



BUSINESS DEPARTMENT - Business Services
Facilities Development & Planning Branch
Donald K. Allen Building Services Facility
2425 Webster Ave., Long Beach, CA 90810
(562) 997-7550 Fax (562) 595-8644

June 26, 2014

Kevin R. Carlin, Esq.
Carlin Law Group, APC
4452 Park Blvd., #310
San Diego, CA 92116

Re: **Cancelled Lease-Leaseback Contracts for the Bancroft Middle School Gym AB 300 Project; the New High School #2 at the Browning Site Project; and the Jordan High School Major Renovation Phase 1B Increment 2 Project**

Dear Mr. Carlin:

The purpose of this letter is to confirm that the Long Beach Unified School District ("District") cancelled the lease-leaseback contracts for the above referenced projects. The "Lease-Leaseback Contracts" include the Site Lease, Sublease Agreement, and Construction Services Agreement for the following projects:

- 1) For the Bancroft Middle School Gym AB 300 Project ("Bancroft Project"), the District cancelled the Lease-Leaseback Contracts with C.W. Driver, Inc. The District did not issue any payment to C.W. Driver pursuant to the Lease-Leaseback Contracts for the Bancroft Project.
- 2) For the New High School #2 at the Browning Site Project ("Browning Project") the District cancelled the Lease-Leaseback Contracts with Hensel Phelps Construction Company. The District did not issue any payment to Hensel Phelps Construction Company pursuant to the Lease-Leaseback Contracts for the Browning Project.
- 3) For the Jordan High School Major Renovation Phase 1B Increment 2 Project ("Jordan Project"), the District cancelled the Lease-Leaseback Contracts with McCarthy Building Companies, Inc. The District did not issue any payment to McCarthy Building Companies, Inc. pursuant to the Lease-Leaseback Contracts for the Jordan Project.

The District filed three separate validation actions seeking to validate the Lease-Leaseback Contracts referenced above including: 1) Case Number NC058591 which sought to validate the Lease-Lease Contracts for the Bancroft Project; 2) Case Number NC059095 which sought to validate the Lease-Leaseback Contracts for the Browning Project, and 3) Case Number NC059095 which sought to validate the Lease-Leaseback Contracts for the Jordan Project. The District dismissed the three validation actions because the Lease-Leaseback Contracts were cancelled for all three projects. The District's decision to cancel the Lease-

Mary Stanton
District 1
Member

Felton Williams
District 2
Member

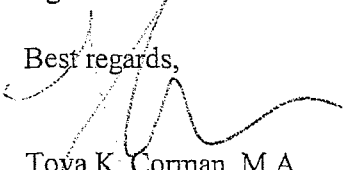
John McGinnis
District 3
President

Jon Meyer
District 4
Member

Diana Craighead
District 5
Vice-President

Leaseback Contracts was a business decision based on a number of factors. In summary, the District changed leadership after drafting the Lease-Leaseback Contracts and concluded that the needs of the District and the requirements of the Projects were better served by using an alternative delivery method. If you have any further questions, please contact the District's legal counsel.

Best regards,



Toya K. Corman, M.A.
Executive Director, Facilities Development and Planning
Long Beach Unified School District