NOTICE

The Urban Community Development Commission (UCDC) was established by Ordinance August 15, 1975 to function as the governing body of the Community Redevelopment Agency. Its purpose is to aid in planning and implementing projects in the City of Compton. Pursuant to Section 54957.5 of the California Government Code, Any writings (Except for those writings which are exempt from disclosure) which are distributed to all or a majority of the members of the City Council are available for public inspection in the lobby of the City Council Chambers and in the office of the City Clerk during regular business hours.

URBAN COMMUNITY DEVELOPMENT COMMISSION
AGENDA
Tuesday, October 21, 2008
6:50 PM

WORKSHOP(S)

HEARING(S)

OPENING

ROLL CALL

APPROVAL OF MINUTES

ORAL AND WRITTEN COMMUNICATION

UNFINISHED BUSINESS

NEW BUSINESS

1. ACCEPTING THE PROPOSAL OF DEL TERRA GROUP TO PROVIDE PROJECT MANAGEMENT, TRACKING AND MONITORING SERVICES TO FACILITATE IMPLEMENTATION OF HOUSING AND REDEVELOPMENT PROGRAMS IN THE CITY OF COMPTON

AUDIENCE COMMENTS

COMMISSION COMMENTS

ADJOURNMENT

October 21, 2008

TO: **CHAIRMAN AND COMMISSIONERS**

FROM: **EXECUTIVE SECRETARY**

SUBJECT: **ACCEPTING THE PROPOSAL OF DEL TERRA GROUP TO PROVIDE PROJECT MANAGEMENT, TRACKING AND MONITORING SERVICES TO FACILITATE IMPLEMENTATION OF HOUSING AND REDEVELOPMENT PROGRAMS IN THE CITY OF COMPTON**

SUMMARY

Requesting the Commission to accept the proposal of Del Terra Group to provide project management, tracking, monitoring and other supporting services for the Community Redevelopment Agency.

BACKGROUND

The Community Redevelopment Agency (Agency) is in the midst of major revitalization activities involving provision of homeownership services, carrying out land assemblage for preferred developments, developing pocket parks to enhance suitable living environment in the community. In order to ensure efficient delivery of these multifaceted services within schedule, the Agency has determined a need for a full-service consulting firm to complement Agency's project management responsibilities including but not limited to monitoring, scheduling and tracking of these projects.

STATEMENT OF THE ISSUE

Over the past several months, the Agency has reviewed qualifications and experience of various consultants specialized in the field of construction management, monitoring, tracking and scheduling of redevelopment programs and projects. The intent is to ensure efficient delivery of services to the community. Consulting firms solicited to render such services for the Agency include: Del Terra Group, NAI Capital Real Estate Consulting Services as well as Alliance Services Group Inc.

Del Terra Group, a full-service consulting firm is specialized in assisting public agencies in the areas of construction management, project tracking and scheduling the implementation of existing redevelopment projects/program (attached).

NAI Capital, real estate consulting firm will assist the Agency in managing its real estate owned portfolio to ensure timely and optimal disposition. As part of its management services, NAI proposes to serve as the Agency's exclusive agent for acquisition and development of all properties in the project area. In return NAI is requesting a commission for sale of each Agency parcel (see attached).

Alliance Services Group Inc is a full-service consulting firm with expertise in providing management services for public agencies, lending institutions, and real estate firms on a wide range of projects/programs including asset management, property management, construction management, and oversight of rehabilitation projects.
The specific fees for the respective consultants are as follows:

Del Terra Group,	**$55,000.00**
NAI Capital Real Estate	**Based on Commission**
Alliance Service Group	**$75,000.00**

ANALYSIS

The Agency undertook extensive evaluation of all the proposals as submitted. On the basis of reviewed information, the Agency determined that Del Terra Group's proposal represent the most responsive bid to perform the task for the following reasons:

The NAI Capital's proposal calls for the Agency to pay the firm a commission for services rendered. Yet the redevelopment policy does not permit use public funds for payment of commissions on real estate transaction. Alliance's proposal is similar to Del Terra Group; however, Alliance fee for the proposed services is higher than Del Terra Group. Consequently, Del Terra Group emerged as the firm with the most responsive bid to perform the requested services.

FISCAL IMPACT

Funds not to exceed $55,000 are available in the Agency's 2008/2009 Fiscal Year Budget Account Number 1203-80-0000-4262.

RECOMMENDATION

Staff recommends that the City Manager approve the attached resolution accepting Del Terra Group to assist the Agency in tracking redevelopment programs and projects.

KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

RESOLUTION NO. __________

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON ACCEPTING THE PROPOSAL OF DEL TERRA GROUP, TO PROVIDE PROJECT MANAGEMENT TRACKING, AND MONITORING SERVICES TO FACILITATE IMPLEMENTATION OF HOUSING AND REDEVELOPMENT PROGRAMS IN THE CITY OF COMPTON

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the Agency is assembling land for smart growth developments; developing pockets parks to enhance aesthetic outlook of the community; providing homeownership opportunities through down payment assistance programs; and promoting housing rehabilitation programs.; and

WHEREAS, the Agency desires to select a consulting firm to provide project management services in connection with implementation of housing and redevelopment programs for the Agency; and

WHEREAS, the Agency is in receipt of a proposal from Del Terra Group to provide project management services in connection with implementation of housing and redevelopment programs for the Agency; and

WHEREAS, the Agency has determined that selection of Del Terra Group to design and install project management and tracking system for the sum of $55,000.00 is in the best interest of the Agency; and

WHEREAS, funds for this project are available in account number 1203-80-0000-4262.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Executive Secretary is hereby authorized to accept the proposal of Del Terra Group to provide project management services for the Agency in the amount not to exceed $55,000.00.

Section 2. That funds for this project are available in account number 1203-80-0000-4262.

Section 3. That the Executive Secretary is hereby authorized to execute the necessary agreements to finalize contract execution.

Section 4. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and Clerk.

Section 5. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this ___________ day of _____________________, 2008.

____
CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

ATTEST:

____
CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at the regular meeting thereof held on the __________ day of ___________________, 2008.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS -
NOES: COMMISSIONERS -
ABSENT: COMMISSIONERS -
ABSTAIN: COMMISSIONERS -

____
CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

DELTERRA

13181 Crossroads Pkwy North, Ste 200
City of Industry, CA 91746
Phone: 626.839.9300
Fax: 626.839.9307

June 30, 2008

Mr. Kofi Sefa - Boakye
Director, Community Redevelopment Agency
City of Compton
205 South Willowbrook Avenue
Compton, CA 90220

Dear Mr. Sefa-Boakye,

Del Terra Group (**Del Terra**) is proud to present our Proposal of Services to the City of Compton's Community Redevelopment Agency. Del Terra is a full-service Management and Consulting firm specializing in municipalities and public agencies throughout California. Del Terra's extensive experience with Public Works and publicly funded construction and infrastructure projects makes Del Terra an excellent choice to assist the City of Compton's Redevelopment Agency in managing the various Projects in various levels of negotiations and development.

Our firm has been recognized as an industry leader by many agencies and professional organizations. Del Terra's consistent performance and deliverables for our clients is the cornerstone of our success. In Del Terra's fourteen (14) years of managing Public Works projects, we have developed invaluable experience and lessons-learned. With this experience, Del Terra has the understanding and capabilities to fully comprehend the benefits and risks of various types of projects and contracts.

Del Terra's proposes to provide the Community Redevelopment Agency with Consulting and Support Services. The services Del Terra proposes are listed herein. If you should have any questions or require additional information please feel free to contact me at your earliest convenience.

Sincerely,

Luis D. Rojas
President & CEO

Community Redevelopment Agency Support Services

Based on the scope of services required by the city of Compton's Community Redevelopment Agency, Del Terra is prepared to provide a Project Management Tracking and Scheduling control program.

1. **Tracking and Scheduling Control Program of Redevelopment Projects**

The Tracking and Scheduling control program (TSCP) will be developed by Del Terra for the City of Compton's Community Redevelopment Agency. The TSCP will enable the Agency to efficiently and effectively monitor the status of all Redevelopment contracts and projects.

The Agency has a various Redevelopment projects at various levels of negotiations, contract development and build-out. Del Terra will create a control program that will enable the Agency's management to concisely monitor all the pertinent Redevelopment projects from commencement of negotiations through eventual build-out.

All relevant data, as defined by the Agency, will be uniquely categorized and controlled for various levels of monitoring and reporting. Specific Report formats will be contemplated and pre-defined per Agency direction.

The Team will be responsible to evaluate the various Proposed Projects being negotiated or planned by the City. Del Terra understands that the scope of proposed services shall be to Identify, Track and Monitor:

- Project Name
- Project Type
- Developer
- Consultant
- Project Location
- Project Status
- Potential Benefits to the City
- Agency Financing Obligations
- Developer Financing Obligations
- Project's Schedule
- Milestones

2. **Monitoring Support Services of Redevelopment Projects**

Due to the extensive level of Projects the Community Redevelopment Agency has at various levels of negotiations, contract development and build-out, Del Terra proposes to provide Support Services in the area of Monitoring and Reporting of existing and new Redevelopment projects. The Projects may be at various levels of negotiations, e.g. Exclusive Negotiating Agreements (ENA) and Development and Disposition Agreements (DDA).

Del Terra will provide support and consulting services to the City to ensure that the Projects comply to the terms as specified in their respective ENA's and DDA's. Further, Del Terra will provide services to properly monitor and report the status of the Projects to City management.

3. **Management and Oversight of Land Assemblage**

City is in the process of a large Redevelopment effort throughout the City of Compton. Various steps must be followed in order to ensure proper procedure and process in the Assembly of properties is adhered, such as:

- Property Identification
- Property Valuation and Analysis
- Acquisition Approach
- Relocation, as necessary
- Demolition

Del Terra proposes to provide consulting services in order to expedite and effectively implement the procedures to Assemble properties, as identified above. Del Terra shall provide the staffing and expertise to assist the City of Compton's Community Redevelopment Agency in the tracking, monitoring and follow up of the procedures required for the Assembly of Properties.

4. **Residential Rehabilitation Program - Inspection Services**

City of Compton provides a successful Residential Rehabilitation Program for homeowners throughout the city. Homeowners are responsible for contracting with licensed General Contractors, as long as they meet the Community Development Departments requirements, to provide the improvements and rehabilitation of their properties, funded through the City of Compton. The city has the obligation to ensure that the various improvements and rehabilitation efforts are performed appropriately and within city ordinances and regulations. The Community Redevelopment department is responsible for the inspections of such repairs and improvements.

Del Terra proposes to provide Inspection Services of the repairs and improvements of the Rehabilitation projects funded by the City of Compton's Residential Rehabilitation Program. The Inspection Services shall be provided by Del Terra staff on an On-Call basis.

5. **First Time Homebuyers Program - Support Services**

The City provides a thriving First Time Homebuyers Program for potential new homeowners throughout the City. Due to the high response of interested First Time Homebuyers, the Community Redevelopment Agency has been inundated with potential applicants. Del Terra proposes to provide Support Services on an As-Needed, On-Call basis to assist in the documentation and processing of applications.

6. **Grant Writing Services**

Del Terra is prepared to provide the necessary Grant Writing services in order for the City of Compton to identify and acquire external funding for the various City programs. Del Terra will provide Grant Writing services on an On-Call, As-Needed basis.

Proposed Fee

Task	Description	Amount
Task No. 1	Tracking and Scheduling Control Program of Redevelopment Projects	$55,000. System and Program modifications are additional.
Task No. 2	Monitoring Support Services of Redevelopment Projects	Time & Material, see Hourly Rate Schedule
Task No. 3	Management and Oversight of Land Assemblage	Time & Material, see Hourly Rate Schedule
Task No. 4	Residential Rehabilitation Program - Inspection Services	Time & Material, see Hourly Rate Schedule
Task No. 5	First Time Homebuyers Program - Support Services	Time & Material, see Hourly Rate Schedule
Task No. 6	Grant Writing Services	Time & Material, see Hourly Rate Schedule

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DELTERRA

Hourly Rate Schedule

POSITION/CLASSIFICATIONS	RATE
Principal	$ 180.00
Project Executive	$ 165.00
Director	$ 160.00
Senior Project Manager	$ 152.00
Project Manager	$ 140.00
Construction Manager	$ 125.00
Design Manager	$ 125.00
Estimator	$ 120.00
Scheduler	$ 110.00
Field Superintendent	$ 100.00
Assistant Project Manager	$ 96.00
Assistant Construction Manager	$ 92.00
Field Engineer	$ 80.00
Accounting	$ 70.00
Project Coordinator	$ 70.00
Document Control	$ 60.00
Administrative Assistant	$ 55.00

Note: Hourly Rates are subject to yearly adjustments.

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NAI Capital
Commercial Real Estate Services, Worldwide

818 905 2400
fax 818 905 2425
www.naicapital.com

16001 Ventura Boulevard
Suite 200
Encino CA 91436

September 28, 2007

Ms. Barbara J. Calhoun
Councilwoman
City of Compton
205 S. Willowbrook Avenue
Compton, California 90220

Re: Real Estate/Facilities Strategic Plan and Consulting

Dear Councilwoman Calhoun:

Enclosed please find a contract for our services in assisting the City of Compton in developing an optimally efficient real estate portfolio of City owned or leased properties. The services are comprised of a seamless approach in which we analyze the operational utilization and financial efficiency of the City existing real estate portfolio, develop a strategic plan to improve its financial and operational efficiency and then upon approval of the City, implement the plan to its completion. The realized result for the City of Compton is a much more efficient real estate portfolio achieved at a relatively minimal cost, Through cost savings, the resulting efficient real estate portfolio will provide additional funds for the City to use in other areas of needs.

We have previously met with Mr. Kofi Sefa- Boakye and discussed the utilization of our services in assisting the City Community Redevelopment Agency in the redevelopment of its properties for optimum utilization in critical areas of the City. Enclosed is a brochure outlining our services and capabilities.

We look forward to working with the City of Compton in achieving an operational and cost efficient real estate portfolio and a development program for the Community Redevelopment Agency. We welcome the opportunity of meeting with you to present our services and capabilities in more detail. In the meantime, if you have any questions, please feel free to call either Jim Orloff or Tony Michelman at (818) 905-2400.

Sincerely,
NAI CAPITAL, INC.

Jim Orloff
Senior Vice President

Tony Michelman
Vice President

cc. Ken Spiker (Independent Cities Association)
Kofi Sefa-Boakye

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CONSULTING FEE AGREEMENT

This agreement for consulting services described below (the "Agreement") is entered into by and between NAI Capital, Inc., a California corporation ("NAI") and the City of Compton, California ("City").

I. THE PROPERTY SUBJECT TO THIS AGREEMENT

The property subject to this agreement shall be all of the real estate properties owned by the City, both developed and undeveloped, and any property under lease or sublease to the City, including properties purchased, leased, subleased or licensed by the City after the execution of this Agreement (hereinafter collectively "Property").

II. THE TERM OF THIS AGREEMENT

This agreement shall commence on execution of this agreement by the City and NAI, and shall continue for successive periods of one year each, with the first period of this agreement extending for a period of one year from the date of complete execution by the parties hereto. Thereafter, the Agreement shall automatically extend for additional periods of one year, provided however, either party may terminate this agreement during any extended term upon thirty (30) days prior notice by a written notice of termination. The term of the agreement shall then terminate effective 30 days after the date of receipt of notice of the termination, or such greater period beyond 30 days as is set forth in said notice of termination (hereinafter "Effective Date"). Said termination shall not effect the fees incurred up through the Effective Date of termination, or any listings or commission agreements then applicable to specific property(s) then in effect with NAI, which shall continue pursuant to the terms of those agreements unaffected by the termination of this Agreement.

III. SERVICES TO BE PROVIDED TO CITY BY NAI

3.1 Strategic Planning. City real estate holdings, both fee interests and lease interests, submitted to NAI for review by either the City Manager, or authorized City official, shall be evaluated for economic and operational efficiency, and for the City's optional long term retention or disposition of the asset. Thereafter, findings and conclusions of the evaluation will be presented to the City Manager in writing along with a recommended strategic plan developed by integrating operational requirements of the City with existing assets and facilities into desired growth patterns and the City's highest and best use of the real estate. NAI shall recommend expansions and/or contractions, consolidation, sale or lease of existing City land and/or facilities, and/or the purchase or lease of additional land and/or facilities by the City, and may suggest proposed renovations, repairs and/or improvements to City properties. Proposed implementation of the strategic plan and a proposed ongoing involvement of NAI and other service providers may be included in the proposed plan. After aspects of the community are evaluated, a recommendation for a major capital investment by the City may be made by NAI. City is not obligated to accept any of NAI's recommendations. In addition to such planning, City assignments for any services in connection with real estate requested of NAI agents Dimitri James Orloff and Anthony Michelman shall be considered services provided pursuant to this Agreement.

3.2 Disposition of Properties. Selected properties evaluated by NAI for valuation will be the subject of a written broker opinion of value, with recommendations for the preparation of the evaluated property for retention, joint venture, sale or lease (hereinafter collectively "Disposition" of properties). Upon approval of the proposed Disposition of the asset and

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marketing plan, the property(ies) shall be sold, leased or joint ventured either in the open marketplace or to discreetly contacted entities, at the election of the City, upon price and terms acceptable to the City. Should NAI market the properties, upon such Disposition, then NAI shall be the Exclusive agent of the City in connection with the Disposition of all properties improved or zoned for commercial, industrial and multifamily residential properties, as set forth in detail in Article 6 below, and shall be paid a commission upon such Disposition in accordance with the Schedule of Commissions attached hereto and incorporated by reference herein, subject to the credit for fees paid set forth in Paragraph 3.6, whether the Property is sold, leased or joint-ventured to a person or entity procured by NAI, another broker or anyone else.

3.3 Acquisition of Properties. During the term of this Agreement and any extension thereof, NAI shall act as the City's exclusive agent and representative for the acquisition of all properties Zoned For or improved as commercial, industrial and multifamily residential, for purchase, lease or joint venture, whether directly through a fee interest or indirectly through purchase of a stock, partnership, venture or LLC interest (collectively "Acquisition"). "Zoned For" as used herein, shall include a property subject to zoning designation, a conditional use permit, zoning variance, or other governmental permission to use or improve property for commercial, industrial and/or multi-family residential use. NAI is hereby authorized to identify and submit to the City properties proposed for Acquisition as set forth in detail in Article 6 below.

3.4 Credit Against Commissions for Hourly Fees Paid by City. Any hourly billings of fees (not out-of-pocket costs) paid by the City to NAI pursuant to Article 4 below for services rendered by NAI in connection with this Agreement shall be credited towards the commissions and fees paid by the City and ultimately retained by NAI. Said credit shall not apply to any commissions or referral fees if received by NAI and then paid to other brokers, finders, buyers/tenants or their representatives or lenders. The amount credited shall be the retained consulting fees previously received by NAI pursuant to this Agreement, and not yet credited against commissions paid by the City to NAI. The amount credited off of commissions shall not include cost reimbursements paid to NAI by the City.

3.5 Authority to Identify Joint Venture Partners. NAI shall be authorized to propose, identify, contact, and recommend the hiring or joint venturing with developers, negotiate the terms of a proposed joint venture on behalf of the City, and assist City in retaining such construction professionals that will monitor and inspect the developer or general contractor's construction of the joint venture project. City will not look to NAI to supervise or oversee construction, but to be available to advise City with respect to retention of individuals who will provide these construction administration and inspection services. The decision of whether or not to enter into any joint venture, and the terms of said co-venture, shall be at the sole discretion of the City.

3.6 Relocation Services. NAI shall assist in the relocation services provided to owners and tenants of Properties acquired by the City, if requested by City.

3.7 Design Build Services. NAI is hereby authorized to organize a team to conceive, develop and construct projects approved by the City.

IV. HOURLY CONSULTING FEE

4.1 Payment Schedule for NAI Capital's Consulting and Advisory Services. City shall pay to NAI consulting fees at the rate of Three Hundred Dollars ($300) per hour for NAI personnel who provide services, work or labor pursuant to this Agreement and who are associated with NAI. In no event shall the Consulting Fees charged exceed Three Thousand Dollars ($3,000) per day, no matter how many NAI personnel provide such services. The payments for which the City is obligated herein shall not include clerical personnel of NAI, for which no charge to City shall be made.

4.2 Billing Practices. Billing shall be on an hourly time and charges basis as set forth herein. Invoices shall include out-of-pocket costs for approved expenses and shall describe the service performed and detail the time spent, billed in increments of one-half hour. Invoices shall be paid by City within thirty (30) days of the date of the invoice. Approved expenses shall include travel, parking, express mail, outside vendors or service providers invoiced to NAI and approved by City, and mileage at 40¢ per mile. Any other reimbursable expenses shall be approved by City in writing prior to NAI incurring said expenses, if such expenses are to be reimbursable.

4.3 Credit of Hourly Fees by City Against Retained Commissions. The hourly billing of fees paid (not costs) shall be credited against and reduce the obligations of any future commissions paid by City or by property owners in a City-related sale or lease transaction and actually received and retained by NAI and its affiliated agents (excluding any commission shares or referral fees paid by NAI to outside brokers or third parties to this Agreement) generated as part of work performed under this Agreement prior to the Effective Date of termination of the Agreement. The Agreement for a credit shall never require a refund by NAI of fees and costs paid by the City. The right to credit shall expire ninety (90) days after the expiration or termination of this Agreement.

4.4 The Amount of Commissions Due and Payable: City shall pay to NAI commissions for the sale, lease or sublease, joint venture, or lease consultation fees as set forth in the attached Schedule of Commissions ("Schedule"), which is incorporated by reference herein and shall constitute a part of this Agreement.

V. AGREEMENT OF EXCLUSIVE LISTING RELATIONSHIP ON CITY-OWNED PROPERTIES

5.1 Exclusive Listing Representation. Once the City decides to sell or lease any of its Properties improved or Zoned For commercial, industrial, or multifamily residential, it shall enter into an American Industrial Realtors ("AIR") form exclusive agency for sale or lease, as applicable, with a Schedule attached thereto, and in addition to the applicable provisions of this Agreement, that Exclusive and Schedule shall become and be adopted as part of the Agreement between the City and NAI for the sale or lease of the subject Property, and shall apply to such Property along with this Agreement, all of which memorialize the Agreement for the disposition of said Property and the City payment obligations with respect to said Property. Said Exclusive shall be for a term of six months, on price and financial terms of purchase acceptable to City. A true and correct copy of the AIR Form Exclusive for the Sale of Properties is attached hereto as Exhibit "2" and the AIR form Exclusive Authorization to Lease Property is attached hereto as Exhibit "3." Both of these documents are incorporated by reference herein as part of this Agreement.

VI. EXCLUSIVE AGENCY ON CITY REPRESENTATION AS PURCHASER AND/OR USER

6.1 Exclusive Agency Representation as City Purchaser or User. City shall recognize

NAI as its exclusive agent in any transaction in which the City attempts to purchase, lease, sublease, license, or joint venture as a user or purchaser of property(ies) improved as or Zoned For commercial, industrial or multifamily residential, and shall use its best efforts to require the landlord or seller, as applicable, to recognize NAI as City's exclusive agent, and be paid by said landlord or seller a customary commission.

6.2 Commissions When Representing City as Buyer or Tenant. NAI understands that it shall look to and negotiate for its commission for the purchase or lease of the property subject to this Agreement whereby City is purchaser or tenant from the owner of the property for which a transaction is pursued. Notwithstanding the foregoing, City agrees that it shall negotiate business terms exclusively through NAI, though it may negotiate terms and conditions of documents of purchase or lease through its legal counsel. In all proposals and contracts of lease and sale (hereinafter collectively "Proposals") that City signs, it shall require said owner to pay to NAI a customary commission for the transaction entered into between owner and City for property and space exposed to City by NAI or which NAI has otherwise made efforts or contacts on behalf of City and for which City makes a Proposal. Should owner be represented by a real estate broker in the transaction contemplated by the Proposal, City and NAI agree that NAI will share the gross commission as is customary with Owner's broker.

6.3 NAI Looks to Landlord/Seller for its Commissions When City Leases or Acquires Property. Provided City documents owner's obligation to pay NAI the commission as described in paragraph 6.2 above, in the event that a seller or landlord defaults or refuses to pay any commission that it has agreed to pay NAI, NAI shall have no recourse against City for said commission. City agrees to cooperate with and support NAI in connection with its efforts to obtain commissions from third-party sellers or landlords who have property for sale or lease and wish to secure City as a buyer, tenant or co-venturer. NAI agrees to act in good faith in requesting commission rates considered to be the common practice for real estate brokers to receive with respect to the Proposal and to disclose to City the consideration to be paid to NAI on all transactions being considered by City. It is NAI's practice to charge commissions to owners for City's future expansion and extensions of any lease or option to purchase or right of first refusal to purchase the property. Should NAI identify a property ultimately acquired by the City through the powers of eminent domain or condemnation proceedings (including inverse condemnation), City will make reasonable efforts to have the owners of the property subject to the taking pay a reasonable commission, but should the City be unsuccessful, it shall have no liability for said commission, and NAI's fee shall be limited to the hourly consulting fees due hereunder.

VII. __DISPUTE RESOLUTION__.

7.1. <u>Mediation</u>. City and NAI agree to mediate any dispute or claim arising between them out of this Agreement, any Exclusive for sale or lease entered into between them, or any transaction resulting from this Agreement, before resorting to either arbitration or a court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an Action (lawsuit or arbitration) without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made by the other party to mediate prior to commencement of trial or arbitration, then that party that fails to request mediation, or refuses to accept a request for mediation, as applicable, shall not be entitled to recover attorney's fees in any subsequent action

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or proceeding between them, even if they would otherwise be available to that party in such an action.

7.2. Arbitration of Disputes. City and NAI agree that any dispute or claim in law or equity between them arising out of this Agreement, any Exclusive entered into between them, or any transaction resulting from this Agreement, which is not settled through mediation, shall be decided by neutral, binding arbitration. The arbitrator shall be a retired judge or justice with no prior employment experience or prior client relationship with the City or NAI. The arbitrator shall render an award in accordance with substantive California law. In all other respects, the arbitration shall be conducted in accordance with Code of Civil Procedure § 1282 *et seq.* Judgment upon the award of the arbitrator may be rendered by any court having jurisdiction. The parties shall have the right to discovery in accordance with the Code of Civil Procedure §1283.05.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MAY POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE

OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED BY THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

City's Initials ____/____ NAI's Initials ____/____

7.3. Attorney's Fees. In any action, proceeding or arbitration between City and NAI arising out of this Agreement, or any Exclusive entered into therein, the prevailing party shall be entitled to reasonable attorney's fees and costs from the non-prevailing party, except as provided in paragraph 7.1.

7.4. Defense and Indemnity. In any lawsuit, claim, demand or proceeding initiated by anyone other than the City or NAI arising out of NAI's performance of this Agreement or any representation or services provided to the City by NAI, City shall defend, indemnify and hold harmless NAI and its agents and employees, unless and until NAI by the final judgment of a court of competent jurisdiction or an arbitrator in a final binding arbitration is found to have been guilty of fraud or willful misconduct which legally caused both the damages asserted by the third party and the lawsuit, arbitration or proceeding by which said third party sued NAI and/or its agents. City may provide the defense of NAI by the same counsel who defends the City in any such lawsuit, arbitration or proceeding, and NAI agrees to cooperate with the City and common counsel in connection with any such proceedings.

VIII. MISCELLANEOUS

8.1 Mutually Drafted Settlement Agreement. Each of the Parties hereto has been fully

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and competently represented by counsel of its own choosing in the negotiations and drafting of this Agreement. Accordingly, the Parties agree that the rule of construction of contracts resolving any ambiguities against the drafting Party shall be inapplicable to this Agreement. Further, each Party hereto acknowledges that it has read the entire Agreement and fully understands its terms, conditions and effects.

8.2 Entire Agreement. This Agreement, the incorporated Schedule of Commissions and Exclusive Agreements for the sale or lease of real property contain the entire Agreement of the Parties and may not be modified or amended except by a further document in writing and signed by the Parties. None of the Parties is relying upon any promise, representation or statement not contained within this Agreement.

8.3 Severability. If any provision of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable for whatever reason, the remaining provisions not so declared shall nevertheless continue in full force and effect without being impaired in any manner whatsoever.

8.4 Warranty of Authority. Each of the signatories hereto hereby warrant their authority to sign for the City and NAI, as applicable, represent that they have all of the necessary capacity, approvals, powers and authority to bind the party for whom he/she is signing.

8.5 No Oral Modifications. This Agreement may not be modified or terminated orally, and no modification, termination or waiver of this Agreement shall be valid unless in writing and signed by each party.

8.6 Other Documents and Acts. The Parties hereto, and each of them, agree to execute and/or cause to be executed promptly any and all documents now or hereafter necessary to effectuate the purpose and intent of this Agreement and to effectuate the delivery of the sums due hereunder.

8.7 Notice. Any notice provided by any party to any other party to this Agreement shall be sent by U.S. mail and by telefax for the person(s) set forth below:

To NAI:

NAI Capital, Inc.
c/o Michael Zugsmith
16001 Ventura Boulevard, Suite 200
Encino, CA 91436
Telefax: (818) 905-2425

With Copies to:

James Orloff and Anthony Michelman
NAI Capital, Inc.
16001 Ventura Boulevard, Suite 200
Encino, CA 91436
Telefax: (818) 905-2425

To The City of Compton:

City Manager
____
____
____
Telefax:________________

With Copy to:

____
____
____
Telefax:________________

8.8 Counterparts and Telefaxed Signatures. This Agreement may be signed in counterparts, and by telefaxed signature, with each such counterpart constituting a part of one

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Agreement, and each such telefax signature having the same legal effect as if it was an original signature.

Dated: THE CITY OF COMPTON

By:________________________

Dated: NAI CAPITAL, INC., a California corporation

By:________________________

#1.

NAI Capital
Commercial Real Estate Services, Worldwide

SCHEDULE OF COMMISSIONS

A. SALES, EXCHANGES AND OTHER TRANSFERS:

1. **Sales:** 4% of the gross sales price of improved properties; 10% of the gross sales price of unimproved property, business opportunities and personal property.

2. **Joint Ventures and Exchanges:** If an exchange or joint venture is effected in lieu of a sale, a full sales commission shall be paid in accordance with this Schedule, computed on the basis of the type and fair market value of the property contributed to the joint venture or properties exchanged. The listing price shall be prima facia evidence of the fair market value of the subject property.

3. B. LEASES or SUBLEASES:

	GROSS LEASES	NET LEASES
i.	5% of the total rental for the 1st 12 months; plus	6% of the total rental for the 1st 12 months; plus
ii.	5% of the total rental for the 2nd 12 months; plus	6% of the total rental for the 2nd 12 months; plus
iii.	5% of the total rental for the 3rd 12 months; plus	6% of the total rental for the 3rd 12 months; plus
iv.	4% of the total rental for the 4th 12 months; plus	5% of the total rental for the 4th 12 months; plus
v.	4% of the total rental for the 5th 12 months; plus	5% of the total rental for the 5th 12 months; plus
vi.	3% of the total rental for the next 60 months; plus	4% of the total rental for the next 60 months; plus
vii.	1.5% of the total rental for the balance of the term.	2.5% of the total rental for the balance of the term.

4. **Computation of Rent:** In computing the amount of the commission due on a lease, "rental" shall include the base rent, the minimum- cost of living increases provided in the lease and all escalations in rent which occur over the term of the lease and any extensions thereof.

5. **Sublease or assignment:** 6% of the amounts payable with respect to the assignment or subleasing of a gross lease and 7% in the case of a net lease. If the master lease is terminated during the term of the listing agreement or any extension thereof with the consent of or because of a default by Sublessor, such commission shall be computed on the basis of the total rental which would have been payable pursuant to the master lease for the unexpired term.

6. **Month-to-Month Tenancy:** The minimum commission for a month-to-month tenancy, tenancy-at-will, or occupancy by a tenant without a written lease shall be 50% of the first month's rent and 7% of each month's rent thereafter. The minimum commission shall be Six Hundred Dollars ($600.00), payable upon tenant occupancy. In the even the parties enter into a lease or leases, then additional leasing commission(s) shall be due as provided herein.

7. **Extensions of Term or Additional Space Taken:** If, by virtue of provisions in a lease, or through subsequent modification of such provisions (i) the term of the lease is extended then a leasing commission shall be paid at such time as said term is extended or (ii) the tenant occupies additional space in the leased property and/or any property in which the Owner has an interest, then a full leasing commission shall be paid at such time as said additional space is leased. Said additional commission shall be computed in accordance with the Provisions of this Schedule as if the initial term of the lease had included said extension period or the premises initially leased had included said additional space.

8. **Purchase of the Property by Tenant or Related Entity:** Should a tenant, its successors or assignees, or any entity or affiliated entity owned or controlled by a tenant, or any agent, officer, employee or shareholder of a tenant purchase the property or contract to purchase the property during the term of the lease or any extension thereof or within one hundred eighty (180) days after the expiration thereof pursuant to provisions contained in the lease or through subsequent modification(s) of such provisions, then a sales commission shall be paid at the time said purchase is consummated in accordance with the provisions of this Schedule. Said sales commission shall be computed at the rate set forth hereinabove for sales, less the amount of lease commissions previously paid to the broker relating to that portion of the lease term extending beyond the effective date of such purchase

9. **Minimum Commission:** Except for month to month rentals, the minimum commission is Twenty Five Hundred Dollars ($2,500.00) per transaction.

C. PAYMENT OF COMMISSIONS & MISCELLANEOUS PROVISIONS:

1. **Payment of Sale and Exchange Commissions:** Commissions shall be paid through escrow upon the closing of a sales or exchange transactions. Absent an escrow, commissions shall be paid upon recordation of a deed or upon delivery of such deed or other instrument of conveyance. In the event of a contract or agreement of sale, merger, joint venture agreement, business opportunity or other transaction not involving the delivery of a deed, commissions shall be calculated on the fair market value of the property, rather than the gross sales price, multiplied by the percentage of interest so transferred and shall be paid upon execution and delivery of the agreement evidencing the transaction.

2. **Payment of Lease Commissions:** Commissions shall be due and payable 50% shall be paid upon the mutual execution of a lease or sublease by Owner and Tenant, or Sublessor and Sublessee and Master Lessor, if applicable, and the balance shall be paid on the date specified in the lease for the commencement of the lease term.

3. **Commissions paid out of Deposits:** Broker is hereby authorized to deduct its commission from any deposits, payments or other funds paid by tenant/subtenant or purchaser in connection with such transaction.

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4. **Term Extended:** If during the term of the attached agreement an option or right of first refusal to purchase or lease the Property or any interest therein is granted, or an escrow is opened or negotiations involving the sale, transfer, conveyance or lease of the Property have commenced and are continuing, then the term of the attached agreement shall be extended with respect to such transaction(s) and negotiation for a period through the exercise of such option or right of first refusal, the closing of such escrow, the termination of such negotiations or the consummation of such transaction.

5. **Attorney's Fees:** If either party brings any action, suit, counter-claim, appeal, arbitration or mediation for any relief against the other, declaratory or otherwise, to enforce the terms of this Schedule of Commissions or to declare rights hereunder, the losing party shall pay to the prevailing party a reasonable sum for the attorney's fees and costs incurred in bringing such an action and enforcing a judgment or award. The court or arbitrator shall determine who is the prevailing party, which can be a party who agreed to dismiss an action on the other party's payment of the sums allegedly due or who substantially obtains the relief sought.

Approved by: City of Compton

____

Date: ______________________________

Accepted by: NAI Capital, Inc.

Tony Michelman

Tony Michelman

Date: 9/28/07

#1.

July 22, 2008

Mr. Kofi Sefa-Boakye, Director
Community Redevelopment Agency
City of Compton
205 So. Willowbrook Ave.
Compton, Ca 90220

Dear Mr. Sefa-Boakye,

As owner of Alliance Services Group (Alliance) it is a pleasure to introduce our company to the City of Compton. We are a company that is deeply committed to providing exceptional personalized services to every client. As a consulting firm Alliance has worked closely with public agencies, lending institutions, and private companies on a wide range of projects such as, asset management, property management, construction management, coordination and oversight of rehabilitation projects of occupied/vacant single family and multi-residential units, general construction services, and implementation of special projects only to name a few.

Alliance firmly understands that each client is different and so are their needs. Therefore, Alliance is committed to working closely and diligently with the City of Compton's key personnel within the Community Redevelopment Agency in order to assist and/or support with various projects.

Attached is a list of services that Alliance can provide the City of Compton's Community Redevelopment Agency.

Should you have any questions or require additional information, please feel free to contact me at (323) 864-0315.

Respectfully submitted,

Virginia Campos

Virginia Campos,
President

Enclosure

#1.

SERVICES

Residential Rehabilitation Program – Inspection Services
Alliance proposes to provide On-call Inspection Services to the City of Compton's Residential Rehabilitation Program. Alliance understands and strongly supports the role the Community Redevelopment Agency has to those participating in the Residential Rehabilitation Program. By providing on-call Inspection Services to oversee the repairs and improvements as funded by the City of Compton's Residential Rehabilitation Program together we can ensure that homeowner's receive the workmanship and quality of work that is required by a licensed general contractor, while meeting city ordinances and regulations.

First-Time Home Buyer Program – Support Services.
Alliance proposes to provide Support Services as-needed to assist in the documentation and processing of applications in response to the high demand of the City's First-Time Home Buyer Program. Alliance is prepared to assist the Community Redevelopment Agency with the support they need in maintaining documentation and processing of applications. Alliance is also able to provide bi-lingual services to reach the Latino community within the City of Compton. Working closely with a mortgage company and Realtors, Alliance assisted with a similar program by providing implementation of bi-lingual outreach and education to the local Latino community.

Management & Oversight of Land Assemblage
To assist the City of Compton in the process of its Redevelopment effort, Alliance proposes to provide Management & Oversight of Land Assemblage. Alliance is prepared to support the City of Compton's Community Redevelopment Agency by providing the staffing and expertise in implementing a process to assemble properties, and to track and monitor the progress of this redevelopment effort. With a strong background in asset management and real estate services, Alliance is able to assist the City with property identification, property valuation and market analysis, acquisition approach, assist in relocation, and demolition. Working with lending institutions providing asset management services many of these same services were provided.

Develop Tracking & Scheduling Program of Redevelopment Projects
To assist the City of Compton track and schedule the various redevelopment projects, Alliance will develop a program to monitor the status of all contracts and projects. Alliance will work closely with city personnel to identify the needs of such a program and implement the process to identify, track, and monitor all projects from negotiations to close-out.

Monitoring & Reporting of Redevelopment Projects
Alliance proposes to provide support services for monitoring and reporting on various existing and new redevelopment projects.

PROPOSED FEES

Description of Services	Amount
Residential Rehabilitation Program - Inspection Services	Time & Material, See attached Hourly Rate
First Time Homebuyers Program - Support Services	Time & Material See attached Hourly Rate
Management and Oversight of Land Assemblage	Time & Material See attached Hourly Rate
Develop Tracking & Scheduling Program of Redevelopment Projects	$75,000. System & Program modifications are additional cost
Monitoring & Reporting of Redevelopment Projects	Time & Material See attached Hourly Rate