

AMENDMENT NO. 2 TO THE SOFTWARE AS A SERVICE AGREEMENT BETWEEN
THE CITY OF MANHATTAN BEACH AND KAIZEN LABORATORIES, INC.

This Amendment No. 2 ("Amendment No. 2") to that certain agreement by and between the City of Manhattan Beach, a California municipal corporation ("City") and Kaizen Laboratories, Inc., a Delaware Corporation ("Consultant") (collectively, the "Parties") is hereby entered into as of August 1, 2026 ("Effective Date").

RECITALS

A. On August 19, 2024, the City and Consultant entered into an agreement for software services for the Consultant to provide Parks and Recreation reservation and registration software services ("Original Agreement").

B. On July 29, 2025, the City and Consultant entered into Amendment No. 1 ("Amendment No. 1") to increase the Maximum Compensation, extend the term, modify the Scope of Services, and revise the Fee Schedule.

C. The Original Agreement as amended by Amendment No. 1, and No. 2, is hereinafter referred to as the "Agreement."

D. The Parties now desire to amend the Agreement to increase the Maximum Compensation, extend the term, and modify the Scope of Services, and revise the Fee Schedule.

NOW, THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereby agree as follows:

Section 1. Section 2 of the Agreement is hereby amended to extend the term of the Agreement through July 31, 2027, unless sooner terminated as provided in Section 12 of the Agreement.

Section 2. Section 3.A of the Agreement is hereby amended to increase the Maximum Compensation amount by \$36,000, for a new Maximum Compensation of \$ 106,000.

Section 3. "Exhibit A Scope of Services of the Agreement is hereby amended and restated by the Exhibit A Scope of Services attached to this Amendment."

Section 4. "Exhibit B Approved Fee Schedule of the Agreement is hereby amended and restated by the Exhibit B Approved Fee Schedule attached to this Amendment."

Section 5. Except as specifically amended by this Amendment No. 2, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment No. 1 on the day and year first shown above.

Approved for use 5/1/24

City:

City of Manhattan Beach, a California
municipal corporation

Consultant:

Kaizen Laboratories, Inc., a Delaware
Corporation

By: _____
Name: Talyn Mirzakhianian
Title: City Manager
Date:

By: _____
Name: Nikhil Reddy
Title: Co-Founder and CEO
Date:

ATTEST:

By: _____
Name: Liza Tamura
Title: City Clerk
Date:

APPROVED AS TO FORM:

By: _____
Name: Quinn M. Barrow
Title: City Attorney
Date:

APPROVED AS TO FISCAL IMPACT:

By: _____
Name: Libby Bretthauer
Title: Finance Director
Date:

APPROVED AS TO CONTENT:

By: _____
Name: Mark Leyman
Title: Parks and Recreation Director
Date:

Exhibit A

Scope of Services

Summary of Services	Qty	Cost	Total Cost
Software Services: continue to provide software hosting, licensing, maintenance, technical support, and related services for the existing software solution The services included in RMS include, memberships, facility reservations, and Point of Sale	1	\$36,000	\$36,000
Payment kiosks and all associated hardware equipment	TBD	\$0	\$0
Design updates and improvements to workflows	1	\$0	\$0
Technical support	1	\$0	\$0
		Total:	\$36,000

Exhibit B

Approved Fee Schedule

Additional Fees	
Manhattan Beach Fees	Year 3: Manhattan Beach (“Customer”) agrees to pay Kaizen Laboratories Inc. (“Company”) a \$36,000 SaaS fee. The invoice for this fee will be sent within 1 week of Amendment execution. This fee is due within 30 days of receipt of the invoice.
Credit Card Transactions Fees	The end-user of the platform will be responsible for all transaction fees, which at present time, are: ● 2.9% + \$0.30 per successful transaction for online transactions made via credit card, Apple Pay, or Google Pay ● 0.8% (capped at \$5 total) for online transactions made via direct bank account / ACH ● 2.7% + \$0.05 for in-person transactions made via credit card These fees are subject to change per the terms and conditions of the Company's payment processor.