated that they were not able to tear down the building sooner because of office usage; that he would look for suggestions from the public; and that they were very responsive to cleaning up graffiti.

Mayor Fahey suggested that as "good neighbors", Skechers should hold a neighborhood meeting that is informative and interactive and to review the design of the building with the public.

Mayor Pro Tem Ward stated that the issue is "problematic" to him in view of the facts that the building is located on a prominent street, at a major location in our town; that a number of meetings with the public were held and the public "bought off" on the design; that Skecher's waited four years, now needs an extension; and that the earlier design elements are gone and it looks like two totally different projects.

8

Council further discussed their concerns including: the changes in the design of the building; the downside to denying the extension; the possibility of granting less than a one year extension; the estimated start of construction; and the need for the developer to be responsive to the neighbors.

City Attorney Robert Wadden responded to the questions about not extending the use permit and allowing less than a one year extension, stating that if the extension is not granted, that the conditional use permit expires, the whole process would have to start over and that Council does have the power to grant less than a one year extension.

MOTION: Councilmember Aldinger moved to approve the Planning Commission decision for a request for a sixth month time extension for a Use Permit for Skecher's proposed office development on the property located at 330 South Sepulveda Boulevard. The motion was seconded by Councilmember Tell and passed by the following roll call vote:

Ayes: Tell, Aldinger, Montgomery and Mayor Fahey.
Noes: Ward.
Absent: None.
Abstain: None.

Mayor Pro Tem Ward noted for the record that his dissenting vote is due to the fact that he does not think that the original project findings remain.

AUDIENCE PARTICIPATION

05/0419.30 Viet Ngo Re Unlawful Contract

Viet Ngo, No Address Provided, addressed his remarks to Councilmembers Montgomery and Tell regarding the Metlox contract being illegal because it was a no bid contract.

05/0419.31 Patrick Mc Bride Re Clean Money Campaigns

Patrick McBride, No Address Provided, explained that clean money campaigns are publicly financed; that they require voluntary spending limits with no private donations; and that no money comes from ones own pocket. He emphasized that the last campaign bothered some residents because of the amount of money spent per vote (more than in federal campaigns). **Mr. McBride** further stated that he has incorporated some of the issues into his own proposal (which he distributed to Council) and asked for their feedback.

CITY MANAGER REPORT(S)

05/0419.32 City Manager Geoff Dolan Re Skechers' Project

City Manager Geoff Dolan stated that he had no report, just an observation, and stated that after years of working on the Police / Fire / Metlox Project, it's interesting to hear that the Skechers project is 5 years late; is \$500 a square foot; and way over budget. He further stated that the City's project is less than \$500 a square foot and more complex.

Mayor Fahey added "we're doing good."

Memo

VIA: EMAIL

To: Peter Mow and Bruce Williams
From: Patty Carrozza
CC: Robert Thompson, Carol Jacobson, and Eric Haaland
Date: August 29, 2005
Re: SKECHERS U.S.A., Inc. - 330 S. Sepulveda Progress Report

Building Plans: Permit # 05-01434

- 5/31/2005 Revised plans submitted to the City of Manhattan Beach
- 7/6/2005 Panning Corrections faxed to Steve Soukup at David Hibbert Architect, AIA
- 7/7/2005 Eric Haaland, City of MB Planning, emailed Planning corrections to Patty Carrozza
- 7/13/2005 Patty Carrozza picked up comments from Public Works and emailed them to Steve Soukup and David Hibbert at David Hibbert Architect, AIA. cc: Peter Mow and Bruce Williams at SKECHERS U.S.A., Inc.
- 7/14/2005 Patty Carrozza spoke to Melad. They should complete their review no later than Monday 7/18. They will fax comments to Patty Carrozza and call her when the package has been delivered to the City of MB.
- 7/18/2005 Melad Comments received via Fax
- **7/19/2005 Steve Soukup picked up Melad package from City of MB. Should have revisions within 45 days.**

Shoring Permit - City of Manhattan Beach: Permit # 05-01141

- 3/29/2005 Plans submitted to the City of Manhattan Beach
- 4/27/2005 Skechers received comments from Dana Greenwood at the City of MB and from Melad
- 4/27/2005 Emailed comments to Larry Burnett requesting that the changes be made to the plans.
- 5/31/2005 Nor-Cal Engineering is reviewing the revised set of plans. In order to complete approval they need to take additional Soil Samples. Keith Tucker is working on a recommendation letter to submit to the city with the revised plans
- 6/3/2005 Emailed signed proposal for additional soil samples to Mark Burkholder
- 6/15/2005 Received letter from Keith Tucker
- 6/21/2005 Attempted drilling for Nor Cal with PSI (see Deceleration Lane Dedication Permit)
- 6/26/2005 Larry Burnett meeting with Keith Tucker to go over Maximum Lagging Design Pressure. Need to be revised from recommendation letter dated 6/15/2005. Meeting results: Keith Tucker will revise pressure as long as monitoring system is implemented.

- 6/29/2005 Drilling for Nor Cal completed. Soil is consistant.
- T/he plans are being recalculated to meet the necessary requirement for the Maximum Lagging Design Pressure.
- 7/1/2005 Received new recommendation letter from Keith Tucker. Emailed Larry Burnett letter. Instructed him to revise plans accordingly and to submit 5 sets of shoring plans with new calculations to Keith Tucker for Signature
- 7/12/2005 Keith Tucker received plans. He completed review and signed and stamped each set
- 7/13/2005 Received plans and calculations from Keith Tucker. Submitted 3 sets of plans and calculations to the City of MB with the following:
 1. 100 ft Radius Map
 2. Letter to each owner that falls within the 100ft radius with a Certified ticket and Return Receipt
 3. Copy of Address File
 4. 2 Recommendation Letters from Keith Tucker, Nor Cal
- 7/25/2005 Received call from Steve Soukup, comments are ready for pick up City of Manhattan Beach. Left Message for Lorena Soules to please email or fax comments to me and fax them to Larry Burnett.
- 7/26/2005 Lorena Soules (City of MB) mailed shoring comments to Larry Burnett.
- **8/1/2005 Comments and Plans received by Larry Burnett**
- **8/1/2005 Revised Plans sent to Keith Tucker to be stamped and signed**
- **8/2/2005 Plans messengerd to Skechers approved by Keith Tucker**
- **8/3/2005 2 Revised sets , 2 previous sets of plan check drawings, the correction sheet and a new set of calculations messengered to Anant Sheth at Melad**
- **8/4/2005 Anant Sheth called plans are approved, he needs one more set of calculations. Larry Burnett will messenger them over to Melad by 1pm. Approved plans will be returned to City of MB this afternoon before 5 pm.**
- **8/19/2005 Shoring Permit picked up by Steve Milam from Morley Builders.**

Shoring Permit - Cal Trans: Permit # 7056MC0758

- 4/8/2005 Plans were submitted to Permit Technician, Benny Diwa, at Cal Trans. Benny delivered plans to Structural Engineer, Mohammed Ali at Cal Trans.
- 4/20/2005 Plans were sent to the Sacramento office for review.
- 4/27/2005 Plans returned from Sacramento to Mohammed Ali at Cal Trans to complete review. Mohammad Ali sent plans to Senior Bridge Engineer, Ken Burkle at Cal Trans.
- 6/8/2005 Received comments via email from, Ken Burkle. Fowarded comments to Burnett & Young. Larry Burnett is revising the plans to meet Cal Trans requirements.
- 7/11/2005 Plan revision complete
- 7/12/2005 Revised plans delivered to Benny Diwa at Cal Trans. With the following
 1. \$50,000 Bond to ensure the removal of the Tiebacks
 2. Payment Bond Application TR-0018
 3. Performance Bond Application TR-0001
- Benny Diwa delivered the plans to Mohammed for review.
- 7/15/2005 Mohammed Ali completed review of revised plans and is forwarding them to Ken Burkle by Monday Morning 7/18/2005. Sent PDF files of plans and comments to Ken Burkle. He will start reviewing the

revised plans this weekend. Plans expected to be accepted and permitted by 7/22/2005

- 7/22/2005 Received additional comments from Ken Burkle. Emailed them to Larry Burnett. Revisions should be complete by Thursday 7/28/2005.
- 8/1/2005 Larry Burnett sent Benny at Caltrans 6 copies of the shoring plans. Benny hand delivered them to the Structural Engineers office.
- 8/3/2005 Spoke to Ken Burkle plans are approved, we need to speak with the Structural Engineers office. Gideon will review since Mohammed is out of the country.
- 8/4/2005 Spoke to Gideon, we should have permission to pull the permit on Monday 8/8/2005.
- 8/10/2005 Benny Diwa from Cal Trans called permit is ready for pick up
- 8/16/2005 Picked up permit from Cal Trans .

Shoring Permission - Manhattan Car Wash, 300 S. Sepulveda Blvd:

- 5/11/2005 Sent Letter and copy of plans to owner Keith Tanabe requesting permission to place tie backs on his companies property.
- 5/17/2005 Emailed Owner Keith Tanabe asking him for the status of our request.
- 5/23/2005 - 6/7/2005 Left several messages for Keith Tanabe regarding request.
- 6/8/2005 Emailed Keith Tanabe again requesting status.
- 6/13/2005 Received email from Keith Tanabe stating they forwarded our request to their attorney for review.
- 6/21/2005 received letter dated 6/15/2005 from Richard Leonard at Leonard, Dicker & Schreiber (Legal Council for Pro Thro Enterprises Property) declining our request.
- 6/22/2005 Called Richard Leonard and discussed the reasons for refusal. Richard will discuss issues with his clients to see if they will reconsider permission
- 6/28/2005 Set up a meeting with General Contractor for Car Wash and Larry Burnett to discuss details of shoring plans and the effects it will have on their property.
- 7/14/2005 Received email from Richard Leonard. Pro Thro Enterprises Property will give us permission to place tie backs on their property.
- 7/15/2005 Emailed Kent Burton at Baker Burton and Lundy (Skechers legal council) requesting him to draft a tie back agreement between Skechers and the Pro Thro Enterprises. Should be completed by Monday 7/18/2005. Will be sent to Richard Leonard for review and approval.
- 7/20/2005 Tie Back Agreement emailed to Richard Leonard.
- 7/22/2005 Spoke to Mr. Leonard he will review the document and get comments or a signed document back to me no later than 7/28/2005.
- 8/2/2005 Received redline of tieback agreement from Mr. Leonard. Emailed redline to Kent for review.
- 8/16/2005 Mr. Leonard requested additional changes to the Tieback Agreement.
- 8/26/2005 Mailed via DHL Overnight 3 execution copies of the Tieback agreement to Mr. Leonard. Should be returned signed this week.

Deceleration Lane Dedication Permit: Permit # 7036MC1987

- 5/19/2005 Cal Trans requested Phase II Environmental Site Assessment testing for hazardous materials from the site being dedicated.
- 5/23/2005 Received Proposal for work from PSI. PSI Scope of work submitted to Steve Chan at Cal Trans for approval

- 6/9/2005 Received comments from Steve Chan, we must drill down to ground water or Skechers must indemnify Cal Trans from any responsibility.
- 6/15/2005 Received and executed revised proposal from PSI. Drilling scheduled for 6/22/2005
- 6/22/2005 PSI drilling was canceled due to sandy area. Hallow-Stem Auger rig was not an all terrain vehicle and could not drive through the lot.
- 6/23/2005 PSI placed order for all terrain rig needs to be rescheduled.
- 6/24/2005 Received new Proposal from PSI for Drilling. Scheduled for 7/11/2005
- 7/11/2005 PSI completed drilling and is processing samples taken.
- 7/27/2005 Received Cal Trans Work Plan from PSI, emailed to Tricia Johns at KPFF. Still waiting for Soils Report, should be completed by 7/29/2005
- **8/16/2005 Soils report completed. 2 copies mailed to KPFF.**
- **8/19/2005 package was resubmitted to Benny Diwa Cal Trans. See attached transmittal sheet from KPFF for items submitted.**

330 S. Sepulveda, On-site improvements:

- We have set up a sprinkler system to water the property to minimize the dust. It is turned on 3 evenings per week for approximately 20 minutes.
- Skechers Security patrols the outside of the premise each evening.
- Graffiti has been removed and monitored daily.

Meeting with Edison 6/24/2005:

- Edison Engineer, Tom Cross met with Skechers Director of Construction, Bruce Williams, Architect, David Hibbert, and Electrical Engineer, Eric Percic to discuss the location of the transformer. After some discussion we will move the transformer to meet the requirements of Edison. Plans are being revised accordingly.

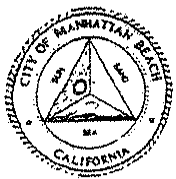
Neighborhood Meeting

- **8/3/2005 Mailed Certified , Return Receipt meeting notices to all parcel owners within a 500 Ft. radius informing them an informative meeting about the new Skechers building.**
- **8/10/2005 Mailed Certified , Return Receipt revised meeting notices to all parcel owners informing them of new date and location for meeting. (See copy of notice)**
- **8/25/2005 Held a meeting for the Neighbors within a 500 Ft. radius of our project. See Neighborhood Meeting Summary for Details**

Bids:

- The bid presentation from Morley is due July 12, 2005.
- 7/12/2005 Morley General Contractors Charlie Mutillo and Ron Elazar met with Skechers Senior VP of Real Estate and Construction, Peter Mow and Director of Construction, Bruce Williams to discuss bid.
- 7/15/2005 Allen Wix from Skechers received the Budget and Value Engineering quote. He will discuss items with Jason Greenberg from Skechers.
- 7/21/2005 Left Allen Wix a message for update on V.E. Itmes.
- 7/21/2005 Contract has been finalized by Legal. Need final pricing for the project.
- **8/25/2005 Contract with Morley Builders has been signed.**

Weed Abatement: Gardener has trimmed weeds.



**CITY OF MANHATTAN BEACH
COMMUNITY DEVELOPMENT DEPARTMENT**

1400 Highland Avenue • Manhattan Beach, CA 90266
Telephone (310) 802-5000 • FAX: (310) 802-5501 • TDD: (310) 546-3501

INSPECTION REQUEST (310) 802-5542 FOR NEXT WORKDAY INSPECTION CALL BEFORE 3:00 P.M.

**SHORING PERMIT
CITY OF MANHATTAN BEACH**

JOB ADDRESS:	330 S SEPULVEDA BLVD MANB	PERMIT NO:	05-01141
LOCATION:	LOTS 8,9,10,11 & 12	STATUS:	ISSUED
PARCEL NO:	4168-025-013 -	APPLIED:	03/29/2005
		DATE ISSUED:	08/19/2005
		TO EXPIRE:	02/15/2006
		FINAL:	

APPLICANT:	LARRY BURNETT SHORING ARCHT.	PHONE NO:	626/351-3367
OWNER:	DUNCAN INVESTMENTS	PHONE NO:	
CONTRACTOR:	MORLEY CONSTRUCTION CO	PHONE NO:	310.399.1600
ADDRESS:	2901 28TH ST #100	LIC #:	19618
CITY STATE, ZIP:	SANTA MONICA, CA		90405

DESCRIPTION: SHORING

VALUATION: 659,380.00 TYPE OF USE: NRES

PLAN CHECK FEE	\$4,973.00	ALTER THE FACT FEE	\$0.00
ADD'L PLAN CHECK FEE	\$0.00	OTHER FEE	\$0.00
PERMIT FEE	\$4,973.00		
MICROFILM	\$5.00		

TOTAL CALCULATED FEE : \$9,951.00
PAYMENTS : \$9,951.00
BALANCE DUE : \$0.00

• IMPORTANT •

Application is hereby made to the Building Official for a permit subject to the conditions and restrictions set forth in the Manhattan Beach Municipal Code and other applicable codes. Any permit issued as a result of this application becomes null and void if work is not commenced within ONE HUNDRED EIGHTY (180) DAYS from the date of issuance of such permit.

LEAD HAZARD WARNING

Due to the possible presence of lead-based paint, lead safe work practices are required for all repairs in pre-1979 buildings that disturb paint. Failure to do so could create lead hazards that violate California Health and Safety Code Sections 17920.10 and 105256 and may be subject to a \$1000 fine or criminal prosecution. For more information call 1-800-LA-4-LEAD.

SEE BUILDING PERMIT VALIDATION LIMITATIONS (SEPARTE FORM CD 056)

Every Permit issued by the Building Official under the provisions of Section 9.01.050 of the Manhattan Beach Municipal Code, shall expire by limitation and become null and void if the Building or work authorized by such permit is not completed, in accordance with the provision of this code, within two years from the date of such permit.

Permit No. 8
705-6MC-0758

In compliance with (check one) :

Your application of **APRIL 8, 2005**

Dist/Co/Rte/PM
 07-LA-1-22.161

Date
 August 11, 2005

Utility Notice No	Of	Fee Paid \$ 4,018	Deposit \$ 4,018
Agreement No	Of	Performance Bond Amount (1) \$ 50,000	Payment Bond Amount (2) \$ 50,000
R/W Contract No.	Of	Bond Company LINCOLN GENERAL INSURANCE COMPANY	
		Bond Number (1) 661113995	Bond Number (2)

TO:

SKETCHERS, USA, INC.
 C/O BURNETT & YOUNG, INC.
 650 SIERRA MADRE VILLA AVENUE
 PASADENA, CA 91107

ATTN: LARRY BURNETT, PERMITTEE
 PHONE: 626-351-3367

AND SUBJECT TO THE GENERAL PROVISIONS AND THE FOLLOWING, PERMISSION IS HEREBY GRANTED TO:
 ENCROACH WITHIN STATE HIGHWAY RIGHT-OF-WAY FOR THE PURPOSE OF INSTALLING 64 - 6-INCH DIAMETER
 TEMPORARY TIE-BACK ANCHORS AND LATER REMOVE ANCHOR RODS AT COMPLETION OF PROJECT AT
 332 S. SEPULVEDA BOULEVARD (ROUTE 1), IN THE CITY OF MANHATTAN BEACH; ALL IN ACCORDANCE WITH
 CURRENT STATE SPECIFICATIONS, THE ATTACHED SPECIAL PROVISIONS, AND STAMPED PLANS DATED 08/11/05.

PERMITTEE SHALL NOTIFY PERMIT INSPECTOR BY CALLING LARRY TOKUYAMA (310) 609-0354 BETWEEN 0700
 AND 0900 A MINIMUM OF TEN WORKING DAYS PRIOR TO THE INITIAL START OF WORK. A CONFIRMATION
 NOTIFICATION SHOULD OCCUR THREE DAYS BEFORE CLOSURE OR OTHER POTENTIAL TRAFFIC IMPACTS.

PERMITTEE SHALL ARRANGE A PRE-CONSTRUCTION MEETING WITH THEIR CONTRACTORS AND THE PERMIT
 INSPECTOR TO INSURE A COMPLETE UNDERSTANDING OF THE WORK AND PERMIT REQUIREMENTS.

BY ACCEPTANCE OF THIS PERMIT, THE PERMITTEE UNDERSTANDS AND AGREES TO REIMBURSE THE STATE FOR ANY AND ALL COSTS INCURRED FOR HAVING CORRECTIVE WORK
 PERFORMED BY THE STATE FORCES OR UNDER CONTRACT IN THE EVENT THAT THE PERMITTEE, HIS CONTRACTOR OR SUBCONTRACTOR FAIL TO INSTALL, REPLACE, REPAIR, RESTORE,
 OR REMOVE FACILITIES TO STATE SPECIFICATIONS FOR THE IMMEDIATE SAFE OPERATION OF THE HIGHWAY AND SATISFACTORY COMPLETION OF ALL PERMIT WORK. IT IS UNDERSTOOD
 THAT THE ABOVE CHARGES ARE IN ADDITION TO ANY PERMIT FEES AND THAT THE PERMITTEE WILL BE BILLED FOR SAID CHARGES AFTER SATISFACTORY COMPLETION OF ALL WORK.

The following attachments are also included as part of this permit.
 (Check applicable):

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	General Provisions
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	Utility Maintenance Provisions
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	Special Provisions A, E, & Q
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	A Cal-OSHA permit required prior to beginning work;

In addition to fee the permittee will be
 billed actual costs for:

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Review
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Inspection
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Field Work

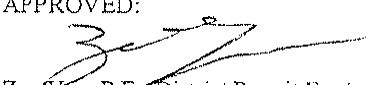
(If any Caltrans effort Extended)

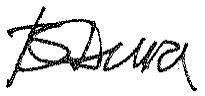
Yes No The information in the environmental documentation has been reviewed and considered prior to approval of this permit.

This permit is void unless the work is completed before **FEBRUARY 1, 2006**

This permit is to be strictly construed and no other work than specifically mentioned is hereby authorized.
 No project work shall be commenced until all other necessary permits and environmental clearances have been obtained.

WEST REGION
 TORRANCE
 TOKUYAMA - INSP.
 MARIN - INFO.

APPROVED:

 Zoe Yue, P.E., District Permit Engineer

By:

 B. Diwa, P.E. Civil Engineer

AIA[®] Document A111[™] – 1997

Standard Form of Agreement Between Owner and Contractor

where the basis for payment is the *COST OF THE WORK PLUS A FEE* with a negotiated *Guaranteed Maximum Price*

AGREEMENT made as of the 25th day of August in the year 2005
(In words, indicate day, month and year)

BETWEEN the Owner:
(Name, address and other information)

Duncan Investments, LLC
225 South Sepulveda Blvd.
Manhattan Beach, CA 90266

and the Contractor:
(Name, address and other information)

Morley Construction Company
2901 28th Street, Suite 100
Santa Monica, CA 90405

The Project is:
(Name and location)

Skechers Office Building
330 South Sepulveda Blvd.
Manhattan Beach, CA 90266

The Architect is:
(Name, address and other information)

David Forbes Hibbert AIA
1544 20th Street, Suite 103
Santa Monica, CA 90404

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.


This document is not intended for use in competitive bidding.

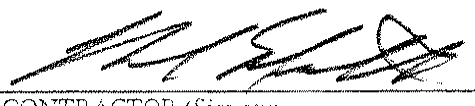
AIA Document A201-1997, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

This document has been approved and endorsed by the Associated General Contractors of America.



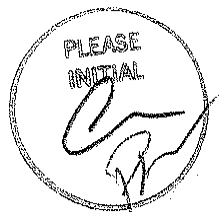
This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

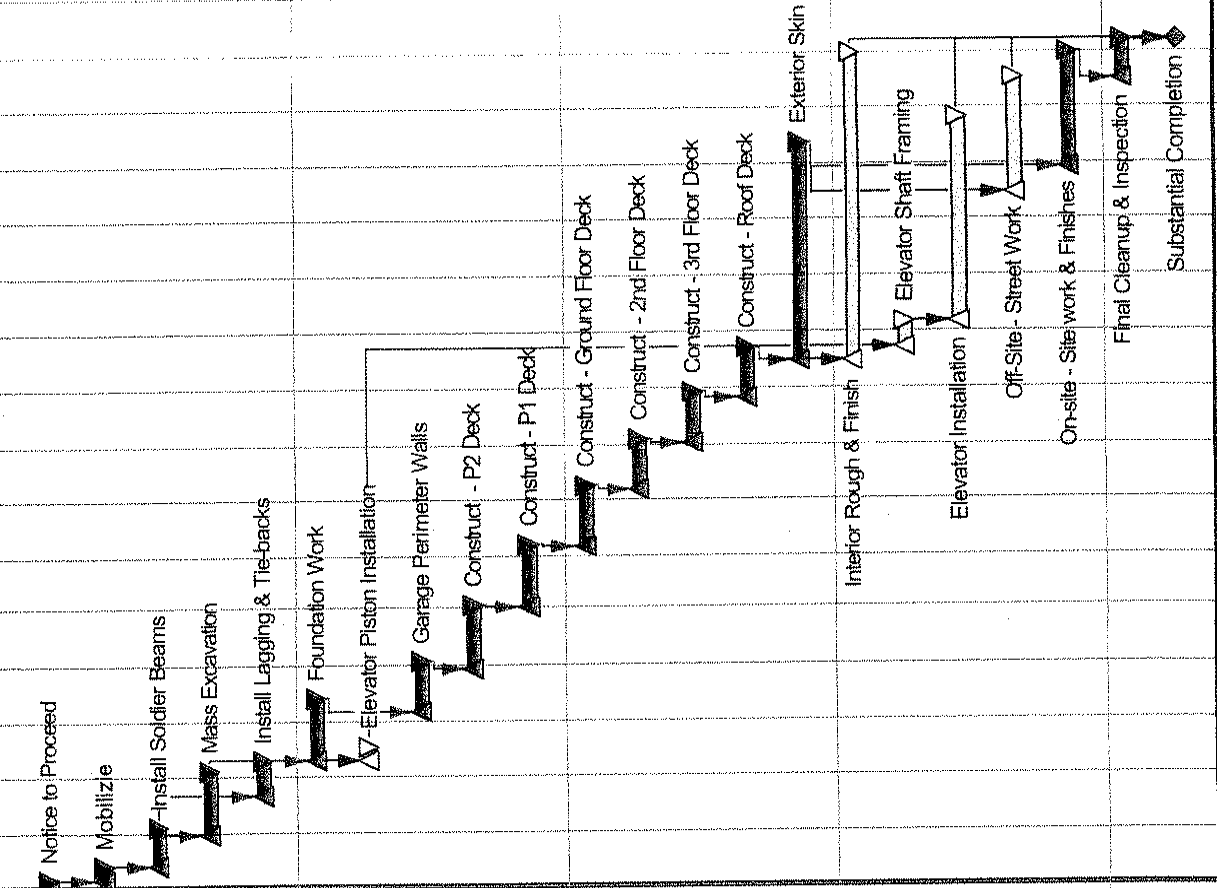

OWNER (Signature)


CONTRACTOR (Signature)

Peter F. Blum
Senior Vice President of
Ray Egan & Construction
(Printed name and title)

CHARLES MUTTILLO
(Printed name and title)
VICE PRESIDENT





Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
0010	Notice to Proceed	3	01SEP06*	06SEP06
0020	Mobilize	5	06SEP06	12SEP06
0030	Install Soldier Beams	15	13SEP06	08OCT06
0040	Mass Excavation	25	30SEP06	03NOV06
0170	Install Lagging & Tie-backs	14	21OCT06	06NOV06
0050	Foundation Work	23	10NOV06	12DEC06
0060	Elevator Piston Installation	5	10NOV06	16NOV06
0070	Garage Perimeter Walls	20	06DEC06	02JAN07
0080	Construct - P2 Deck	25	30DEC06	02FEB07
0090	Construct - P1 Deck	25	01FEB07	07MAR07
0100	Construct - Ground Floor Deck	25	06MAR07	07APR07
0110	Construct - 2nd Floor Deck	20	06APR07	03MAY07
0120	Construct - 3rd Floor Deck	20	02MAY07	29MAY07
0130	Construct - Roof Deck	20	26MAY07	22JUN07
0140	Exterior Skin	85	16JUN07	12OCT07
0160	Interior Rough & Finish	120	16JUN07	30NOV07
0150	Elevator Shaft Framing	10	23JUN07	06JUL07
0180	Elevator Installation	80	07JUL07	26OCT07
0190	Off-Site - Street Work	45	15SEP07	16NOV07
0200	On-site - Site work & Finishes	45	29SEP07	30NOV07
0210	Final Cleanup & Inspection	15	16NOV07	06DEC07
0220	Substantial Completion	0		06DEC07

Sheet 1 of 1

SKECHERS USA
 EXHIBIT 'F' - CONSTRUCTION SCHEDULE

SKE4

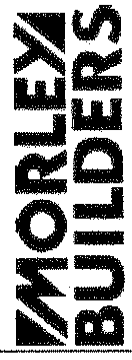
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8

**SKECHERS U.S.A., Inc.
REVISED NOTICE OF MEETING
DATE & LOCATION CHANGE**

SKECHERS U.S.A., Inc. WOULD LIKE TO INVITE ANY AND ALL INTERESTED PERSONS TO ATTEND A MEETING ON THE FOLLOWING MATTER.

SUBJECT OF THE MEETING: Update neighbors on the status of Skechers' new corporate building project and address any concerns they may have.

ATTENDEES: Peter F. Mow, SVP of Real Estate & Construction
David Hibbert, David Forbes Hibbert, AIA.

LOCATION OF PROPOSED PROJECT: 330 S. Sepulveda Blvd., Manhattan Beach, CA 90266

MEETING WILL TAKE PLACE: Thursday, August 25, 2005 at 6:00 p.m., or as soon thereafter as possible, at the The Belamar Hotel, 3501 Sepulveda Blvd., Manhattan Beach, CA 90266. T. 310.750.0300

IMPORTANT!

If you are the tenant at this address, please forward this notice to the property owner as soon as possible.

SKECHERS U.S.A., Inc.
NEIGHBORHOOD MEETING SUMMARY 8/25/2005

- Meeting Started at 6:00 PM
- Approximately 20 - 30 people in attendance
- Peter Mow Introduced himself, David Hibbert, Architect, Charlie Muttillo and Steve Milam of Morley Builders. Gave a brief overview of the calendared plans for the project and opened the floor for questions or concerns.
- Gave all attendees a handout of project information with Peter Mow's business card.
- Main concerns were about traffic, during construction and when the building is open for business.
- Morley Builders informed the attendees of the pending traffic plan that will be submitted to the city for approval for the duration of construction.
- We explained how the ingress and egress of the building were designed to eliminate easterly bound traffic on Longfellow exiting from the building and how the deceleration lane will encourage employees to use the ingress/egress on Sepulveda Blvd thus minimizing traffic on Kuhn Drive.
- We applied and have been granted a new stop light at Longfellow and Sepulveda Blvd. from Cal Trans, which will have a Left Turn/ U Turn arrow heading south on Sepulveda Blvd.
- Parking was another concern. Skechers' believes the project will be over parked and the number of parking spaces is more than adequate to support the building. As a company policy employees are instructed not to park on any of the surface streets.
- Overall the tone of the attendees was positive. Neighbors are in favor of the new building and can hardly wait for the building to be completed.
- Meeting ended at approximately 6:45 PM

