

CITY OF BRENTWOOD
Oversight Board
Terrace View Room – 2nd floor
Brentwood City Hall
150 City Park Way
Brentwood, CA 94513

Oversight Board Members:

Bill Hill, Chair
Steve Barr
Bob Brockman
Pam Ehler

Brian Swisher, Vice Chair
Kevin Horan
Eric Volta

MEETING AGENDA

1. Call to Order
2. Public Comment – *At this time the public is permitted to address the Board on items that are **not** on the agenda. Persons addressing the Board are required to limit their remarks to five (5) minutes unless an extension of time is granted by the Board.*
3. Approval of minutes from February 23, 2015 (M. Wimberly)
4. Amendment Extending the Legal Services Agreement with Wendel Rosen Black & Dean, LLP for a period of one year. (M. Wimberly)
5. Acceptance of a loan from the City of Brentwood for litigation related expenses and authorizing the Successor Agency Executive Director to execute a Loan Agreement and Promissory Note and to take actions necessary to effectuate this intent including placing the Loan Agreement and uses of the Loan proceeds on the Recognized Obligation Payment Schedule. (G. Vina/K. Breen)
6. A Resolution approving and authorizing the City Attorney, as Successor Agency General Counsel, to execute agreements or amendments for Fiscal Year 2015/16 with Burke, Williams and Sorensen for Successor Agency general legal services and for litigation services; and with Greines, Martin, Stein and Richland for litigation services (D. Brower)
7. Suggestions for future agenda items
8. Adjournment

Dated: August 13, 2015

NOTICE

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the City Clerk's Office at (925) 516-5440 or fax (925) 516-5441. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}

POSTING STATEMENT

On **August 13, 2015** a true and correct copy of this agenda was posted on the City Hall Bulletin Board, outside City Hall, 150 City Park Way, Brentwood, CA 94513.



**Oversight Board
Special Meeting Minutes**
September 17, 2014
Brentwood City Hall
Terrace View Conference Room

Present: Steve Barr, Pam Ehler, Bill Hill, Brian Swisher
Absent: Bob Brockman, Kevin Horan, Eric Volta

1. Call to Order – Brian Swisher called the meeting to order at 4:32 p.m.
2. Public Comment – None.
3. Consideration of minutes from February 26, 2014 – M/S/C/U (Swisher/Barr) to approve the minutes from the February 26, 2014 meeting. 4-0-3 (Brockman, Horan and Volta absent)
4. A Resolution of the Brentwood Oversight Board Approving the Recognized Obligation Payment Schedule ("ROPS") and Administrative Budget for January – June 2015

Assistant Finance Director Kerry Breen explained the expenses included in the January – June 2015 ROPS. He mentioned that the amounts previously denied by the State, and currently under litigation are kept on the ROPS as placeholders until the litigation is decided. He stated the matter is currently on appeal and it will likely not be decided until sometime in 2015. He continued that the remaining increment will be distributed to the other taxing entities and he walked the Committee through the remainder of the ROPS.

Brian Swisher asked a question about the future responsibility of the Committee. Kerry Breen responded that the Successor Agency would be limited in the actions it could take until after the Successor Agency received a finding of completion from the State. The finding of completion will not be received until the litigation is resolved. Once the City receives the finding of completion, the property management plan will be developed. At that time a determination will be made as to the status of the properties in question. It was announced that the legislation includes a provision that the Oversight Board will be re-organized into a Countywide Board in July of 2016.

M/S/C/U (Swisher/Barr) to adopt the resolution approving the January – June 2015 ROPS 4-0-3 (Brockman, Horan, Volta absent)

5. Suggestions for future agenda items –The next regular meeting is scheduled for October 15, 2014. If there are no agenda items, the meeting will be cancelled. Staff reported that the next ROPS would likely be coming to the Board in February of 2015 and there may not be a need for another meeting until then.
6. The meeting was adjourned at 4:50 p.m.

CITY OF BRENTWOOD OVERSIGHT BOARD 4

Meeting Date: August 19, 2015

Subject/Title: Amendment Extending the Legal Services Agreement with Wendel Rosen Black & Dean, LLP for a period of one year

Submitted by: Margaret Wimberly, Oversight Board Secretary

RECOMMENDATION

Approve the amendment, extending the legal services agreement with Wendel Rosen Black & Dean, LLP for a period of one year.

PREVIOUS ACTION

On August 15, 2012, the Oversight Board approved an agreement for legal services with Wendel Rosen Black & Dean, LLP (the "Agreement"). The effective date of this agreement was October 26, 2012 with a term of one year, and an option to extend by mutual agreement.

On September 25, 2013, the Oversight Board approved an amendment to the Agreement extending it for two years. The amendment expires on October 26, 2015.

DISCUSSION

Should the Oversight Board wish to continue to be represented by legal counsel, staff recommends approving an amendment to the agreement extending the term for a period of one year, through October 26, 2016. This timeframe will allow the Oversight Board to complete most, if not all, of the tasks required of it by State law. Pursuant to the redevelopment dissolution legislation, the Oversight Board will not exist in its current form effective July 1, 2016, as at that time all Oversight Boards in the County will be consolidated into one Countywide Oversight Board.

FISCAL IMPACT

The funding for these legal services will be paid by the Successor Agency through the \$250,000 annual administrative allowance. No additional funds would be required through the ROPS process.

Attachments:
Amendment Two to Legal Services Agreement

**AMENDMENT NO. 2 TO EXTEND THE AGREEMENT FOR LEGAL SERVICES
Wendel Rosen Black & Dean, LLP**

This Amendment No. 2 is entered into and effective as of the ____ day of _____, 2015, extending the agreement dated October 26, 2012 (the "Agreement") by and between the Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Brentwood ("Oversight Board"), and Wendel Rosen Black & Dean, a Limited Liability Partnership ("Legal Counsel") (each a "Party" and collectively, the "Parties").

RECITALS

A. Amendment No. 1 to the Agreement was entered into on September 25, 2013, and extended the term of the agreement for two years to October 26, 2015, and

B. Legal Counsel continues to perform the required legal services to the satisfaction of the Oversight Board; and

C. The Parties desire to extend the Agreement, as amended, for a period of one year.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the Parties agree as follows:

1. The term of the Agreement, as amended, is hereby extended for a period of one year ending on October 26, 2016.

2. Except as amended herein, all provisions of the Agreement shall remain in full force and effect.

3. All requisite insurance policies to be maintained by Legal Counsel pursuant to the Agreement, as may have been amended from time to time, shall include coverage for the amended term, as described above.

4. The individual executing this Amendment and the instruments referenced on behalf of Legal Counsel represents and warrants that she has the legal power, right and actual authority to bind Legal Counsel to the terms and conditions of this Amendment.

LEGAL COUNSEL:

WENDEL ROSEN BLACK & DEAN

By: _____
Patricia E. Curtin, Partner

OVERSIGHT BOARD:

By: _____
William Hill, Chair

ATTEST:

By: _____
Margaret Wimberly, Secretary

CITY OF BRENTWOOD OVERSIGHT BOARD 5

Meeting Date: August 19, 2015

Subject/Title: Acceptance of a loan from the City of Brentwood for litigation related expenses and authorizing the Successor Agency Executive Director to execute a Loan Agreement and Promissory Note and to take actions necessary to effectuate this intent including placing the Loan Agreement and uses of the Loan proceeds on the Recognized Obligation Payment Schedule

Submitted by: Kerry Breen, Assistant Administrative Services Director

Approved by: Gus Vina, City Manager

RECOMMENDATION

Adopt a Resolution authorizing the acceptance of a loan from the City of Brentwood for litigation related expenses and authorizing the Successor Agency Executive Director to execute a Loan Agreement and Promissory Note and to take actions necessary to effectuate this intent including placing the Loan Agreement and uses of the Loan proceeds on the Recognized Obligation Payment Schedule.

PREVIOUS ACTION

On February 23, 2015, the Oversight Board adopted Resolution 2015-01 approving a loan from the City of Brentwood.

On February 23, 2015, the Oversight Board adopted Resolution 2015-02 approving the Recognized Obligation Payment Schedule (“ROPS”) and Administrative Budget for July – December 2015.

BACKGROUND

On December 29, 2011, the California Supreme Court upheld the constitutionality of ABx1 26 dissolving redevelopment agencies statewide as of February 1, 2012. The City agreed to serve as the Successor Agency to the Brentwood Redevelopment Agency commencing on February 1, 2012.

The Successor Agency is required to prepare a forward looking ROPS which covers six months of Successor Agency financial obligations. These financial obligations are commonly referred to as “Enforceable Obligations”. A Successor Agency may expend funds only for Enforceable Obligations on an approved ROPS.

On July 17, 2013, the Successor Agency and City filed a lawsuit against the State of California Department of Finance (DOF) regarding, among other things, the DOF not approving certain Enforceable Obligations of the Successor Agency. On April 23, 2014, the Successor Agency and City appealed the trial court’s decision in the underlying matter. On June 9, 2015 the Brentwood City Council and Successor Agency Board unanimously voted to appeal to the California Supreme Court a Court of Appeal decision regarding the DOF demand for approximately \$20 million of funds that were validly used to construct public improvements in downtown Brentwood.

At the Oversight Board meeting of February 23, 2015, the Board authorized the Successor Agency to accept a loan, in an amount not to exceed \$475,000 from the City of Brentwood to cover past and future litigation related expenses which were eligible to be funded from the Redevelopment Property Tax Trust Fund (RPTTF), but which could not be listed on a ROPS before litigation was filed, and authorized the Successor Agency to execute a loan agreement and promissory note evidencing the Successor Agency's obligation to repay the City loan. On February 24, 2015 the City of Brentwood, as Successor Agency to the Brentwood Redevelopment Agency also authorized the Successor Agency to accept a loan from the City for such purposes and to execute the loan agreement and promissory note.

The Successor Agency submitted the approved Resolution, and related documents including the inclusion of litigation expenses on the ROPS, to the DOF for consideration of approval. The DOF ultimately denied the inclusion of the litigation expenses on the ROPS and rejected the Board approved loan agreement. In response, the Successor Agency filed a request for a "Meet and Confer" session with the DOF to appeal the decision regarding the ROPS. The meet and confer occurred in Sacramento on April 22, 2015, and on May 15 the Successor Agency was informed that the DOF upheld its denial of the litigation expenses. The DOF stated that the denial was due to, in part, the fact that legal invoices were being sent to the City of Brentwood as opposed to the Successor Agency and that the legal costs were not really the responsibility of the Successor Agency.

With this revised loan agreement, the Successor Agency has taken steps to address the concerns raised by the DOF, including having invoices sent to the Successor Agency as well as further documenting the Successor Agency's role in the litigation. Should the DOF ultimately prevail in the litigation, the Successor Agency would be responsible for the repayment of millions of dollars which it does not have, with no method of collection at its disposal. As such, the Successor Agency clearly has a significant stake in the outcome of the litigation and has incurred litigation expenses related to Successor Agency assets and obligations. Staff also anticipates that the Successor Agency may experience occasional cash flow shortages and may incur litigation expenses in advance of the date upon which the Successor Agency will be able to list such expenses on the ROPS.

The terms of the loan agreement allow for the Successor Agency to borrow from and repay the City the sum of up to \$500,000. This includes the \$475,000 that was previously authorized by the Successor Agency and City in February of this year. Payments would be due on the loan on a semi-annual basis, with the entire balance due in one lump sum on the 5th anniversary of the effective date of the loan. The proceeds of the loan would only be used to cover Successor Agency cash flow shortages, Successor Agency litigation expenses and other enforceable obligations. Use of the loan proceeds would be listed on the Successor Agency's ROPS. There is no interest costs which would accrue on this loan or which would be payable to the City under the terms of the loan agreement.

FISCAL IMPACT

The loan will allow the City of Brentwood to be reimbursed for litigation related expenses incurred in connection with litigation filed by the Successor Agency and that are eligible for RPTTF funds.

Attachments
Resolution
Loan Agreement
Promissory Note

RESOLUTION NO.

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY CITY OF BRENTWOOD AUTHORIZING THE ACCEPTANCE OF A LOAN FROM THE CITY OF BRENTWOOD FOR LITIGATION RELATED EXPENSES AND CASH FLOW NEEDS BETWEEN ROPS PERIODS AND AUTHORIZING THE SUCCESSOR AGENCY EXECUTIVE DIRECTOR TO EXECUTE A LOAN AGREEMENT AND PROMISSORY NOTE AND TO TAKE ACTIONS NECESSARY TO EFFECTUATE THIS INTENT INCLUDING PLACING THE LOAN AGREEMENT AND USES OF THE LOAN PROCEEDS ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

WHEREAS, Health and Safety Code Section 34173(h) authorizes the city that formed a redevelopment agency to loan funds to the successor agency to the dissolved redevelopment agency for administrative costs, enforceable obligations, and project-related expenses, provided that the use of such funds is reflected on the successor agency's Recognized Obligation Payment Schedule (ROPS), and if applicable, its administrative budget, subject to the review and approval of the successor agency's oversight board and the Department of Finance; and

WHEREAS, Health and Safety Code Section 34173(h) further provides that an enforceable obligation shall be deemed to be created for the repayment of such loans; and

WHEREAS, the City of Brentwood ("City") has advanced funds to pay for litigation expenses incurred on behalf of the Successor Agency to the Former Brentwood Redevelopment Agency (the "Successor Agency") and related to Successor Agency assets and obligations; and

WHEREAS, the City Council of the City of Brentwood, the Successor Agency governing board and the Oversight Board each previously approved the City's provision and the Successor Agency's acceptance of a loan from the City to cover Successor Agency litigation expenses and cash shortfalls, but the State Department of Finance disapproved the Oversight Board resolution authorizing acceptance of such loan; and

WHEREAS, Health and Safety Code Section 34171(d)(1)(F) provides that contracts or agreements concerning litigation expenses related to assets or obligations are enforceable obligations; and

WHEREAS, the City and the Successor Agency have prepared a Loan Agreement and Promissory Note, copies of which are attached as an Exhibit to this Resolution.

NOW, THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Oversight Board hereby authorizes the Successor Agency to accept the Loan, approves the Loan Agreement, and authorizes the Successor Agency Executive Director to execute the Loan Agreement and the Promissory Note substantially in the form attached to this Resolution.

2. The Successor Agency Executive Director and/or his designees are hereby authorized and directed to execute such instruments and to take such actions as necessary to effectuate the intent of this Resolution, including without limitation the placement of the Loan Agreement and uses of the Loan proceeds on the ROPS.

PASSED, APPROVED AND ADOPTED by the Oversight Board for the Successor Agency City of Brentwood at a regular meeting held on August 19, 2015, by the following vote:

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement") is entered into and effective as of _____, 2015 ("Effective Date") by and between the Successor Agency to the Former Brentwood Redevelopment Agency (the "Successor Agency") and the City of Brentwood, a municipal corporation of the State of California (the "City") (collectively, the "Parties").

RECITALS

WHEREAS, pursuant to Brentwood City Council Resolution No. 2012-07, the City of Brentwood agreed to serve as the successor to the Brentwood Redevelopment Agency ("Redevelopment Agency") commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill x1 26; and

WHEREAS, pursuant to Health and Safety Code Section 34173(h), the City is authorized to loan funds to the Successor Agency for administrative expenses, enforceable obligations and project-related expenses, provided that the use of such funds is approved by the Oversight Board established for the Successor Agency ("Oversight Board") and reflected on the Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, Health and Safety Code Section 34173(h) further provides that an enforceable obligation shall be deemed to be created for the repayment of such loans; and

WHEREAS, the City of Brentwood has advanced funds to pay for litigation expenses incurred on behalf of the Successor Agency and related to Successor Agency assets and obligations; and

WHEREAS, Health and Safety Code Section 34171(d)(1)(F) provides that contracts or agreements concerning litigation expenses related to assets or obligations are enforceable obligations; and

WHEREAS, Successor Agency staff anticipate that the Successor Agency may experience occasional cash flow shortages and may incur litigation expenses in advance of the date upon which the Successor Agency will be able to list such expenses on ROPS; and

WHEREAS, subject to approval by the Oversight Board to the Successor Agency (the "Oversight Board"), the City Council of the City of Brentwood has authorized the provision of a loan to the Successor Agency on the terms and conditions set forth in this Agreement, and the Governing Board of the Successor Agency has authorized the acceptance of such loan; and

WHEREAS, absent the provision of the loan described in this Agreement (the "**Loan**"), the Successor Agency will have insufficient funds to timely pay litigation expenses and other payments due for enforceable obligations; and

NOW, THEREFORE, the Successor Agency and the City agree as follows:

1. Loan. The City agrees to loan to the Successor Agency, and the Successor Agency agrees to borrow from and repay to City the sum of up to \$500,000 (the "Loan") upon the terms and conditions and for the purposes set forth in this Agreement. The Loan shall be

evidenced by a promissory note (the "Note") which shall be dated as of the Effective Date and executed by the Successor Agency substantially in the form attached hereto as Exhibit A. The Loan shall operate as a revolving fund. The maximum principal amount that may be outstanding at any time is Five Hundred Thousand Dollars (\$500,000).

2. Maturity Date; Prepayment. Payments shall be due on the Loan on a semi-annual basis on each January 15 and June 15 during the term of the Loan. The entire outstanding balance of the Loan shall be payable in one lump sum on the fifth (5th) anniversary of the Effective Date (the "Maturity Date") unless the Parties agree to extend such date. The Successor Agency may prepay the Loan in whole or in part at any time without penalty or premium.

3. Subordination. Notwithstanding any contrary provision hereof, the Parties agree that the Successor Agency's obligation to repay the Loan shall be subordinate to the pledge of tax increment revenue for the payment of debt service on tax allocation bonds or other indebtedness issued by the Redevelopment Agency prior to the Effective Date.

4. Use of Loan Proceeds. The Loan proceeds shall be used solely to cover Successor Agency cash flow shortages and Successor Agency expenses for litigation and other enforceable obligations. Use of the Loan proceeds shall be listed on the Successor Agency's Recognized Obligation Payment Schedule.

5. Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

6. Amendments. No amendment to or modification of this Agreement shall be effective unless and until such amendment or modification is in writing, properly approved in accordance with applicable procedures, and executed by the Parties.

7. Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the Successor Agency shall be personally liable to City in the event of any default or breach by the Successor Agency, or for any amount of money which may become due to City, or for any obligation of Successor Agency under this Agreement.

8. No Third Party Beneficiaries. There shall be no third party beneficiaries to this Agreement.

9. Captions. The headings of the sections and paragraphs of this Agreement have been inserted for convenience only and shall not be used to construe this Agreement.

10. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

11. Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties are materially altered or abridged by such invalidation, voiding or unenforceability.

12. Entire Agreement. This Agreement, together with the Note contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements between the Parties with respect thereto.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have executed this Loan Agreement as of the date first written above.

SUCCESSOR AGENCY TO THE BRENTWOOD REDEVELOPMENT AGENCY

By: _____
Gustavo "Gus" Vina, Executive Director

Attest: _____
Margaret Wimberly, Successor Agency Secretary

Approved as to form:

Damien Brower, Successor Agency Counsel

CITY OF BRENTWOOD

By: _____
Gustavo "Gus" Vina, City Manager

Attest: _____
Margaret Wimberly, City Clerk

Approved as to form:

Damien Brower, City Attorney

Exhibit A

PROMISSORY NOTE

\$500,000

Brentwood, California
_____, 2015

FOR VALUE RECEIVED, the Successor Agency to the Former Brentwood Redevelopment Agency (the "Successor Agency") promises to pay to the City of Brentwood, a municipal corporation of the State of California (the "City") in lawful money of the United States of America, the principal sum of Five Hundred Thousand Dollars (\$500,000) or so much thereof as may be advanced by City from time to time pursuant to the Loan Agreement referred to below, in the manner provided below, together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. If this Promissory Note (the "Note") is paid in full by the Maturity Date, as defined below, no interest shall be payable. Otherwise, in the event this Note is not paid in full by the Maturity Date, interest shall accrue on the outstanding principal balance at a rate equal to the Local Agency Investment Fund Average Annual Yield for the Pooled Money Investment Account ("LAIF RATE") applicable to the fiscal year in which each payment is due, as posted on the State Treasurer's website (<http://www.treasurer.ca.gov/pmia-laif/historical/quarterly.asp>), commencing upon the date of disbursement thereof. Interest shall be calculated on the basis of a year of 365 days and charged for the actual number of days elapsed.

This Promissory Note (this "Note") has been executed and delivered pursuant to and in accordance with that certain Loan Agreement dated as of _____ 2015, by and between Successor Agency and City (the "Loan Agreement"), and is subject to the terms and conditions of the Loan Agreement which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

1. PAYMENTS

1.1 MATURITY DATE. Payments shall be due on a semi-annual basis on each January 15 and June 15 during the term of the Loan. The entire principal balance outstanding under this Note, together with interest accrued thereon and any other sums accrued hereunder, shall be due and payable in one lump sum on the date (the "Maturity Date") which is the fifth (5th) anniversary of the date of this Note.

1.2 PREPAYMENT. Successor Agency may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Note from available funds.

1.3 MANNER OF PAYMENT. All payments of principal and interest on this Note shall be made to City at 150 City Park Way, Brentwood, California or such other place as City shall designate to Successor Agency in writing.

1.4 SUBORDINATION. Notwithstanding any contrary provision hereof, Successor Agency's obligation to repay the Loan shall be subordinate to the pledge of tax increment

revenue for the payment of debt service on tax allocation bonds or other indebtedness issued by the Redevelopment Agency prior to the Effective Date.

2. DEFAULTS AND REMEDIES.

2.1 EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an event of default hereunder ("Event of Default"):

(a) Successor Agency fails to pay when due the principal and any interest payable hereunder and such failure continues for ten (10) days after City notifies Successor Agency thereof in writing.

(b) Successor Agency breaches any other provision of this Note or the Loan Agreement and does not cure such breach within thirty (30) days following written notice from City.

2.2 REMEDIES. The rights and remedies of City under this Note shall be cumulative and not alternative. Upon the occurrence of an Event of Default hereunder, City may, at its option: (i) by written notice to Successor Agency declare the entire unpaid principal balance of this Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under law or equity, and (iii) exercise any and all rights and remedies available to City pursuant to the Loan Agreement.

3. MISCELLANEOUS

3.1 WAIVER; AMENDMENT. No waiver by City of any right or remedy under this Note shall be effective unless in writing signed by City. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by City will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. There shall be no amendment to or modification of this Note except by written instrument executed by Successor Agency and City.

3.2 SEVERABILITY. If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

3.4 GOVERNING LAW; VENUE. This Note shall be construed and enforced in accordance with the laws of the State of California. Any action at law or in equity brought by either of the Parties for the purpose of enforcing a right or rights provided for by this Agreement will be tried in a court of competent jurisdiction in the County of Contra Costa, State of California.

3.5 SECTION HEADINGS, CONSTRUCTION. The headings of Sections in this Note are provided for convenience only and will not affect its construction or interpretation.

3.6 RELATIONSHIP OF THE PARTIES. The relationship of Successor Agency and City under this Note is solely that of borrower and lender, and the loan evidenced by this Note will in no manner make Successor Agency the partner or joint venturer of City.

IN WITNESS WHEREOF, Successor Agency has executed and delivered this Note as of the date first written above.

SUCCESSOR AGENCY:

SUCCESSOR AGENCY TO THE BRENTWOOD REDEVELOPMENT AGENCY

By: _____
Gustavo "Gus" Vina, City Manager

Attest: _____
Margaret Wimberly, Successor Agency Secretary

Approved as to form:

Damien Brower, Successor Agency Counsel

CITY OF BRENTWOOD OVERSIGHT BOARD 6

Meeting Date: August 19, 2015

Subject/Title: A Resolution approving and authorizing the City Attorney, as Successor Agency General Counsel, to execute agreements or amendments for Fiscal Year 2015/16 with Burke, Williams and Sorensen for Successor Agency general legal services and for litigation services; and with Greines, Martin, Stein and Richland for litigation services

Prepared by: Damien Brower, City Attorney/ Successor Agency General Counsel

Submitted by: Damien Brower, City Attorney/Successor Agency General Counsel

RECOMMENDATION

Adopt a Resolution approving and authorizing the City Attorney, as Successor Agency General Counsel, to execute agreements or amendments for Fiscal Year 2015/16 with Burke, Williams and Sorensen for Successor Agency general legal services and for litigation services; and with Greines, Martin, Stein and Richland for litigation services.

PREVIOUS ACTION

On July 18, 2012, by Resolution No. 2012-12, the Oversight Board authorized the City Attorney, as Successor Agency General Counsel, to execute an agreement with Burke, Williams and Sorensen for Successor Agency general legal services.

On July 17, 2013, by Resolution No. 2013-04, the Oversight Board authorized the City Attorney, as Successor Agency General Counsel, to execute an agreement with Burke, Williams and Sorensen for Successor Agency general legal services.

BACKGROUND

The Legislature created successor agencies to perform the tasks and duties associated with winding down the business and fiscal affairs of former redevelopment agencies. Complicating this process are ever evolving legislative proposals and legal interpretations to which cities and successor agencies must strictly adhere. In order to accomplish the State mandated objectives, a successor agency may need to engage the services of qualified consultants and attorneys to assist with the technical and/or legal aspects associated with ensuring the wind down process is conducted in compliance with all legal and statutory requirements.

As of February 1, 2012, redevelopment agencies were dissolved and the Successor Agency became responsible for the approval of certain legal services agreements. The current agreement with Burke, Williams and Sorensen ("Burke") involves general legal services, such as document review and preparation. Attorneys at the firm have had a long history of assisting the former Redevelopment Agency with legal matters and amending the term of this agreement will maintain the ongoing professional relationship for general legal services as the dissolution process continues.

A further part of the amendment to the agreement with Burke; and the agreement with Greines Martin, Stein and Richland ("Greines"), relate to litigation services and the Successor Agency's continued litigation against the State Department of Finance ("DOF"). On June 9, 2015, the

Brentwood City Council and Successor Agency Board unanimously voted to appeal to the California Supreme Court a Court of Appeal decision regarding a 2012 DOF demand for approximately \$20 million of funds that were validly used to construct public improvements in downtown Brentwood. Attorneys from Burke serve as litigation counsel in the subject litigation; and attorneys from Greines specialize in appellate counsel work and are assisting in the review of the Supreme Court pleadings.

On June 23, 2015, the City Council and Successor Agency Board approved and authorized the City Attorney to enter into a Fiscal Year 2015/16 litigation services agreements and/or amendments with Burke. City Council/Successor Agency policy authorizes the City Attorney/Successor Agency General Counsel to enter into legal service agreements that do not exceed \$50,000 per fiscal year.

The subject amendments and agreements cover Fiscal Year 2015/16. If approved, the amended general (non-litigation) legal services part of the Burke agreement would provide for a not-to-exceed amount of \$50,000 in Fiscal Year 2015/16; and the part of the amendment for litigation services would authorize Fiscal Year 2015/16 litigation costs of not to exceed \$150,000 to cover expenses anticipated through a hearing at the State Supreme Court, if it grants a petition for review. The agreement with Greines would authorize a maximum of \$50,000 for litigation expenses. To date, litigation services provided by Burke in connection with the trial court case totaled approximately \$194,760. Burke legal services provided in connection with the appellate action totaled approximately \$152,325; and legal services provided by Greines in connection with the appellate action totaled approximately \$7,770.

FISCAL IMPACT

The Burke litigation services for this fiscal year are not anticipated to exceed \$150,000; and the Greines litigation services and the Burke general legal services are each not anticipated to exceed \$50,000. General legal services are considered an administrative responsibility of the Successor Agency, and as such, related costs are funded through the annual \$250,000 administrative allowance received by the Successor Agency. No additional funding will be requested via the ROPS process. Regarding the Burke and Greines litigation services, the City and Successor Agency will vigorously pursue recovery of all litigation expenses via the ROPS process.

Attachment: Resolution
Burke, Williams & Sorensen Amendment
Greines, Martin, Stein & Richland Agreement

RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE CITY OF BRENTWOOD APPROVING AND AUTHORIZING THE CITY ATTORNEY, AS SUCCESSOR AGENCY GENERAL COUNSEL, TO EXECUTE AGREEMENTS OR AMENDMENTS FOR FISCAL YEAR 2015/16 WITH BURKE, WILLIAMS AND SORENSEN FOR SUCCESSOR AGENCY GENERAL LEGAL SERVICES AND FOR LITIGATION SERVICES; AND WITH GREINES, MARTIN, STEIN AND RICHLAND FOR LITIGATION SERVICES

WHEREAS, the Successor Agency requires legal advisory and litigation services; and

WHEREAS, on July 18, 2012, by Resolution No. 2012-12, the Oversight Board authorized the City Attorney, as Successor Agency General Counsel to execute an agreement with Burke, Williams and Sorensen ("Burke") for Successor Agency general legal services; and

WHEREAS, on July 17, 2013, by Resolution No. 2013-04, the Oversight Board authorized the City Attorney, as Successor Agency General Counsel to execute an agreement with Burke for Successor Agency general legal services; and

WHEREAS, the agreement with Burke involves, in part, general legal services, such as document review and preparation. Attorneys at the firm have had a long history of assisting the former Redevelopment Agency with legal matters and the proposed amendment will maintain the ongoing professional relationship as the dissolution process continues; and

WHEREAS, in addition, part of the amendment to the Burke agreement and the proposed agreement with Greines Martin, Stein and Richland ("Greines") relate to litigation services and the Successor Agency's continued litigation against the State Department of Finance ("DOF"); and

WHEREAS, on June 9, 2015, the Brentwood City Council and Successor Agency Board unanimously voted to appeal to the California Supreme Court a recent Court of Appeal decision regarding a 2012 DOF demand of approximately \$20 million of funds that were validly used to construct public improvements; and

WHEREAS, attorneys from Burke serve as litigation counsel for the subject litigation and attorneys from Greines specialize in appellate counsel work and are assisting in the preparation of and review of Supreme Court pleadings; and

WHEREAS, on June 23, 2015, the City Council and Successor Agency Board approved and authorized the City Attorney to enter into a litigation services agreement with Burke for the litigation; and

WHEREAS, City/Successor Agency policy authorizes the City Attorney/Successor Agency General Counsel to enter into legal service agreements that do not exceed \$50,000 per fiscal year; and

WHEREAS, the amendment and agreement cover Fiscal Year 2015/16; and

WHEREAS, the Burke litigation services part of the amended agreement cannot exceed \$150,000; and the Burke general legal services part of the amended agreement and the Greines agreement cannot exceed \$50,000, without Successor Agency and Oversight Board approval; and

WHEREAS, staff requests approval and authorization be given to the City Attorney of the City of Brentwood, as the Successor Agency General Counsel, to execute agreements or amendments for Fiscal Year 2015/16 with Burke for Successor Agency general legal services and for litigation services; and with Greines for litigation services.

NOW, THEREFORE BE IT RESOLVED that the Oversight Board of the Brentwood Successor Agency does hereby approve and authorize:

The City Attorney, as Successor Agency General Counsel, to execute agreements or amendments, in substantially the same form as those attached, for Fiscal Year 2015/16 with Burke, Williams and Sorensen for Successor Agency general legal services and for litigation services; and with Greines, Martin, Stein and Richland for litigation services.

PASSED, APPROVED AND ADOPTED by the Oversight Board for the Successor Agency City of Brentwood at a regular meeting held on August 19, 2015, by the following vote:

FIRST AMENDMENT TO AGREEMENT FOR SPECIAL COUNSEL SERVICES
Burke, Williams & Sorensen, LLP

This First Amendment to Agreement for Legal Services (this “**Amendment**”) is entered into as of _____ and effective as of July 1, 2015 (“**Effective Date**”) by and between the Successor Agency for the Redevelopment Agency for the City of Brentwood (“**Successor Agency**”) and Burke, Williams & Sorensen, LLP, a California limited liability partnership (“**Special Counsel**”). Successor Agency and Special Counsel are collectively referred to herein as the “**Parties**.” Capitalized terms used without definition in this Amendment shall have the meaning ascribed to such terms in the Existing Agreement (defined below).

NOW THEREFORE, the Parties agree as follows:

1. Purpose of Amendment. This Amendment modifies that certain Agreement for Special Counsel Services executed by and between the Parties and dated as of July 17, 2013 (the “**Existing Agreement**”). The Existing Agreement, as modified by this Amendment, is referred to herein as the “**Agreement**.”

2. Scope of Work. Section 1 of the Existing Agreement is hereby modified to provide that the Scope of Work to be performed by Special Counsel pursuant to the Agreement shall include the following (collectively, the “**Services**”):

General Legal Services. Special Counsel shall provide legal services to the Successor Agency as may be requested from time to time in connection with matters related to the interpretation and implementation of law and regulations related to the dissolution of California redevelopment agencies and the operation of successor agencies. This will include, without limitation, preparation of written correspondence, participation in telephonic and in-person conferences as requested, representation before and negotiation with the State Department of Finance, if requested, and representation on related matters as requested by the Successor Agency.

Litigation Services. Special Counsel shall also provide legal services to the Successor Agency as may be requested from time to time in connection with pending and potential litigation against the California Department of Finance, State Controller’s Office, the Contra Costa County auditor-controller, and other public agencies, including without limitation, representation of the Successor Agency in connection with the following matters: Civil Case No. 34-2013-80001568, filed on behalf of the Successor Agency and the City of Brentwood in the Superior Court of California, County of Sacramento (the “**Trial Court Matter**”), and Case No. C076343 filed in the Court of Appeal for the Third Appellate District (the “**Appellate Matter**”). These services include documentary review and assembly, evaluation of the Successor Agency’s legal theories, filing of complaint(s) and petition(s) for writ of mandate, representation of the Successor Agency in Sacramento Superior Court, the prosecution and defense of appeals in such matters, the preparation of a petition for review by the California Supreme Court and representation of the Successor Agency before the California Court of Appeal and the California Supreme Court.

3. Term. Section 3 of the Existing Agreement is hereby modified to provide that the term of the Agreement shall extend through June 30, 2016.

4. Compensation. The Parties each acknowledge and agree: (i) that the representation provided by Special Counsel in connection with the Trial Court Matter and the Appellate Matter (each described in Section 2 above) and the representation provided and to be provided by Special Counsel in connection with the filing of a petition for review with the California Supreme Court and representation before such Court in connection with such matters (the “**Supreme Court Matter**”), have been and will be provided for the benefit of the Successor Agency, (ii) that the Successor Agency is ultimately responsible for payment for the legal services provided by Special Counsel in connection with the Trial Court Matter, the Appellate Matter and the Supreme Court Matter, (iii) the City of Brentwood (“City”) advanced funds to temporarily cover a portion of the cost of the legal services provided by Special Counsel in connection with the foregoing matters, and (iv) the City and the Successor Agency are seeking approval of the State Department of Finance to enable the Successor Agency to reimburse the City for advances that the City made to pay for such representation, as memorialized in a loan agreement to be executed by and between the City and the Successor Agency, or otherwise. Unless modified by a written amendment to the Agreement, total compensation shall be payable for services rendered by Special Counsel in the following categories in amounts up to the following not-to-exceed amounts:

General (non-litigation) Services through June 30, 2015:	\$23,629
General (non-litigation) Services July 1, 2015 - June 30, 2016:	\$50,000
Litigation Services – Trial Court Matter through March 31, 2014:	\$194,760
Litigation Services – Appellate Matter – April 1, 2014 - June 30, 2015:	\$152,325
Litigation Services – Supreme Court Matter -July 1, 2015 -June 30, 2016:	\$150,000

5. Method of Payment. Section 8 of the Existing Agreement is hereby modified to provide that Successor Agency may elect to establish a deposit/retainer account with Special Counsel. If Successor Agency makes such election, Special Counsel will hold Successor Agency’s deposited funds in Special Counsel’s client trust account, and will apply such deposited funds to each statement for services rendered by Special Counsel pursuant to this Agreement. Successor Agency agrees to pay any additional balance due upon receipt of Special Counsel’s statements each month. At the conclusion of the matter, the remaining deposited funds will be applied to the final statement, and Successor Agency will be responsible for payment of any amount due exceeding the balance of the deposit. Special Counsel shall refund to Successor Agency any amount remaining after the final statement is paid in full.

6. All terms and conditions of the Existing Agreement not expressly modified herein shall remain unchanged and in full force and effect.

7. This Amendment may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Agreement for Special Counsel Services as of the date first written above.

SUCCESSOR AGENCY

SPECIAL COUNSEL

SUCCESSOR AGENCY FOR THE
REDEVELOPMENT AGENCY FOR THE
CITY OF BRENTWOOD

BURKE, WILLIAMS & SORENSEN, LLP

By: _____
Damien Brower, Successor Agency
Counsel

By: _____
John J. Welsh, Managing Partner

ATTEST:

By: _____
Margaret Wimberly, Secretary

APPROVED AS TO FORM:

By: _____
Damien Brower, Successor Agency
Counsel

AGREEMENT FOR SPECIAL COUNSEL SERVICES
[Greines, Martin, Stein & Richland LLP]

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2015, and effective as of July 1, 2015, by and between the Successor Agency for the Redevelopment Agency of the City of Brentwood ("Successor Agency") and Greines, Martin, Stein & Richland LLP ("Special Counsel") (collectively, the "Parties").

RECITALS

A. Successor Agency requires the professional legal services of attorneys who are experienced in appellate advocacy.

B. Special Counsel has the necessary experience and history in providing professional legal services and advice related to appellate advocacy.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the Parties agree as follows:

1. Scope of Work. Successor Agency retains Special Counsel to perform, and Special Counsel agrees to render, those services associated with appellate advocacy (the "Services") in accordance with this Agreement's terms and conditions. The Services will include, without limitation, representation of the Successor Agency in connection with Case No. C076343 filed in the Court of Appeal for the Third Appellate District on behalf of the Successor Agency and the City of Brentwood (the "Appellate Matter"), and representation of the Successor Agency in connection with the filing of a petition for review of the foregoing matter by the California Supreme Court and representation in connection therewith if such petition is granted (the "Supreme Court Matter").

2. Standard of Performance. While performing the Services, Special Counsel will exercise the reasonable professional care and skill customarily exercised by reputable members of the California State Bar practicing in the Metropolitan Northern California Area, and will use reasonable diligence and best judgment while exercising its professional skill and expertise.

3. Term. Unless earlier terminated or extended, the term of this Agreement will be from July 1, 2015, until June 30, 2016.

4. Time is of the Essence. Time is of the essence for each and every provision of this Agreement

5. Compensation. Successor Agency shall compensate Special Counsel for the performance of the Services at the rates shown on Exhibit "A." No other compensation for the Services will be allowed except for items covered by subsequent amendments to this Agreement. The Parties each acknowledge and agree: (i) that the representation provided by Special Counsel in connection with the Appellate Matter and the Supreme Court Matter (each described in Section 1 above) has been and will be provided for the benefit of the Successor Agency, (ii) that the Successor Agency is ultimately responsible for payment for the legal services provided by Special Counsel in connection with the Appellate Matter and the Supreme Court Matter, (iii) the City of Brentwood ("City") advanced funds to temporarily cover a portion of

the cost of the legal services provided by Special Counsel in connection with the foregoing matters, and (iv) the City and the Successor Agency are seeking approval of the State Department of Finance to enable the Successor Agency to reimburse the City for advances that the City made to pay for such representation, as memorialized in a loan agreement to be executed by and between the City and the Successor Agency, or otherwise. Unless modified by a written amendment to the Agreement, total compensation shall be payable for services rendered by Special Counsel in the following categories in amounts up to the following not-to-exceed amounts:

Litigation Services – Appellate Matter – April 1, 2014 - June 30, 2015: \$7,770

Litigation Services – Supreme Court Matter -July 1, 2015 -June 30, 2016: \$50,000

6. Reimbursable Expenses. Special Counsel shall be entitled to reimbursement for all reasonable and necessary expenses incurred from outside vendors related to performance of the Services.

7. Advancement of Costs. Special Counsel will advance expenses and costs incurred on behalf of the Successor Agency under this Agreement in an amount not exceeding \$500 per month. If costs will exceed \$500 per month, those costs shall be paid directly by the Successor Agency or shall be advanced to Special Counsel pursuant to a separate letter agreement.

8. Payment for Services. Special Counsel shall submit itemized monthly invoices to the Successor Agency accounting for the Services provided and costs incurred pursuant to the terms of this Agreement. Each monthly invoice shall bill in six-minute increments and shall include the total hours performed to date. Minimum billing requirements are unacceptable to the Successor Agency and invoice shall charge only for actual time spent. Payment will occur only after receipt by Successor Agency of invoices sufficiently detailed that clearly set forth by date, the type of work performed, the specific subject of work performed or legal research performed, and the time spent on a task. Successor Agency shall make payment to Special Counsel within thirty (30) days of receipt of the invoice, except for those specific items on the invoice which are contested or questioned and returned by Successor Agency, with written explanation, within thirty (30) days of receipt of the invoice. Special Counsel shall provide to Successor Agency, a written response to any statement contested or questioned and further, upon request of Successor Agency, provide Successor Agency with any and all documents related to the service or costs. No charge shall be made for time expended in providing this information to the Successor Agency.

Special Counsel shall invoice Client monthly for the Services and costs incurred. The form of invoice shall include a cover summary sheet containing only the “attorney services” and the amount being billed therefore; the “costs advanced” and the amount being billed therefore; and a total for all services and costs invoiced. Attached to the summary sheet shall be the detailed backup information which, as to “attorney services”, sets forth the dates services were performed; the initials of the attorney performing said services; the hourly rate attributable thereto; the hours or minutes being invoiced, and the total invoiced costs of attorney services. As to “costs advanced”, the detailed back up information shall set forth the dates costs were incurred, the type of cost incurred; and the total of advance costs incurred.

9. Status of Special Counsel. Special Counsel will perform the Services in Special Counsel's own way as an independent contractor and in pursuit of Special Counsel's

independent calling, and not as an employee of Successor Agency. The persons used by Special Counsel to provide services under this Agreement will not be considered employees of Successor Agency for any purposes.

The payment made to Special Counsel pursuant to the Agreement will be the full and complete compensation to which Special Counsel is entitled. Successor Agency will not make any federal or state tax withholdings on behalf of Special Counsel or its agents, employees or subcontractors. Successor Agency will not be required to pay any workers' compensation insurance or unemployment contributions on behalf of Special Counsel or its employees or subcontractors. Special Counsel agrees to indemnify Successor Agency within thirty (30) days for any tax, retirement contribution, social security, overtime payment, unemployment payment or workers' compensation payment, including, but not limited to, those based on any provision of the Federal Affordable Care Act which Successor Agency may be required to make on behalf of Special Counsel or any agent, employee, or subcontractor of Special Counsel for work done under this Agreement. At the Successor Agency's election, Successor Agency may deduct the indemnification amount from any balance owing to Special Counsel.

10. Subcontracting. Special Counsel will not subcontract any portion of the Services without prior written approval of Successor Agency Counsel or his/her designee. If Special Counsel subcontracts any of the Services, Special Counsel will be fully responsible to Successor Agency for the acts and omissions of Special Counsel's subcontractor and of the persons either directly or indirectly employed by the subcontractor, as Special Counsel is for the acts and omissions of persons directly employed by Special Counsel. Nothing contained in this Agreement will create any contractual relationship between any subcontractor of Special Counsel and Successor Agency. Special Counsel will be responsible for payment of subcontractors. Special Counsel will bind every subcontractor and every subcontractor of a subcontractor by the terms of this Agreement applicable to Special Counsel's work unless specifically noted to the contrary in the subcontract and approved in writing by Successor Agency.

11. Other Special Counsels. The Successor Agency reserves the right to employ other special counsels in connection with the Services.

12. Indemnification. Special Counsel will indemnify and hold harmless Successor Agency and its officers, agents, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the Services to the extent they are caused by the willful misconduct or negligent act or omission of the Special Counsel, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

The Parties expressly agree that any reasonable payment, attorney's fee, cost or expense Successor Agency incurs or makes to or on behalf of an injured employee under the Successor Agency's self-administered workers' compensation is included as a loss, expense or cost for the purposes of this section to the extent such injury is caused by willful misconduct or negligent act or omission of Special Counsel, and that this section will survive the expiration or early termination of the Agreement.

13. Insurance. Special Counsel will obtain and maintain for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the Services by

Special Counsel or Special Counsel's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. The insurance carrier is required to have a current Best's Key Rating of not less than "A:VII."

13.1 Coverages and Limits. Special Counsel will maintain the types of coverages and minimum limits indicated below, unless Risk Manager or Executive Director, in consultation with the Successor Agency Counsel approves a lower amount. These minimum amounts of coverage will not constitute any limitations or cap on Special Counsel's indemnification obligations under this Agreement. Successor Agency, its officers, agents, volunteers and employees make no representation that the limits of the insurance specified to be carried by Special Counsel pursuant to this Agreement are adequate to protect Special Counsel. If Special Counsel believes that any required insurance coverage is inadequate, Special Counsel will obtain such additional insurance coverage, as Special Counsel deems adequate, at Special Counsel's sole expense.

13.1.1 Commercial General Liability Insurance. \$2,000,000 combined single-limit per occurrence for bodily injury, personal injury and property damage. If the submitted policies contain aggregate limits, general aggregate limits will apply separately to the work under this Agreement or the general aggregate will be twice the required per occurrence limit.

13.1.2 Automobile Liability. \$1,000,000 combined single-limit per accident for bodily injury and property damage.

13.1.3 Workers' Compensation and Employer's Liability. Workers' Compensation limits as required by the California Labor Code and Employer's Liability limits of \$1,000,000 per accident for bodily injury. Workers' Compensation and Employer's Liability insurance will not be required if Special Counsel has no employees and provides, to Successor Agency's satisfaction, a declaration stating this.

13.1.4 Professional Liability. Errors and omissions liability appropriate to Special Counsel's profession with limits of not less than \$1,000,000 per claim.

13.2 Additional Provisions. Special Counsel will ensure that the policies of insurance required under this Agreement contain, or are endorsed to contain, the following provisions:

13.2.1 For Commercial General Liability Insurance, Successor Agency, its officers, agents, volunteers and employees will be named as additional insureds.

13.2.2 Special Counsel will obtain occurrence coverage, excluding Professional Liability, which will be written as claims-made coverage.

13.2.3 This insurance will be in force during the life of the Agreement and any extensions of it and will not be canceled without thirty (30) days prior written notice to Successor Agency sent pursuant to the notice provisions of this Agreement.

13.3 Providing Certificates of Insurance and Endorsements. Prior to Successor Agency's execution of this Agreement, Special Counsel will furnish, to the satisfaction of the Successor Agency, certificates of insurance and endorsements.

13.4 Failure to Maintain Coverage. If Special Counsel fails to maintain any of these insurance coverages, then Successor Agency will have the option to declare Special Counsel in breach, or may purchase replacement insurance or pay the premiums that are due on existing policies in order to maintain the required coverages. Special Counsel is responsible for any payments made by Successor Agency to obtain or maintain insurance and Successor Agency may collect these payments from Special Counsel or deduct the amount paid from any sums due Special Counsel under this Agreement.

13.5 Submission of Insurance Policies. Successor Agency reserves the right to require, at anytime, complete and certified copies of any or all required insurance policies and endorsements.

13.6 Primary Coverage. For any claims related to the Services and this Agreement, the Special Counsel's insurance coverage will be primary insurance with respect to Successor Agency, its officers, agents, volunteers and employees. Any insurance or self-insurance maintained by Successor Agency for itself, its officers, agents, volunteers and employees, will be in excess of Special Counsel's insurance and not contributory with it.

13.7 Reduction in Coverage/Material Changes. Special Counsel will notify Successor Agency thirty (30) days prior to any reduction in any of the insurance coverage required pursuant to this Agreement or any material changes to the respective insurance policies.

14. Conflict Waiver. Actual or possible conflict sometimes arises between existing or potential clients. Special Counsel may be required to ask for a conflict waiver in that event. Special Counsel asks for Successor Agency's understanding and cooperation if Special Counsel requests a conflict waiver in order to undertake or continue representation of another client in manner that will not be specifically detrimental or adverse to Successor Agency.

15. Maintenance of Records. Special Counsel will maintain complete and accurate records with respect to costs incurred under this Agreement. All such records will be clearly identifiable. Special Counsel will allow a representative of Successor Agency during normal business hours to examine, audit, and make transcripts or copies of such records and any other such documents created pursuant to this Agreement. Special Counsel will allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

16. Ownership of Documents. All work product produced by Special Counsel or its agents, employees, and subcontractors pursuant to this Agreement is the property of Successor Agency. Special Counsel will provide Successor Agency with the final version of all briefs, filings, legal memos and work product produced by Special Counsel within a reasonable time, not to exceed ten (10) days, after the work product is made final. In the event this Agreement is terminated, all work product produced by Special Counsel or its agents, employees and subcontractors pursuant to this Agreement will be delivered to Successor Agency pursuant to the termination clause of this Agreement. Special Counsel will have the right to make copies of the work product for Special Counsel's records.

17. Notices. The name of the persons who are authorized to give written notices or to receive written notice on behalf of Successor Agency and on behalf of Special Counsel under this Agreement.

For Successor Agency:

Successor Agency for the
Redevelopment Agency of the
City of Brentwood
Attn: Damien Brower
150 City Park Way
Brentwood, CA 94513
(925) 516-5320

For Special Counsel:

Greines, Martin, Stein & Richland LLP
Attn: Timothy T. Coates, Esq.
5900 Wilshire Blvd., 12th Fl.
Los Angeles, CA 90036

Except as otherwise stated, all notices to be provided or that may be provided under this Agreement must be in writing and delivered by regular or certified mail. Each party will notify the other immediately of any changes of address that would require any notice or delivery to be directed to another address.

18. Conflict of Interest. Successor Agency will evaluate Special Counsel's duties pursuant to this Agreement to determine whether disclosure under the Political Reform Act and Successor Agency's Conflict of Interest Code is required of Special Counsel or any of Special Counsel's employees, agents, or subcontractors. Should it be determined that disclosure is required, Special Counsel or Special Counsel's affected employees, agents, or subcontractors will complete and file with the Secretary those schedules specified by Successor Agency and contained in the Statement of Economic Interests Form 700.

Special Counsel warrants that it has no financial interest in the subject matter of this Agreement, other than the compensation to be provided for the Services. Special Counsel further warrants that it will comply with all California State Bar Rules of Professional Conduct, including those relating to interests adverse to a client (Rule 3-300) and representing adverse interests (Rule 3-310).

19. General Compliance with Laws. Special Counsel will keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Special Counsel, or in any way affect the performance of the Services by Special Counsel. Special Counsel will at all times observe and comply with these laws, ordinances, and regulations and will be responsible for the compliance of the Services with all applicable laws, ordinances and regulations.

20. Discrimination and Harassment Prohibited. Special Counsel will comply with all applicable local, state and federal laws and regulations prohibiting discrimination and harassment.

21. Termination of Services. Successor Agency may terminate Services at any time by written notice. After receiving such notice, Special Counsel will cease providing the Services. Special Counsel will cooperate with Successor Agency in the orderly transfer of all related files and records to Successor Agency's new counsel.

Special Counsel may terminate the Services at any time with Successor Agency's consent or for good cause. Good cause exists if (a) any statement is not paid within sixty (60) days of its date; (b) Successor Agency fails to meet any other obligation under this Agreement and continue in that failure for fifteen (15) days after Special Counsel send written notice to Successor Agency; (c) Successor Agency has misrepresented or failed to disclose material facts to Special Counsel, refused to cooperate with Special Counsel, refused to follow

Special Counsel's advice on a material matter, or otherwise made Special Counsel's representation unreasonably difficult; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations where a conflict of interest arises. If Special Counsel terminates the Services, Successor Agency agrees to execute a substitution of attorneys promptly and otherwise cooperate in effecting that termination.

Termination of the Services, whether by Successor Agency or by Special Counsel, will not relieve the obligation to pay for the Services rendered and costs incurred before the Services formally ceased.

22. Covenants Against Contingent Fees. Special Counsel warrants that Special Counsel has not employed or retained any company or person, other than a bona fide employee working for Special Counsel, to solicit or secure this Agreement, and that Special Counsel has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of this Agreement. For breach or violation of this warranty, Successor Agency will have the right to annul this Agreement without liability, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of the fee, commission, percentage, brokerage fees, gift, or contingent fee.

23. Claims and Lawsuits. By signing this Agreement, Special Counsel agrees that any Agreement claim submitted to Successor Agency must be asserted as part of the Agreement process as set forth in this Agreement and not in anticipation of litigation or in conjunction with litigation. Special Counsel acknowledges that if a false claim is submitted to Successor Agency by Special Counsel, it may be considered fraud and Special Counsel may be subject to criminal prosecution. Special Counsel acknowledges that California Government Code sections 12650 et seq., the False Claims Act applies to this Agreement and, provides for civil penalties where a person knowingly submits a false claim to a public entity. These provisions include false claims made with deliberate ignorance of the false information or in reckless disregard of the truth or falsity of information. If Successor Agency seeks to recover penalties pursuant to the False Claims Act, it is entitled to seek to recover its litigation costs, including attorney's fees. Special Counsel acknowledges that the filing of a false claim may subject Special Counsel to an administrative debarment proceeding as the result of which Special Counsel may be prevented to act as a Special Counsel on any public work or improvement for a period of up to five (5) years.

24. Jurisdiction and Venue. Any action at law or in equity brought by either of the Parties for the purpose of enforcing a right or rights provided for by this Agreement will be tried in a court of competent jurisdiction in the County of Contra Costa, State of California, and the Parties waive all provisions of law providing for a change of venue in these proceedings to any other county.

25. Successors and Assigns. It is mutually understood and agreed that this Agreement will be binding upon the Parties and their respective successors. Neither this Agreement nor any part of it nor any monies due or to become due under it may be assigned by Special Counsel without the prior consent of Successor Agency.

26. Paragraph Headings. Paragraph headings as used herein are for convenience only and will not be deemed to be a part of such paragraphs and will not be construed to change the meaning thereof.

27. Entire Agreement. This Agreement embodies the entire Agreement and understanding between the Parties relating to the subject matter of it. In case of conflict, the terms of the Agreement supersede any and all prior written or oral agreement, order or understanding. Neither this Agreement nor any of its provisions may be amended, modified, waived or discharged except in writing signed by both Parties.

28. Authority. The individual executing this Agreement and the instruments referenced in it on behalf of Special Counsel represents and warrants that he has the legal power, right and actual authority to bind Special Counsel to the terms and conditions of this Agreement.

SPECIAL COUNSEL:

Greines, Martin, Stein & Richland LLP

By: _____
Timothy T. Coates

SUCCESSOR AGENCY:

Successor Agency for the Redevelopment
Agency of the City of Brentwood:

By: _____
Damien Brower, Successor Agency
Counsel

ATTEST:

By: _____
Margaret Wimberly, Secretary

APPROVED AS TO FORM:

By: _____
Damien Brower, Successor Agency
Counsel

EXHIBIT "A"

Fees

Partners:	\$350.00 per hour
Associates:	\$300.00 per hour