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MEMORANDUM

DATE: January 3, 2013
TO: Oakland Oversight Board
FROM: Laurie Gustafson, Board Counsel
RE: Report on Legal Activities and Fees for December, 2012 – Item #5

As of January 3, 2013, our legal fees for December 2012 are about \$15,500. The work relates to the following matters: review and analysis of the voluminous documentation related to the proposed Lease, Disposition and Development Agreement between the City of Oakland and Prologis CCIIG Oakland Global, LLC for the construction of public infrastructure and the lease and development of 130 acres on the former the former Oakland Army Base (the LDDA) and the related agreements and documents; review and analysis of the Successor Agency Staff Memo, the Keyser Marston Report, and the proposed Oversight Board Resolution, all regarding the LDDA; working extensively with the City and Successor Agency staff and attorneys to substantially redraft the Oversight Board Resolution approving the LDDA and related agreements, recommending revisions to the Successor Agency Staff Memo and the Keyser Marston Report; monitoring the Department of Finance correspondence and directives, including with regard to the Low/Moderate Housing Fund Due Diligence Review and preparing for and attending Board Meetings.

After consultation with City and Successor Agency staff, we anticipate the following work in January:

1. Prepare for the January 28, 2013 Oversight Board meeting, including review and analysis of the proposal regarding the Oakland Coliseum parcel temporary lease and an Amendment to an Owner Participation Agreement with SKS Broadway LLC to extend development deadlines for a mixed-use project at 1100 Broadway; and
2. On or before January 18, 2013, the Successor Agency accountants will provide to the Successor Agency and the Oversight Board the All Other Funds Due Diligence Review. The Oversight Board will hold a public comment session on the Review at a special meeting on January 28, 2013, and will review and approve that Review at its

regularly scheduled meeting on February 4, 2013. As set forth in our November 29, 2012 Report on Legal Fees, we anticipate engaging in the following work with regard to the All Other Funds Due Diligence Review:

- Ask the Successor Agency to provide us with copies of all lists provided to the accountants as required by the DOF Procedures. Work with the Successor Agency to make sure we have quick access, as needed, to all information used to evidence any enforceable obligation or any legal restriction on the use of Successor Agency funds or other assets.
- Review and analyze the All Other Funds Due Diligence Review as soon as it is delivered to the Board, and in time for the public comment session, including a comparison of items on the Due Diligence Review with items on approved ROPS.
- From the review of the All Other Funds Due Diligence Review identify any disagreements between the Successor Agency and the accountants on enforceable obligations and legal restrictions of funds or assets. Once identified, research background materials for each item and be prepared to offer advice to the Board on such items. Engage Successor Agency staff and accounting staff as necessary to aid in quickly making these determinations.
- As the All Other Funds Due Diligence Review is reviewed, compare it with the DOF Procedures for the purpose of determining, on a general basis, that all DOF required procedures have been followed and all required information determined and provided.

Although we do not anticipate that we will need to provide the same advice with regard to “procedures” as we did with the Low and Moderate Income Housing Fund Review, the All Other Funds Due Diligence Review will be much larger. There will also be the two meetings in January (the 7th and the 28th – with two new matters to review for the meeting on January 28th) and one meeting on February 4th. We therefore estimate a cost of approximately \$15,000 to \$20,000 for the work that will take place over the course of January through February 4, 2013. Of course, as always, we will look for all ways to keep the costs as low as possible while still providing the information and advice the Board needs to fulfill its fiduciary duties.