

1 identifies the partners, managers, and staff who are authorized to work on the Matter,
2 including their respective billing rates, which will be attached as an Addendum
3 subsequent to execution of this Agreement. Individuals whose names are not included
4 in the staffing profile may not work on the Matter without the prior approval of the City
5 Attorney, or designee. The Agency reserves the right to refuse to pay for work
6 performed by any individual whose name is not listed or who has not received such
7 prior approval, or whose rate has not been approved.

8 B. White shall not hire or otherwise incur any obligation to pay other
9 counsel, specialists, consultants, or experts for services in connection with the Matter
10 without the prior written approval of the City Attorney or designee.

11 3. Fee. Agency shall pay to White in due course of payments
12 compensation at the hourly rates identified in the staffing profile and reimbursement of
13 costs as further described herein and in the "Guidelines" also attached hereto, not to
14 exceed One Hundred Fifty Thousand (\$150,000.00).

15 4. Billing. A. White shall keep a record of time spent on the matter in
16 increments of one-tenth (.1) of an hour.

17 B. Each task shall be distinctly and completely identified; the Agency will
18 not pay invoices which contain block billing. The billing entry must contain the name or
19 initials of the individual performing the task, the nature of the task, the date it was
20 performed, and the length of time it took.

21 C. The Agency will not pay for the use of partner and accounting staff to
22 perform Services which are secretarial or administrative.

23 D. The Agency reserves the right to audit all invoices. The Agency will
24 not pay for costs incurred by White in preparing an invoice, correcting it, or re-
25 submitting it.

26 E. White shall submit invoices no later than the last day of the month
27 following the month in which Services were performed and actual costs incurred. If
28 White submits invoices after said date, then the invoice(s) may be subject to a discount

1 of ten percent (10%) for each month or portion thereof that the invoice is not timely
2 submitted.

3 5. Costs. The Agency will reimburse White for the reasonable costs
4 incurred by White as a result of its representation of the Agency in the Matter, in
5 accordance with the Guidelines. Costs shall be actual, without the addition of
6 administrative or overhead charges, and must be documented. The Agency will not pay
7 for costs that do not contain supporting documentation satisfactory to the City Attorney,
8 or designee.

9 6. Term. The term of this Agreement shall begin at 12:01 a.m. on
10 November 20, 2006, and shall end when the matter is concluded, or on fifteen (15)
11 days' prior notice from the Agency to White.

12 7. Insurance. As a condition precedent to the effectiveness of this
13 Agreement, White shall procure and maintain at its expense for the duration of this
14 Agreement from insurance companies admitted to write insurance in California or from
15 authorized non-admitted insurance companies that have ratings of or equivalent to
16 A:VIII by A.M. Best Company professional liability or errors and omissions liability
17 insurance in an amount not less than One Million Dollars (\$1,000,000) per claim.

18 Any self-insurance program, self-insured retention or deductible must be
19 separately approved in writing by the City Attorney or designee and shall protect the
20 Agency, its officials, employees and agents in the same manner and to the same extent
21 as they would have been protected had the policy or policies not contained retention or
22 deductible provisions. Each insurance policy shall be endorsed to state that coverage
23 shall not be reduced, non-renewed, or canceled except after thirty (30) days' prior
24 written notice to the Agency, and shall be primary and not contributing to any other
25 insurance or self-insurance maintained by the Agency, its officials and employees.
26 White shall notify the Agency in writing within five (5) days after any insurance required
27 herein has been voided by the insurer or canceled by the insured.

28 White shall deliver to the Agency certificates of insurance and original

1 endorsements for approval as to sufficiency and form prior to the start of performance
2 hereunder. The certificate and endorsements for each insurance policy shall contain
3 the original signature of a person authorized by that insurer to bind coverage on its
4 behalf. The procuring or existence of insurance shall not be deemed or construed as a
5 limitation on White's liability or as performance of or compliance with any indemnity
6 provisions herein. Agency reserves the right to require complete certified copies of all
7 policies at any time. White shall make available to the Agency all books, records, and
8 other information relating to the insurance required herein during normal business
9 hours. Any modification or waiver of the insurance requirements herein shall only be
10 made with the approval of the City Attorney or designee. In addition, White shall, at
11 least thirty (30) days prior to expiration of the insurance required hereunder, furnish to
12 the Agency certificates of insurance and endorsements evidencing renewal of such
13 insurance.

14 8. Conflict of Interest. White, by executing this Agreement, certifies that,
15 at the time White executes this Agreement and for the duration of this Agreement,
16 White does not have and will not perform services for any other client which would
17 create a conflict as between the interests of the Agency hereunder and the interests of
18 such other client, subject to written waiver by the Agency.

19 9. Nondiscrimination. In connection with performance of Services and
20 subject to applicable rules and regulations, White shall not discriminate on the basis of
21 race, religion, national origin, color, age, sex, sexual orientation, AIDS, AIDS related
22 condition, handicap, disability, or Vietnam Era veteran status. It is the policy of the
23 Agency to encourage the participation of Minority Business Enterprises and Women-
24 owned Business Enterprises and the Agency urges White to do likewise.

25 10. Miscellaneous. A. This Agreement shall not be amended, nor any
26 provision or breach hereof waived except in writing signed by the parties which refers to
27 this Agreement.

28 B. This Agreement shall be governed by and construed pursuant to the

1 laws of the State of California. White shall comply with all laws, ordinances, rules, and
2 regulations covering performance of Services.

3 C. This Agreement, including the Guidelines and exhibits, if any,
4 constitutes the entire understanding between the parties and supersedes all other
5 agreements, oral or written, with respect to the Services and the Matter.

6 D. If there is any inconsistency or ambiguity between this Agreement, the
7 Guidelines, or the Addendum, this Agreement shall control.

8 E. If there is any legal proceeding between the parties to enforce or
9 interpret this Agreement or to protect or establish any rights or remedies hereunder, the
10 prevailing party shall be entitled to its costs and expenses, including reasonable
11 attorney's fees and court costs (including appeals).

12 F. The acceptance of Services or payment of money by the Agency shall
13 not operate as a waiver of any provision of this Agreement. The waiver of any breach
14 of this Agreement shall not constitute a waiver of any other or subsequent breach of
15 this Agreement.

16 G. This Agreement is intended by the parties to benefit themselves only
17 and is not in any way intended or entered for the purpose of creating any benefit or right
18 for any person or entity that is not a party to this Agreement.

19 11. Notice. Notice shall be in writing and personally delivered or
20 deposited in the U.S. Mail, first class, postage prepaid to White Zuckerman Warsavsky
21 Luna Wolf & Hunt LLP, 14455 Ventura Boulevard, 3rd Floor, Sherman Oaks, CA 91423-
22 2606, and to the Agency at 333 West Ocean Boulevard, Long Beach, CA 90802-4664,
23 Attn: City Attorney. Notice may be given by fax to the City Attorney at (562) 436-1579
24 and to White at (818) 981-9234, provided that duplicate notice is simultaneously
25 delivered or mailed. Notice shall be deemed given on the date of personal delivery or
26 forty-eight hours after deposit in the mail. Notice of change of address shall be given
27 as described herein for other notices.

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IN WITNESS WHEREOF, the parties have caused this document to be executed with all of the formalities required by law as of the date first stated above.

WHITE ZUCKERMAN WARSZAVSKY
LUNA WOLF & HUNT LLP

Date: Jan 31, 2007

By [Signature]

Title: Senior partner

REDEVELOPMENT AGENCY OF THE CITY
OF LONG BEACH, CALIFORNIA

Date: 2/8, 2007

By [Signature]
Patrick H. West

Executive Director/Secretary

"Agency"

This Agreement for Accounting Services is hereby approved as to form on 2/5, 2007.

ROBERT E. SHANNON, City Attorney of the
City of Long Beach
Attorney for the Redevelopment Agency of the
City of Long Beach, California

By [Signature]

HEATHER A. MAHOOD
Assistant City Attorney

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

ADDENDUM**Billing Rates as of January 2007**

<u>Professional</u>	<u>Initials</u>	<u>Department</u>	<u>Type</u>	<u>Rate</u>
William Wolf	WW	Tax	Partner	375
Gary Weiss	GW	Tax	Manager	230
John Tsai	JT	Tax	Manager	230
Steve Landsman	SLN	Tax	Manager	220
Mara Jaffe	MJ	Tax	Manager	220
Gregg Omori	GSO	Tax	Senior	160
Gregory Zelenay	GZ	Tax	Senior	150
Richard Escarcega	RE	Tax	Senior	140
Yayun Chou	YC	Tax	Staff	100
Michael D. Stafford	MDS	Tax	Staff	90
Scott Horton	SHN	Tax	Supervisor	170
Susan Chinen	SU	Tax	Supervisor	60
Shirley Banks	SB	Tax	Clerical	50

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 GUIDELINES FOR BILLING

2
3 In addition to the provisions stated in the Agreement, the following
4 guidelines for billing apply:

5 1. The Agency expects each individual working on the Matter to have the
6 necessary experience to perform the Services required to protect or pursue the
7 Agency's interests in the Matter in a cost effective manner.

8 2. The Agency expects White to select the individual most suitable for the
9 task required and the specific needs of the Matter, and to use the maximum efficiencies
10 available. Billings for services performed by the inappropriate level of personnel will be
11 reduced by the Agency based on rate adjustments for the appropriate level of
12 personnel.

13 3. The City Attorney or designee may request a written budget and
14 timeline for the Matter. The budget shall include all projected fees and costs to be
15 incurred by White for the Matter, commencing on the date that White receive the
16 request. The budget and timeline shall include the specific tasks to be performed
17 (including such things as discovery and motions for trial, preparation of documents for
18 transactional services, and anticipated research and investigations). White shall
19 identify the projected total hours that will be billed and who will be performing those
20 hours of service, plus fees and costs for each task. The budget and timeline shall be
21 a good faith estimate and as complete as possible. Any deviation from the budget and
22 any deviation over 10% on any task identified in the budget must be discussed in
23 advance with the City Attorney, or designee, and the billing related to that task is
24 subject to adjustment so as to conform to the budget.

25 In addition, the City Attorney or designee may request a written budget
26 and timeline similar to the one described above, but relating specifically to one or more
27 tasks necessary to the Matter.

28 ///

1 If the billings of White is approaching the "not to exceed" amount shown in
2 Section 3 of the Agreement, then White shall submit, in writing to the City Attorney or
3 designee, the reasons why additional funds will be required to complete the Services.
4 White is cautioned that the Agency cannot pay invoices which reflect fees over the "not
5 to exceed" amount in Section 3 of the Agreement.

6 4. The Agency will not pay for unnecessary review of texts, codes, rules
7 of court, or other fundamental references. The Agency will pay the hourly rate for
8 specific accounting research which is unique to the Matter, assuming that White has
9 used maximum efficiencies and that White has not already performed research in the
10 same or similar areas of law.

11 5. The Agency acknowledges the benefit of communications between
12 accountants in the firm. The Agency does, however, expect that intra-office
13 conferences will only be held as needed, and will be kept to a minimum. Intra-office
14 conferences shall be for the purpose of discussing strategy and accounting issues
15 which directly further the Matter. The Agency will not pay for conferences which are
16 supervisory or instructional (including conferences regarding case management). Any
17 invoice which lists an intra-office conference that exceeds these guidelines must
18 contain a full explanation and is subject to reduction by the Agency. The Agency will
19 not pay for "team meetings" and the Agency will scrutinize all intra-office conferences
20 for "value added" to the Matter by the intra-office conference, for the number of
21 individuals attending the intra-office conference, the length of the conference, the
22 subject(s) discussed at the conference and who participated in it and will, in the
23 Agency's sole discretion, determine if such value was added.

24 6. The Agency will not pay for local telephone calls; incoming facsimiles;
25 postage; time spent on filing, calendaring, indexing pleadings, and photocopying;
26 conferences with Clerks of Court or court reporters; proofreading; re-drafting due to
27 substandard work; time billed by summer associates; time for more than one individual
28 at a trial, hearing, court appearance, arbitration, mediation, deposition, third party

1 meeting, conference call or similar event (unless approved in advance by the Agency);
2 opening, closing or organizing files; or other similar tasks.

3 7. Vague billing which does not contain sufficient information to allow the
4 Agency's reviewer of the invoice to determine the nature of the task, the reason for the
5 task and the individual performing the task is subject to reduction by the Agency.
6 Examples of vague billing include but are not limited to the following: Attention to
7 Matter, Review case and issues, Conference, Review correspondence, Arrangements,
8 Telephone call, Discovery, Trial Preparation, Meeting, Update strategy, Motion work,
9 Work on case or project, Pleadings, Work on file or discovery, Prepare for "xxxx",
10 Review documents, Legal Research or analysis.

11 8. All Services billed by partners, accountants and staff must be actual
12 accounting services requiring the expertise of an accounting provider. The Agency will
13 not pay for more than eight (8) hours of Services per day without a detailed explanation
14 of the need for time over eight hours and may reduce the invoice if the explanation is
15 unsatisfactory, in the Agency's sole discretion.

16 9. The Agency will reimburse for facsimiles sent by but not received by
17 White and photocopies made at a rate not to exceed \$.12 per page; the number of
18 pages of facsimiles and to whom they were sent, and the number of pages of
19 photocopies made must appear on the invoice. White shall limit the making of
20 photocopies and the sending of facsimiles. The Agency will reimburse actual costs for
21 computerized legal research if it is reasonable and necessary; however, these charges
22 are subject to review by the Agency.

23 10. The Agency will not reimburse for overtime, word processing
24 (document production), supplies, anything identified on an invoice as "miscellaneous",
25 or any other unidentified charges.

26 11. White shall normally use the U.S. Mail and regular attorney services
27 to send and to file papers and other materials. The Agency reserves the right to reduce
28 excessive charges for messengers and Federal Express or other similar services which

1 are not fully explained or which are not necessary, in the Agency's determination.

2 12. A. The Agency will reimburse travel costs of White only as described
3 herein. Travel costs not addressed in these Guidelines are not reimbursable. Travel
4 costs must be reasonable. The Agency will not reimburse for travel by more than one
5 person of White, unless approved in writing by the City Attorney or designee in advance
6 of such travel. The Agency will not reimburse for excess costs caused by an indirect
7 route chosen for White's personal reasons

8 B. As used in these Guidelines, "local travel" means travel that is 100
9 miles or less from the office of White or from his/her home. "Extended travel" means
10 travel that is more than 100 miles from the office of White or from his/her home.

11 C. The Agency will not reimburse for local travel. However, the Agency
12 will reimburse for the actual cost of parking that is necessitated by local travel. The
13 Agency will not reimburse for meals in connection with local travel. While White is on
14 local travel, the Agency will pay fifty percent (50%) of the hourly rate of White.

15 D. The Agency must approve all extended travel in advance. The Agency
16 will reimburse fifty percent (50%) of the actual costs of extended travel, unless White
17 can substantiate the need for full reimbursement. White shall use its best efforts to
18 make airline reservations far enough in advance to take advantage of reduced air fares
19 and shall take advantage of other promotional air fares that reduce costs. In any case,
20 travel by air shall be at economy, coach, or other lower fare. The Agency will not
21 reimburse for travel insurance.

22 White should use a rental car while on extended travel only when
23 necessary and when the cost of a rental car will be less than other forms of ground
24 transportation. If the use of a rental car meets the preceding criteria, then the Agency
25 will reimburse for a compact vehicle for one person, a mid-sized vehicle for two
26 persons, and a standard size vehicle for three or more persons. The Agency will not
27 reimburse for luxury vehicles, vans, or 4x4 vehicles.

28 The Agency will reimburse White, while on extended travel, for the

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 reasonable, actual costs for meals, excluding the cost of alcoholic beverages, and for
2 lodging at hotels which are moderately priced for the locale, but will not reimburse for
3 laundry or movies.

4 E. White shall submit a travel expense report on the Agency's form after
5 completing extended travel. White shall submit receipts or other evidence of payment
6 relating to each item for which White seeks reimbursement.

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HAM:kdh
1/29/07



City of Long Beach
City Purchasing Agent
333 W. Ocean Blvd./Plaza Level
Long Beach, CA 90802

COPY PURCHASE ORDER

BPO ID: BPCD06000087

PRINT DATE: 08/09/2006

PAGE: 01

** ORIGINAL **

WHITE, ZUCKERMAN, WARSAVSKY, LUNA, WOLF
& HUNT LLP
14455 VENTURA BLVD 3RD FLR
SHERMAN OAKS CA 91423-2606

SHIP TO:
AS SPECIFIED ON INDIVIDUAL ORDERS

PLEASE REFER ALL QUESTIONS
CONCERNING THIS ORDER TO:
PEGGY L CHAMBERS
TEL: (562) 570-6363

ITB ID	EXPR DATE	F.O.B. POINT	DISCOUNT TERMS	CONTRACT AMOUNT
	07/01/2009	DESTINATION	NET 30	90,000.00

TERMS:

TERM ORDER FOR THE PERIOD COMMENCING 07/01/2006 TO 07/01/2009 FOR PROVIDING CITYPLACE PROFIT PARTICIPATION AUDIT IN ACCORDANCE WITH DEPARTMENT NEEDS AND/OR FUND AVAILABILITY.

FEE SCHEDULE:

PARTNER	\$275 TO \$375 PER HOUR
MANAGER	\$170 TO \$220 PER HOUR
SENIOR	\$110 TO \$140 PER HOUR
STAFF	\$ 75 TO \$100 PER HOUR
CLERICAL	\$ 25 TO \$ 60 PER HOUR

ITEM COMMODITY ID	U/M	UNIT COST
001 946-20	LT	

----- END OF ITEM LIST -----



City of Long Beach
 City Purchasing Agent
 333 W. Ocean Blvd./Plaza Level
 Long Beach, CA 90802

Y9000 PURCHASE ORDER

BPO ID: BPCD06000087

PRINT DATE: 08/09/2006

PAGE: 02

** ORIGINAL **

THIS BLANKET PURCHASE ORDER IS BEING SENT TO YOU FOR YOUR FILES. EACH DEPT THAT USES THE BPO WILL CREATE THEIR OWN PO RELEASE AGAINST THE BPO. PO RELEASE WILL BE SENT TO YOU EITHER VIA US MAIL OR FAX. THE CITY PURCHASING AGENT'S SIGNATURE WILL NOT APPEAR ON THE RELEASE; AN AUTHORIZED PERSON IN THAT DEPT WILL SIGN THE RELEASE. SHIPMENT OR SERVICE SHALL BE MADE AGAINST THE RELEASE PO NUMBER.

THIS BPO NUMBER SHOULD NOT BE USED ON THE INVOICE. ONLY THE PO NUMBER PROVIDED BY THE USING DEPT SHOULD BE USED. FAILURE TO OBTAIN THE PO NUMBER AND PROVIDE THAT NUMBER TO THE CITY ON ALL INVOICES WILL RESULT IN DELAYS IN PAYMENT.

QUESTIONS REGARDING THIS BLANKET PURCHASE ORDER SHOULD BE DIRECTED TO THE BUYER AS SHOWN ON THE BPO.

ISSUANCE OF THE PURCHASE ORDER BY THE CITY CONSTITUTES ACCEPTANCE OF SUPPLIER'S OFFER ON THE TERMS AND CONDITIONS STATED HEREIN AND IN ANY ADDENDUM HERETO.

TOTAL ESTIMATED EXPENDITURES (CONTRACT AMOUNT) ARE NOTED HEREIN. THE CONTRACT AMOUNT SHALL NOT BE EXCEEDED, INCLUDING TAX, WITHOUT WRITTEN AUTHORIZATION.

PRICES SHALL BE IN ACCORDANCE WITH THOSE EXTENDED TO OTHER GOVERNMENTAL AGENCIES. APPLICABLE STATE AND COUNTY SALES TAX WILL BE ADDED TO INVOICE.

THIS PURCHASE ORDER AMOUNT IS ONLY AN ESTIMATE. THE CITY NEITHER WARRANTS NOR GUARANTEES THAT THE TOTAL PURCHASE ORDER AMOUNT WILL BE REACHED.

AUTHORIZED SIGNATURE:

Jose Vargas

 ***** LAST PAGE *****

DATE:

AUG 09 2006

City Manager Purchasing Approval Form

CM No: 786

This form is to request City Manager approval for purchases over \$50,000 but not exceeding \$100,000 as required by Administrative Regulations, Financial Policies and Procedures. This form does not replace the Sole Source Memo.

Description of Purchase:

Consultant will provide auditing and possible litigation services for CityPlace Profit Participation contract.

Frequency of Purchase: one-time recurring (every year) multiple (more than once per year)

Justification for Purchase:

This audit requires an expertise in Real Estate development and operation audits. Also consultant will assist the Agency with any litigation from this audit.

Timing Consideration:

There is only a limited period that the Agency can audit this contract.

Service Level Impact If Not Approved:

Loss of revenue to the Redevelopment Agency.

Requestor Information:

Budgeted: Yes No

I certify that this purchase will not cause my department to exceed the \$100,000 threshold for goods or services as specified in the purchase order. Please attach a FAMIS print screen identifying the index code and subobject where the funds for this purchase are budgeted. I understand that unbudgeted purchases must receive prior approval from the City Manager. Please attach approval memo. If a new revenue source is involved, specify in Purpose/Justification and list index code(s) and subobject(s). If requesting department is a service provider, also indicate department(s) for which purchase is being made in Purpose/Justification. The Department Director or his/her Acting replacement must sign this form.

Director: Craig Beck Signature: [Signature]
Department: Redevelopment Department Contact: _____

Vendor Information

Vendor Name (if known): White Zuckerman Warsavsky Luna Wolf Hunt LLP

Purchasing Division completes this section, unless it is agreed that department is to solicit quotes. If so, the department completes this section. Note: Department may opt to pursue sole source or exception to policy, as outlined in AR 23-3 or AR 8-4, by attaching a memo to this form detailing the justification and requesting approval. If professional services, refer to "Professional Services Checklist" (located on the Purchasing intranet site: http://wmirror/finance_intra/purchasing) and submit all required documents with this form.

Long Beach Business: Yes No Minority/Woman-owned Business: MBE WBE
Minimum of 3 businesses contacted Yes No If No explain: Exemptions to Policy Attached

ADPICS Information

Initiation Dept / Organization Code: _____

Requisition or Change Order (CO) No: _____ PO Number: BP006001087
Amount: \$ 90,000.00 Total Amount (if CO): \$ _____ Term Dates: Start 7/1/2006 End 7/1/2008
Index Code(s) _____ Subobject (s): _____
Fund No: RD 224 002 Project / Grant No.: _____

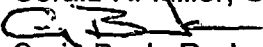
City Purchasing Agent Approval: [Signature] Date: 8/3/06 Buyer Initials: pl Date: 8-3
City Manager Approval: [Signature] Date: _____

Rec'd 8/4/06



City of Long Beach
Working Together to Serve

Memorandum

Date: July 31, 2006
To: Gerald R. Miller, City Manager
From:  Craig Beck, Redevelopment Bureau Manager
Subject: Waiver of Process for Blanket Purchase Order Request

The Redevelopment Bureau requests that you waive the requirements of Administrative Regulation 23-3, which stipulates that city departments must solicit requests for proposals for purchases exceeding \$10,000.

The Redevelopment Agency wishes to establish a Blanket Purchase Order (BPO) with White Zuckerman Warsavsky Luna Wolf Hunt LLP in the amount of \$90,000 to audit the records of Coventry Long Beach Plaza LLC (Coventry) in conjunction with the firm's Owner Participation and Profit Participation Agreement with the Redevelopment Agency of the City of Long Beach (Agency). This audit will provide the agency with the necessary information to respond to Coventry's representation that there are no profits to share with the Agency.

Staff believes that White Zuckerman is the best firm for these services because of their expertise in auditing real estate development and operation costs. Staff has made a concerted effort to identify qualified firms by requesting referrals from other City departments, the Agency's legal counsel specializing in the preparation of Owner Participation Agreements, and the Agency's real estate economist specializing in Redevelopment transactions. These efforts resulted in only two referrals. The firm submitting the best qualifications has been selected. Furthermore, time is of the essence because the Profit Participation Agreement requires the Agency to request and commence the audit within a limited time period.

If you have any questions regarding this matter, please contact Gretchen Monroe at X5501.

APPROVED:

 8.7.6
GERALD R. MILLER
CITY MANAGER

GEM: Attachment

**White
Zuckerman
Warsavsky
Luna
Wolf
Hunt LLP**

Certified Public Accountants

June 26, 2006

Ms. Lisa Fall
Long Beach Redevelopment Agency
333 West Ocean Boulevard, Third Floor
Long Beach, California 90802

Re: CityPlace Profit Participation Audit

Dear Ms. Fall:

As requested, please find below an estimate of fees for the abovementioned audit. In addition, enclosed is Form W-9. We have also made arrangements to have the requisite certificates of insurance sent directly to your attention.

Our fees for services would be billed to you at our standard hourly rates, which vary depending on the level of the personnel assigned, plus out-of-pocket expenses. Our current billing rate structure is as follows:

Partner	\$275 to \$375 per hour
Manager	\$170 to \$220 per hour
Senior	\$110 to \$140 per hour
Staff	\$ 75 to \$100 per hour
Clerical	\$ 25 to \$ 60 per hour

Statements for fees and expenses incurred will be rendered to you on a monthly basis and they are due upon presentation.

Fee estimate

- Review and develop a thorough understanding of the terms, conditions, and definitions of the Participation Agreement with Coventry Long Beach Plaza, LLC (Participant) and other documents pertinent to the Agreement. \$ 2,000 - \$ 3,000
- Within a 60-day period, conduct an audit of Participant's books and records for purposes of confirming Participant's determination of the *Initial Net Project Costs*. Review of such books, records and other backup documentation that are reasonably necessary to perform the audit will occur at the Participant's offices in Southern California. Requests for additional documentation are anticipated. \$40,000 - \$50,000

Partners

Paul J. White
Jack Zuckerman
Alfred Warsavsky
Barbara C. Luna
William F. Wolf
Andrew L. Hunt
Pamela Wax-Semus
David J. Semus
Venita J. McMorris
Dean M. Atkinson
Cindy A. Holdorff
David L. Turner
Emily M. Reich
Jack M. White
Warren R. Sacks
Patrick A. Greene

Telephone

(818) 981-4226
(310) 276-7831
(949) 219-9816
(714) 939-1781

Facsimile

(818) 981-4278
(310) 246-9525
(818) 981-9234
(949) 219-9095

Ms. Lisa Fall
Page 2
June 26, 2006

Fee estimate

- Within the same aforementioned 60-day period, conduct an audit of Participant's books and records for purposes of confirming Participant's determination of the *Shortfall Amount*. Review of such books, records and other backup documentation that are reasonably necessary to perform the audit will occur at the Participant's offices in Southern California. Requests for additional documentation are anticipated. \$ 8,000 - \$10,000
- Participate in any arbitration or litigation as necessary. As needed
- Conduct other tasks that arise in support of the audit or representation of the Agency during any arbitration or litigation. As needed

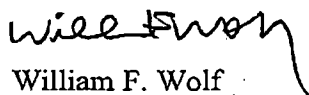
We envision that we would also consult with you regarding the calculation of the Agency's participation in the Net Sales Proceeds as provided in Article 5 of the Participation Agreement, including the review of the supporting documents for such calculation, other than the Initial Net Project Costs and Shortfall Amount discussed above. Our fee estimate for such consultation is \$5,000 to \$15,000.

In total, we estimate our fees will be \$55,000 to \$78,000, excluding any amounts related to possible arbitration or litigation.

Our estimate assumes that Participant's books and records will be available at Participant's office in Southern California. However, this may be impractical if the books and records are maintained in Ohio. Thus, additional travel costs would be incurred if it were necessary to travel to Ohio in order to have access to the appropriate books and records.

We are ready to commence the audit as soon as we are given access to the Participant's books and records.

We look forward to the opportunity to assist you in this matter.


William F. Wolf

WFW/skc
Enclosure

White
Zuckerman
Warsawsky
Lima
Wolf
Hunt LLP

**City of Long Beach
Request for Blanket Purchase Order (BPO)**

Date: 7/31/2006

To: Dept of Financial Mgmt/Purchasing Division

Attention: Peggy Chambers

From: Gretchen Monroe Phone: 562-570-5501

Department Code: CDRDRF *CDRDRF* *CD RD 230 228*

Term (for Entire Agreement Period): 7/1/2006 – 6/30/2009

Description: CityPlace Profit Participation Audit

BPO Amount: \$90,000.00

Vendor's Federal Tax ID or

Vendor Name: White Zuckerman Warsavsky Luna Wolf Hunt LLP

Contact Person: William F. Wolf

Vendor Address: 14455 Ventura Blvd., 3rd Floor

Vendor Phone Number: 818-981-4226

Vendor Fax Number: 818-981-4278

Commodity Code(s): 946-20

Total Amount of BPO (for Entire Agreement): \$90,000.00

Authorized Users and Dollar Amount: grmonro, tomorte, cireth, lifall, jafarr, lopalme, crbeck

(Use a separate page if more space is needed)

COMPLETE FOR ALL BPO REQUESTS:

Purchase Justification: There is no staff with the expertise in Real Estate Auditing

Purpose: Audit CityPlace profit participation and prepare for possible

Use: Litigation.

Funding Source:

Complete if Request is for Professional Services

List Attached Supporting Documents

Special Status Consultant:

Independent Contractor:

Rate:

Labor Amount: \$78,000.00

Reimbursables Maximum: 12,000.00

Total Amount: \$90,000.00

NOTE: This form shall only be submitted if a requisition is NOT required. (A requisition is required for department specific requests EXCEPT PROFESSIONAL SERVICES.)