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MEMORANDUM

DATE: January 24, 2013
TO: Oakland Oversight Board
FROM: Laurie Gustafson, Board Counsel
RE: Report on Legal Activities and Fees through January 24, 2013 – Item #6

As of January 24, 2013, our legal fees for January 2013 are about \$6,600. This is much less than the \$15,000 - \$20,000 we had estimated because the All Other Funds Due Diligence Review which we expected to receive on January 18, 2013 has not been completed yet. We expect to receive it today or at the latest, tomorrow, January 25, 2013. As a result, much of the work we anticipated with regard to the Due Diligence Review will shift to late January and the beginning of February.

The work in January through the 24th relates to the following matters: continued work on the Oversight Board action on the proposed Lease, Disposition and Development Agreement between the City of Oakland and Prologis CCIG Oakland Global, LLC for the construction of public infrastructure and the lease and development of 130 acres on the former Oakland Army Base (the LDDA), including working with Successor Agency staff and counsel and representatives from the taxing entities on letters of support from the taxing entities for the proposed LDDA; analysis regarding proposed transfers of property being used for a governmental purpose; review and analysis of the proposal regarding the Oakland Coliseum parcel temporary licenses for parking and other temporary uses and public notice required for such proposal; revising the Oversight Board Resolution approving the licenses; monitoring the Department of Finance correspondence and directives, including with regard to DOF's newly asserted position on a 100-day review period; and otherwise preparing for the January 28, 2013 Board meeting.

After consultation with City and Successor Agency staff, we anticipate the following work at the end of January and in February 2013:

1. Prepare for the February 4, 2013 Oversight Board meeting, including review and analysis of an Amendment to the Owner Participation Agreement with SKS

Broadway LLC to extend development deadlines for a mixed-use project at 1100 Broadway.

2. We expect to receive the All Other Funds Due Diligence Review no later than January 25, 2013. 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 in preparation for the February 4, 2013 meeting:
 - 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.

3. Prepare for the February 25, 2013 special Oversight Board meeting, including reviewing and analyzing proposed transfers of certain government purpose properties from the Successor Agency to the City and a review and analysis of ROPS IV and the Administrative Budget.
4. Attend three meetings during this period - January 28, and February 4 and 25, 2013.

We therefore estimate a cost of approximately \$20,000 for the work that will take place over the course of January 25 through February 25, 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.