

1 REIMBURSEMENT AGREEMENT

2 **30176**

3 This Reimbursement Agreement (the "Agreement") is made and entered into
4 as of December 1, 2006 by and between BOEING REALTY CORPORATION, a California
5 corporation (the "Developer"), and the CITY OF LONG BEACH, a municipal corporation
6 (the "City") (collectively, the "Parties"), pursuant to a minute order adopted by the City
7 Council of the City of Long Beach on February 20, 2007.

8 Recitals

9 A. Developer is currently engaged in the development of a major land use
10 project within the City known as Douglas Park. This Agreement concerns the development
11 of that certain property located between Lakewood Boulevard, Paramount Boulevard,
12 Carson Street and Cover Street (the "Project").

13 B. In order for Developer to proceed with the Project, City must, among
14 other things, process certain revisions to a subdivision map, a Master Site Plan and a
15 Development Agreement (collectively, the "Discretionary Actions"). The processing of each
16 of the Discretionary Actions may require City to amend the existing entitlements and
17 conduct additional environmental reviews consistent with the requirements of the California
18 Environmental Quality Act ("CEQA").

19 C. Developer desires City to complete processing of the Discretionary
20 Actions in as expeditious a manner as possible. In order for City to assist Developer in
21 achieving this objective, additional staff resources will be needed, and Developer is willing
22 to reimburse certain of City's costs related to providing such additional staff resources.

23 NOW, THEREFORE, in consideration of the foregoing recitals and the mutual
24 promises and covenants contained in this Agreement, the Parties hereby agree as follows:

25 1. In accordance with the terms and conditions set forth below, Developer
26 shall reimburse City for the costs incurred by City in connection with the professional
27 services set forth in Exhibit "A" attached hereto ("Reimbursement Services"). For the
28 purposes of this Agreement, staff has estimated total costs of \$246,000 to be reimbursed

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Long Beach, California 90802-4664
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1 by Developer. City expects to be reimbursed only for those expenses actually incurred.
2 If actual costs do not exceed estimated total costs of \$246,000, Developer is not liable for
3 payment to City beyond actual expenses incurred.

4 2. It should be noted that these costs are estimates only. Developer
5 acknowledges that the amounts referenced in this Agreement are City's best estimate of
6 the costs for the Reimbursement Services described herein, and that the actual cost of
7 said services may be higher. In the event that the actual cost of the Reimbursement
8 Services exceeds the estimated costs, Developer agrees to pay the actual cost.

9 3. Notwithstanding the above, Developer and City agree to amend this
10 Agreement to reflect greater expenses paid or incurred or anticipated to be paid or incurred
11 in the event 1) there is a substantial change to the proposed Project, which would result
12 in City staff initiating a new review of the Project, and/or 2) City costs exceed the estimated
13 costs by more than 10% due to the need for Reimbursement Services not anticipated by
14 City at the time of the signing of this Agreement.

15 4. City will maintain exclusive control over the work described herein.
16 Nothing in this Agreement shall be deemed to require City to approve any plan, proposal,
17 suggestion, application or request submitted by Developer.

18 5. City agrees to provide Developer with monthly invoices together with
19 reasonably detailed supporting documentation.

20 6. In the event that City wishes to revise the scope of services to transfer
21 money from one task to another, without increasing the overall Project costs, the Director
22 of City's Department of Community Development may do so with the prior written approval
23 of Developer.

24 7. City shall provide to Developer a monthly written request for
25 reimbursement of the costs described in Exhibit "A" that were incurred by City in the
26 previous month, together with reasonably detailed supporting documents including copies
27 of invoices for outside consultants that include number of hours, hourly rates and
28 description of tests performed. Hourly rate schedules for outside consultants are provided

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1 in Exhibit "B" attached hereto. Within thirty (30) days after receiving each such request
2 from City, Developer shall pay to City the total reimbursement amount set forth in such
3 request.

4 8. City shall use its best efforts to complete the processing of the
5 Discretionary Actions.

6 9. This Agreement shall commence on December 1, 2006 and shall
7 terminate on December 31, 2007 (the "Termination Date") unless sooner terminated as
8 provided below. However, the Parties may mutually agree in writing to extend the term of
9 this Agreement by negotiating such extension at least sixty (60) calendar days prior to the
10 Termination Date. Notwithstanding anything to the contrary contained in this Agreement,
11 in no event shall the term of this Agreement extend beyond the end of the month in which
12 a revised Development Agreement is completed and entered into by the Parties.

13 10. Prior to the Termination Date, either of the Parties may terminate its
14 rights and obligations under this Agreement, with or without cause, upon sixty (60) calendar
15 days written notice given to the other. Upon termination of this Agreement, the Parties'
16 obligations under this Agreement shall terminate, except with respect to the obligations of
17 the Parties for time periods occurring prior to the Termination Date.

18 11. Unless otherwise provided herein, any notice, request, consent,
19 instruction or other document to be given hereunder by either of the Parties to the other
20 shall be in writing and delivered in person or by courier, telegraph, telex, facsimile
21 transmission (with confirmed receipt) or mailed first-class, postage prepaid, as follows:

22 If to Developer: Boeing Realty Corporation
23 4501 East Conant Street
24 MC D851-0097
25 Long Beach, California 90808

26 If to City: City of Long Beach
27 Office of the City Manager
28 333 West Ocean Boulevard
Long Beach, California 90802
Attn: Gerald R. Miller

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With copy to: City of Long Beach
Community Development
333 West Ocean Boulevard
Long Beach, California 90802
Attn: Patrick West

Each such notice shall be effective on the date received and may be delivered to such other place as either of the Parties may designate by written notice given to the other.

12. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

13. If any one or more of the provisions contained in this Agreement shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not, in any way, be affected or impaired thereby.

14. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

15. The headings and captions to the various articles, sections, subsections, subdivisions and other provisions of this Agreement have been inserted for convenient reference only, and shall not have the effect of amending or changing the express terms and provisions of any such article, section, subsection, subdivision or other such provision thereof.

16. This Agreement and all written documents pursuant thereto shall be maintained as a public record.

17. The Parties agree that this Agreement is solely for the benefit, and it does not, nor is it intended to, create any rights in favor of or obligation owing to any third parties.

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18. In entering into this Agreement, City does not waive any of its regulatory rights and/or obligations or discretion with respect to its consideration of the Discretionary Actions.

IN WITNESS WHEREOF, the Parties have hereunto caused this Agreement to be executed and delivered, as of the date first appearing above, by their duly authorized offices.

CITY OF LONG BEACH,
a municipal corporation

ASSISTANT

Date: 7/12/07

By: Christine J. Shipley
City Manager
APPOINTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

BOEING REALTY CORPORATION,
a California corporation

Date: 6/27/07

By: [Signature]
~~President~~ SR. REAL ESTATE MGR
STEPHANE WANDEL

Approved as to form this 3 day of July, 2007.

ROBERT E. SHANNON, City Attorney

By: [Signature]
Deputy

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**EXHIBIT A
SCOPE OF SERVICES**

The City of Long Beach agrees to work with Boeing Realty Company to create a master development plan for approximately 100 acres located between Lakewood Boulevard and Paramount Boulevard and between Carson Street and Cover Street. The project, commonly referred to as Douglas Park, requires a number of land use and zoning changes to accommodate a range of propose uses. The City's Community Development – Project Development Bureau will lead the City's efforts to assist Boeing in this undertaking.

To expedite the completion of the development plan, additional resources are required by the City. Boeing agrees to provide funding to the City for the following activities:

Activities	Consultant/Staff	Estimated Cost
Design Guidelines Advisor	Studio 111	\$75,000
Retail Consultant	Hurst/Harrigan Associates	\$30,000
Outside Legal Council	Brown, Winfield & Canzoneri	\$100,000
Real Estate and Economic Advisor	Keyser Marston Associates	\$20,000
Subtotal		\$225,000
10% Contingency		\$ 21,000
TOTAL		\$246,000

For these activities, Boeing agrees to reimburse the City on a monthly basis based on receipts submitted by City, for actual costs incurred. Actual costs may differ.

EXHIBIT B
RATE SCHEDULES FOR OUTSIDE CONSULTANTS

The following is the hourly rate schedule for specific consultants to be utilized by the City on the Douglas Park project.

Studio One Eleven (design guidelines consultant)	
Principal	\$195/hour
Associate/ Project Director	\$175/hour
Project Manager	\$130/hour
Administrative Assistant	\$ 55/hour
Hurst/ Harrigan Associates (retail consultant)	
Principal	\$250/hour
Brown, Winfield & Canzoneri (legal counsel)	
Special Counsel	\$450/hour
Paralegals/Legal Assistants	\$105/hour
Keyser Marston Associates (economic advisor)	
Managing Principal	\$260/hour
Principal	\$230/hour
Manager	\$205/hour
Senior Associate	\$175/hour
Associate	\$155/hour
Senior Analyst	\$140/hour
Analyst	\$120/hour
Administrative Staff	\$ 75/hour

This list of staff positions is not all-inclusive. The City's consultants may utilize the service of other staff position within their perspective firms not listed above. It is expected that all staff positions providing service to the City on the Douglas Park project will be reimbursed in accordance with the terms of this agreement.