

**OVERSIGHT BOARD FOR SUCCESSOR AGENCY TO THE  
VICTORVILLE REDEVELOPMENT AGENCY  
REGULAR MEETING AGENDA**

City of Victorville  
14343 Civic Drive, Conference Room "D"  
Victorville, CA 92392

Mary O'Toole will be participating via conference call from the following location:  
San Bernardino County Government Center  
385 N. Arrowhead Ave, 5<sup>th</sup> Floor  
CAO Conference Room  
San Bernardino, CA 92415

Thursday July 23, 2015  
**1:30 P.M.**

**CALL TO ORDER**

ITEM 1 PUBLIC COMMENT

**DISCUSSION AGENDA**

ITEM 2 APPROVE MINUTES FROM FEBRUARY 26, 2015, MARCH 12, 2015 AND APRIL 23, 2015 REGULAR MEETINGS.

ITEM 3 RESOLUTION NO. OB-VRDA-15-005 OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY APPROVING A PROFESSIONAL SERVICES CONTRACT WITH VARNER & BRANDT, LLP, FOR OVERSIGHT BOARD LEGAL SERVICES

ITEM 4 NEXT REGULARLY SCHEDULED MEETING: AUGUST 13, 2015

ITEM 5 COMMENTS FROM OVERSIGHT BOARD AND STAFF

ITEM 6 ADJOURNMENT

MINUTES OF THE  
REGULAR MEETING OF THE  
OVERSIGHT BOARD FOR SUCCESSOR AGENCY  
TO THE VICTORVILLE REDEVELOPMENT AGENCY  
February 26, 2015

CALL TO ORDER

The regular meeting of the Oversight Board for Successor Agency to the Victorville Redevelopment Agency was called to order at 1:30 p.m. by Chairman Metzler in Conference Room "D", Victorville City Hall, 14343 Civic Drive, Victorville, California.

ROLL CALL

PRESENT: Board Members Betts, Hardy, Lindsay, Metzler, O'Toole, Robertson and Tuckerman

ABSENT: None

Also present Economic Development Administrator, Sophie Smith; Management Technician, Elaine Behrse; Intern, Vanessa Nuno; RSG Representative, Hitta Mosesman; and Recording Secretary, Heidi Roche.

PUBLIC COMMENT

There was no public comment.

**DISCUSSION AGENDA**

APPROVE MINUTES FROM JUNE 26, 2014 AND SEPTEMBER 25, 2014 REGULAR MEETINGS

It was moved by Board Member O'Toole, seconded by Board Member Tuckerman to approve; motion carried with Board Member Robertson abstaining.

RESOLUTION OB-VRDA-15-001 OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY, ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD COMMENCING ON JANUARY 1, 2015 AND ENDING ON DECEMBER 31, 2015

Chairman Metzler introduced the item and requested that Economic Development Administrator Smith provide an overview.

Ms. Smith provided an overview indicating that there was a significant decrease in the total amount of this period's Recognized Obligation Payment Schedule (ROPS) due to the Department of Finance's (DOF) determination that all SCLAA bond items (Line Item Nos. 23 through 27, 36, 44 and 45) are no longer attributable to the Redevelopment Agency (RDA) but are outstanding obligations to the City of Victorville. Line Item No. 46 was added to request the state reimburse funds for the Fannie Mae Housing Grant to the City of Victorville. Line Item No. 38 is the addition of a cooperation agreement amount to the Victor Valley College District.

Chairman Metzler explained that Line Item No. 38 is related to the cooperation agreements for the various school districts during the 2014/2015 ROPS period. The obligations were approved by the DOF and the Successor Agency has been authorized to spend the approved funds. It is being recommended by Mr. Metzler that the \$170,531 to the College District be removed due to their position that the obligation amounts should not be included as the district disagrees with the accounting amounts and had requested the amounts be removed from the last ROPS.

Discussion ensued in which Board Member Betts, representing Victor Elementary School District, and Board Member Hardy, representing Victor Valley College District, reiterated their stance that the outstanding obligations listed on the ROPS for both districts are not accurate. Both districts have employed objective firms to analyze the pass through agreements and the amounts on the original ROPS has been confirmed by these firms. Their arguments are based on the use of gross tax increment versus net tax increment received by the RDA.

RSG Representative, Hitta Mosesman, provided an overview of her firm's review of the pass through agreements on the current ROPS. She explained that the calculations for educational entities are historically made based on net tax increment. This is due to the amounts received by the RDA's which must be decreased by the amounts required by the auditor/controller for property tax purposes and the 20% set aside required for affordable housing. She explained that, recently, the Victor Valley High School District met with the Successor Agency and RSG and agreed to the payment amount based on net tax increment.

Board Member O'Toole summed the issue up as a contract issue in that the term "tax increment" was not properly defined in the contracts. The definition appears to be based upon agency interpretation as to whether gross tax increment or net tax increment should be the basis for payment calculations. She expressed her frustration with the lack of legal counsel provided to the Board as well as the lack of meaningful communication regarding these issues prior to the time for decision making when approving the current ROPS.

Further discussion ensued with the Board directing staff to add a line item to the Administrative budget for legal counsel and, as suggested by Board Member Lindsay, to form a ROPS subcommittee to meet with counsel and the accounting firm representatives hired by the school districts. The Board recommended the appointment of Board Members Betts and Lindsay as well as Chairman Metzler and Ms. Smith to the subcommittee. Official

subcommittee formation will be handled at the next regularly scheduled meeting on March 12, 2015.

It was moved by Board Member Lindsay, seconded by Board Member Hardy to approve ROPS 2015/16A with exceptions 1) the obligations for all educational entities noted as "retired" being revised to "not retired"; 2) the outstanding obligations for VVCD being reinstated as the January, 2014 ROPS amounts with a request for payment in the amount of \$170,531 to VVCD, and; 3) revise the ROPS by increasing the Administrative line item to the maximum allowable cap; motion carried with Chairman Metzler and Board Members O'Toole and Robertson voting no.

NEXT REGULARLY SCHEDULED MEETING: MARCH 12, 2015

The Board agreed to meet as scheduled.

COMMENTS FROM OVERSIGHT BOARD AND STAFF

Board Member Lindsay requested the Board be apprised of any new developments as well as to meet regularly to come to consensus on all ROPS issues.

ADJOURNMENT

Chairman Metzler adjourned the meeting at 3:20 p.m.

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CHAIRMAN OF THE BOARD OF DIRECTORS

ATTEST:

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RECORDING SECRETARY

MINUTES OF THE  
REGULAR MEETING OF THE  
OVERSIGHT BOARD FOR SUCCESSOR AGENCY  
TO THE VICTORVILLE REDEVELOPMENT AGENCY  
March 12, 2015

CALL TO ORDER

The regular meeting of the Oversight Board for Successor Agency to the Victorville Redevelopment Agency was called to order at 1:30 p.m. by Chairman Metzler in Conference Room "D", Victorville City Hall, 14343 Civic Drive, Victorville, California.

ROLL CALL

PRESENT: Board Members Hardy, Lindsay, Metzler, O'Toole, Robertson and Tuckerman

ABSENT: Board Member Betts

Also present was Economic Development Administrator, Sophie Smith; and Recording Secretary, Heidi Roche.

PUBLIC COMMENT

There was no public comment.

**DISCUSSION AGENDA**

CONSIDER FORMATION OF SUB-COMMITTEE FOR SELECTION OF OVERSIGHT BOARD LEGAL COUNSEL

Chairman Metzler provided an overview of the item which resulted from a request from the Board at the last regularly scheduled meeting in which the Board requested formation of a sub-committee to pursue legal counsel to represent the Board from a general service perspective and it was intended for that general counsel to also serve and help review the dispute and perhaps mediate the dispute between the Successor Agency and the school district bodies. As the request was not formally agendized at the last meeting, the item was scheduled for this meeting so that action could be taken.

Board Member Lindsay confirmed that she had volunteered to be part of the sub-committee but reminded the Board that she would be on extended holiday during the months of May and June so would not be available to participate during that time. She indicated that she would excuse herself from participating if her absence would impact the sub-committee's role negatively.

Board Member Robertson indicated that he did not feel that her absence would be a problem as the funds for legal counsel would not be appropriated until July 1 assuming the ROPS is approved. He expressed his concern about asking an attorney to perform services before July 1 and he doesn't feel that a whole lot can be done before then. He indicated that an RFP could be done and a selection could be made prior to that.

Board Member Lindsay reminded the Board of their desire to have the dispute settled before voting on the next Recognized Obligation Payment Schedule (ROPS) which is due on October 1 and Board Member Robertson agreed that staff had heard the Board's direction loud and clear that discussion be conducted in a timely manner before the next ROPS approval period.

Board Member Lindsay spoke to the possibility of piggybacking on another agency's RFP. Board Member O'Toole indicated that she felt this was definitely a good possibility as several other agencies had done so before but she expressed her concern that chosen counsel should have extensive RDA experience.

Board Member Robertson agreed with Board Member O'Toole's sentiment but expressed his concern that hiring a third party to try to find a middle position or to determine which side should prevail may not alter the Successor Agency's (SA) standing on the issue and that the SA's recommendation is a declaratory relief action through the courts as a more viable option to settling the dispute as the school districts may also not agree with the third party decision.

Board Member Lindsay reiterated that the Board feels that the issue is a contractual issue that would benefit from legal counsel, however, agreed with Board Member Robertson's sentiment that legal counsel may not alter the position of the side which does not ultimately prevail.

Board Member Tuckerman inquired about trying to settle the dispute without the parties participating in a law suit issue.

Board Member Robertson responded that a declaratory relief action is not a law suit. It is a situation in which both parties request a judge provide a decision on the dispute. In this situation, the SA's legal counsel would state their case and the school district's counsel would state their case and a judge would make a definitive answer.

Board Member Tuckerman inquired that the decision would be made on the contractual definitions, not on the total obligation calculations.

Board Member Hardy responded that the reason the Board requested counsel was to interpret the contracts and to make sure the Board was following the law and that this was the first time she had heard about going to court.

Board Member Robertson indicated that the declaratory relief action was mentioned as an option to third party counsel as his fear is that one or both parties may not agree with the outcome.

Board Member O'Toole indicated that, regardless of this argument, the Board is entitled to counsel and that pursuing counsel was not a waste of time but that another option is that there is still time for both parties to come to the table before counsel is chosen and instead of utilizing the court system.

Board Member Robertson indicated that he was not opposed to hiring counsel but that doing so would not necessarily result in an agreement to the dispute. He provided the Board with rough calculations as to the difference between the SA's calculations and the school district's calculations and explained the amounts that would come back to the taxing entities from the county should the difference be returned to the county for distribution.

Board Member Hardy argued that the amounts agreed to originally were for infrastructure purposes and that with the county redistribution as regular property tax, the tax apportionments would not be accessible for infrastructure use and, therefore, would be considered a loss to the district.

Board Member Robertson indicated that he understood Board Member Hardy's argument and explained that the money does not end up with the state but is redistributed to all of the taxing entities.

Chairman Metzler brought the Board back to the item before them and requested action as to the formation of the sub-committee. At the previous meeting, it was recommended that the sub-committee be formed by appointment of Chairman Metzler, and Board Members Betts and Lindsay.

It was moved by Board Member O'Toole, seconded by Board Member Tuckerman to approve the appointments and the formation of the sub-committee; motion carried unanimously.

#### NEXT REGULARLY SCHEDULED MEETING: MARCH 26, 2015

The Board agreed that there was no additional business to discuss at this time but requested that the meetings remain calendared in the event that issues arise which require Board discussion or direction.

Chairman Metzler responded that the meetings were scheduled by resolution so would not be changed unless by another resolution adopted by the Board. The meetings will remain calendared.

#### COMMENTS FROM OVERSIGHT BOARD AND STAFF

Economic Development Administrator Smith requested a timeline for scheduling the sub-committee meetings.

Board Member Lindsay indicated that she would be available during the month of April but would be on extended holiday leave in May and June.

Chairman Metzler indicated that he would not be available during the first week of April but was available afterwards.

It was determined that mid to late April would be the best time for scheduling the sub-committee meetings.

**ADJOURNMENT**

It was moved by Chairman Metzler, seconded by Board Member Lindsay to adjourn the meeting at 1:52 p.m.; motion carried unanimously.

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CHAIRMAN OF THE BOARD OF DIRECTORS

ATTEST:

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RECORDING SECRETARY

MINUTES OF THE  
REGULAR MEETING OF THE  
OVERSIGHT BOARD FOR SUCCESSOR AGENCY  
TO THE VICTORVILLE REDEVELOPMENT AGENCY  
April 23, 2015

CALL TO ORDER

The regular meeting of the Oversight Board for Successor Agency to the Victorville Redevelopment Agency was called to order at 1:38 p.m. by Chairman Metzler in Conference Room "D", Victorville City Hall, 14343 Civic Drive, Victorville, California.

ROLL CALL

PRESENT: Board Members Hardy, Lindsay, Metzler, O'Toole, Robertson and Tuckerman  
Alternate Board Member Jauregui

ABSENT: Board Member Betts

Also present was Economic Development Administrator, Sophie Smith; and Recording Secretary, Heidi Roche.

1. PUBLIC COMMENT

There was no public comment.

**DISCUSSION AGENDA**

2. RESOLUTION OB-VRDA-15-002 DESIGNATING OF CONTACT PERSON FOR DEPARTMENT OF FINANCE

Chairman Metzler recommended that Economic Development Administrator, Sophie Smith, be reinstated as the contact person for Department of Finance communications in accordance with Resolution No. OB-VRDA-15-002 Entitled:

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE  
VICTORVILLE REDEVELOPMENT AGENCY DESIGNATING A CONTACT PERSON FOR  
DEPARTMENT OF FINANCE COMMUNICATIONS

It was moved by Board Member Robertson, seconded by Board Member O'Toole to approve; motion carried with Board Member Lindsay absent.

3. RESOLUTION OB-VRDA-15-003 RATIFYING THE ADOPTION OF A LIST OF ALL HOUSING ASSETS AND THE TRANSFER OF SUCH ASSETS TO THE HOUSING SUCCESSOR AGENCY (KNOWS AS THE VICTORVILLE HOUSING TRUST)

Chairman Metzler provided a brief overview of the item and requested Economic Development Administrator Smith present the item.

Economic Development Administrator Smith explained that the Board's approval of the resolution would ratify the housing asset transfers that have previously taken place. The purpose of the resolution is to satisfy title company requirements of proof of the Oversight Board's approval of the transfers for reference at the time of the future sale of these assets.

Board Member O'Toole inquired if the resolution would apply to assets transferred after August 23, 2014. Economic Development Administrator Smith responded that the resolution only applies to the assets included on the Housing Asset Transfer List approved by the Department of Finance in August, 2014.

It was moved by Board Member O'Toole, seconded by Board Member Tuckerman to approve; motion carried unanimously.

4. RESOLUTION OB-VRDA-15-004 ADOPTING A CERTIFICATE OF COMPLETION FOR OWNER PARTICIPATION AGREEMENT FOR PARCEL 15 OR PARCEL MAP 14698

Chairman Metzler provided a brief overview of the item and requested Economic Development Administrator Smith present the item.

Economic Development Administrator Smith explained that the Successor Agency was contacted by the real estate broker of the owners of the parcel to request the status of the Owner Participation Agreement on file. It was determined by the Successor Agency that the agreement requirements were met and a certificate of completion was required to clear the lien for sale.

It was moved by Board Member Tuckerman, seconded by Board Member Lindsay to approve; motion carries unanimously.

5. TRANSMITTAL OF DEPARTMENT OF FINANCE LETTER PERTAINING TO ROPS 15-16A

Chairman Metzler explained that this item was an informational item only that did not require formal Board action. He indicated that all items listed on the Recognized Obligation Payment Schedule (ROPS) 15-16A were approved by the Department of Finance (DOF) with the exception of Item #46 of the schedule in which the DOF determined that the item was not an enforceable obligation. He and Economic Development Administrator Smith are scheduled to meet with DOF staff this weekend regarding this item.

6. NEXT REGULARLY SCHEDULED MEETING: MAY 14, 2015

It was determined that the meeting would remain on the schedule and be cancelled if there was no additional information to be before the Board.

7. COMMENTS FROM OVERSIGHT BOARD AND STAFF

Board Member Lindsay inquired about the minutes from the last meeting. Recording Secretary Roche responded that the minutes would be submitted for approval at the next scheduled meeting.

Board Member Tuckerman inquired about the Subcommittee formed to choose legal counsel for the Board. Chairman Metzler responded that the Subcommittee meeting would take place directly after today's Oversight Board meeting.

8. ADJOURNMENT

There being no further business before the Board, Chairman Metzler adjourned the meeting at 2:03 p.m.

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CHAIRMAN OF THE BOARD OF ADMINISTRATORS

ATTEST:

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RECORDING SECRETARY

### **AGENDA ITEM #3**

#### **OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY**

**MEETING OF: July 23, 2015**

**SUBJECT:** Resolution OB-VRDA-15-005 Approving a Professional Services Contract with Varner & Brandt, LLP for Legal Services for the Oversight Board for July 2015 through December 2015 in an amount not to exceed \$45,000.

**RECOMMENDATION:** That Your Honorable Board adopts Resolution No. OB-VRDA-15-005.

**DISCUSSION:** At its meeting of February 26, 2015, the Oversight Board (OB) directed Successor Agency (SA) staff to request funding for OB legal counsel on the ROPS 15-16A, which covers expenditures from July 2015 through December 2015. Subsequently, at its March 12, 2015 meeting, the OB directed the formation of a subcommittee for the selection of Oversight Board Legal Counsel. Chairman Metzler, and Board Members Betts and Lindsay were chosen to comprise the subcommittee. On April 14, 2015, the Department of Finance (DOF) issued its ROPS 15-16A determination, approving \$45,000 for OB legal services.

The subcommittee held its first meeting on April 23, 2015 to discuss the selection process and bid package content. A Request for Qualifications (RFQ) process was determined best so the submitting firms could be evaluated on their specific qualifications, rather than pricing. Over the next several weeks, the Request for Qualifications (RFQ) was drafted into final format. In order to reach the largest audience of public service attorneys, the RFQ was advertised on the League of California Cities' Western City Magazine website beginning June 11, 2015. Additionally, the RFQ was emailed directly to fifteen (15) law firms, which list was compiled by recommendations from Board members and an online search of Southern California attorneys specializing in redevelopment or governmental matters. The RFQ responses were due on June 25, 2015. Four (4) responses to the RFQ were received. On June 29, 2015, the subcommittee held a meeting to review the responses received. At the meeting, the subcommittee selected the top three (3) law firms to interview. The responses were reviewed and rated based on the firms' experience in redevelopment matters, pre- and post-AB1290, pass-through agreements, the RDA dissolution act, resources/level of staffing necessary for satisfactory performance, and the overall quality of answers and professionalism in the interviews. The interviews were held on July 16, 2015, and included the firms of Varner & Brandt, LLP, the Enterprise Counsel Group, and Elizabeth L. Martyn, APC. Based on the written responses received and interviews held, the

subcommittee has selected the law firm of Varner & Brandt based in Riverside, CA as its recommendation to the Oversight Board for legal counsel.

The attached contract has been drafted in anticipation of the Oversight Board's adoption of the subcommittees recommendation. Mr. Sean Varner, Esq., of Varner & Brandt will serve as the lead attorney and has a team of attorneys, including his father Bruce Varner, founding partner and his wife, Kristin Varner to assist with the services. The contract has been drafted for a time period consistent with ROPS 15-16A funding and in an amount not to exceed \$45,000.

The assigned tasks for the Oversight Board Legal Counsel would include: (1) Review of the Bear Valley Cooperation Agreement issue that has been the subject of discussion at the Oversight Board level for some time, and (2) attendance at the Oversight Board meetings as requested, and (3) any other matter requested by the Oversight Board.

Staff recommends adoption of Resolution OB-VRDA-15-005 based on the direction previously provided by the OB. Staff remains available for any questions or comments you might have.

Submitted by: Sophie Smith, City of Victorville

Attachments:  
OB-VRDA-15-005

**RESOLUTION NO. OB-VRDA-15-005**

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY APPROVING A PROFESSIONAL SERVICES CONTRACT WITH VARNER & BRANDT FOR OVERSIGHT BOARD LEGAL SERVICES**

**WHEREAS**, pursuant to Health and Safety Code section 34172, the Victorville Redevelopment Agency is deemed dissolved; and

**WHEREAS**, pursuant to Resolution No. 12-005, the City Council of the City of Victorville confirmed that the City of Victorville shall serve as the successor agency to the Redevelopment Agency (the “Successor Agency”); and

**WHEREAS**, pursuant to Health and Safety Code section 34179(a), each Successor Agency shall have an Oversight Board (OB); and

**WHEREAS**, pursuant to Health and Safety Code section 34179(n), the Oversight Board may direct a successor agency to provide additional legal or financial advice than what was given by agency staff, and

**WHEREAS**, pursuant to direction given to agency staff by the Oversight Board, a selection process for OB legal counsel has been completed by subcommittee.

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY DOES HEREBY FIND, RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Recitals**

The Recitals set forth above are true and correct and incorporated herein by reference.

**Section 2. Approval of Professional Services Contract**

In accordance with Health and Safety Code Section 34179(n), and based on the Recitals set forth above, the Oversight Board for the Successor Agency (the “Oversight Board”) hereby approves and adopts this resolution approving a Professional Services Contract with Varner & Brandt, LLP, attached hereto as Exhibit “A”, and incorporated herein by this reference.

**Section 3. Implementation**

The Oversight Board hereby authorizes and directs the Successor Agency’s Executive Director, or his or her designee, to: (1) execute and deliver such documents and instruments and to do such things which may be necessary or proper to effectuate the purposes of this Resolution.

**Section 4.    CEQA**

The Oversight Board, under Title 14 of the California Code of Regulations, Section 15378(b)(4), that this Resolution is exempt from the requirements of the California Environmental Quality Act (“CEQA”) in that it is not a “project,” but instead consists of the continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program.

**Section 5.    Effective Date**

This Resolution shall take effect five days after its adoption.

**Section 6.    Certification**

The Oversight Board Secretary shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the Oversight Board; and shall make a minute of passage and adoption thereof in the records of the proceedings of the Oversight Board, in the minutes of the meeting at which this Resolution is passed and adopted.

EXHIBIT "A"  
PROFESSIONAL SERVICES CONTRACT  
[SEE ATTACHED]

**GENERAL SERVICES PROVIDER STANDARD AGREEMENT**  
**BY AND BETWEEN**  
**THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE**  
**VICTORVILLE REDEVELOPMENT AGENCY**

**AND**

**Varner & Brandt, LLP**

**(LEGAL COUNSEL RFQ)**

**THIS GENERAL SERVICES PROVIDER STANDARD AGREEMENT (hereinafter “Agreement”), is made and entered into by and between the Oversight Board to the Successor Agency to the Victorville Redevelopment Agency, located in the County of San Bernardino, State of California, hereinafter referred to as the “Board”, and Varner & Brandt, a California Limited Liability Partnership, hereinafter referred to as “Service Provider.” Board and Service Provider are sometimes hereinafter referred to individually as a “Party” and collectively referred to as the “Parties.”**

**RECITALS:**

**WHEREAS**, the Board requires legal counsel to provide legal advice and representation for the Oversight Board in its official capacity and;

**WHEREAS**, in light of the facts set forth above, the Board desires to retain the services of a qualified service provider to provide legal services, on an independent contractor basis.

**NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS, AND PROMISES CONTAINED HEREIN AND FOR SUCH OTHER GOOD AND VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:**

**Section 1.            RECITALS**

The Recitals set forth above are true and correct and are hereby incorporated into this Agreement by this reference, as though set forth fully herein.

**Section 2.                  SCOPE OF SERVICES**

Service Provider shall provide to the Board those services set forth in the Scope of Services, attached hereto as Exhibit "A", and incorporated as part of this Agreement by this reference.

**Section 3.                  COMPENSATION**

The Board shall pay a total amount not to exceed \$45,000 DOLLARS (\$45,000.00) for the services rendered by Service Provider pursuant to this Agreement, subject to the provisions of Section 4.

**Section 4.                  PAYMENT SCHEDULE**

The Board shall pay Service Provider as provided in the Payment Schedule, attached hereto as Exhibit "B," and incorporated as part of this Agreement by this reference (as maybe applicable). The provisions of Exhibit "B" notwithstanding, in order to receive payments, Service Provider shall be required to submit to the Board monthly invoices detailing all services performed. Provided that services have been satisfactorily rendered, invoices shall be paid by the Board approximately thirty (30) working days following receipt of Service Provider's invoice.

**Section 5.                  PERFORMANCE SCHEDULE**

Service Provider shall perform the services required under this Agreement as provided in the Performance Schedule, attached hereto as Exhibit "C," (as maybe be applicable) and incorporated as part of this Agreement by this reference.

**Section 6.                  TERM OF AGREEMENT**

This Agreement shall be for a initial term of Five (5) Months, commencing on August 1, 2015 (the "Commencement Date") and expiring on December 31, 2015 (the "Termination Date") (the "Term"), unless terminated earlier pursuant to Section 21 of this Agreement. From and after the Termination Date, and upon subsequent agreement by the Parties, this Agreement may continue on a month-to-month basis until terminated pursuant to Section 21 below.

This Agreement may be extended for one (1) additional six-month period (hereinafter "Option Period), at the option of the Board, subject to satisfactory performance as determined by the Board. Board shall give Service Provider thirty (30) days advance written notice prior to the expiration the initial Term, should the Board decide to exercise its option to extend. In the event the Board does not give Service Provider such written notice of its option to extend, this Agreement shall terminate at the end of the then-current Term or Option Period without further notice from either Party, unless terminated earlier pursuant to the provisions of Section 21 below. Should the Board fail to give Service Provider the thirty (30) days written notice of its intention to exercise any Option Period, the Board may, in its sole discretion, elect to exercise any Option Period at a later date, following written inquiry from Service Provider.

**Section 7. INDEPENDENT CONTRACTOR STATUS**

Service Provider shall at all times during the Initial Term of this Agreement, and (if applicable during any Option Period), perform the services described in this Agreement as an independent contractor.

**Section 8. REPRESENTATIONS AND  
ACKNOWLEDGMENTS REGARDING  
INDEPENDENT CONTRACTOR'S STATUS OF SERVICE  
PROVIDER**

a. Service Provider represents and acknowledges the following:

(1) The Board is not required to provide any training or legal counsel to Service Provider or its employees in order for Service Provider to perform the services described in this Agreement.

(2) Performance of the services described in this Agreement do not have to be integrated into the daily business operations of the Board.

(3) The services described in this Agreement can be performed without the use of Board equipment, materials, tools, or facilities, unless otherwise provided under a separate agreement.

(4) Nothing in this Agreement shall be interpreted to imply that the Board must maintain any contractual relationship with Service Provider on a continuing basis after termination of this Agreement.

(5) The Board will not be requested or demanded to assume any liability for the direct payment of any salary, wage, or other such compensation to any person employed by Service Provider to perform the services described in this Agreement.

(6) Service Provider shall not at any time or in any manner represent that it or any of its officers, employees, or agents are employees of the Board.

b. The Board represents and acknowledges the following:

(1) Service Provider is solely responsible for determining who, under the supervision or direction of Service Provider, will perform the services set forth in this Agreement.

(2) The Board will not hire, supervise, or pay any employees or assistants working for Service Provider pursuant to this Agreement. Nothing contained in this Agreement shall prevent the Board from hiring Service Provider's employees or assistants after termination of this Agreement.

(3) Nothing in this Agreement shall be interpreted to imply that Service Provider must maintain any contractual relationship with the Board on a continuing basis after termination of this Agreement.

(4) It is the sole responsibility of Service Provider to set the hours in which Service Provider performs or plans to perform the services set forth in this Agreement.

(5) Service Provider is not required to devote full time to the business operations of the Board in order to perform the services set forth in this Agreement.

(6) Unless deemed necessary under certain circumstances, Service Provider is not required to perform the services set forth in this Agreement at City Hall or on Board-owned property.

(7) Nothing in this Agreement shall be interpreted to preclude Service Provider from working for other persons or firms, provided that such work does not create a conflict of interest.

**Section 9. NOT AGENT OF THE BOARD**

a. Nothing contained in this Agreement shall be deemed, construed, or represented by the Board or Service Provider or by any third person to create the relationship of principal and agent.

b. Service Provider shall have no authority, express or implied, to act on behalf of the Board in any capacity whatsoever as an agent, nor shall Service Provider have any authority, express or implied, to bind the Board to any obligation whatsoever.

**Section 10. LICENSES AND PERMITS**

Service Provider represents that it has obtained and will maintain at all times during the initial Term, and (If Applicable, during any Option Period) of this Agreement all business licenses, including but not limited to a City of Victorville business license, certifications, or permits necessary for performing the services described in this Agreement.

**Section 11. WARRANTY**

Service Provider agrees to perform all services required by this Agreement in a workmanlike competent and satisfactory manner in accordance with the standards prevalent in the industry for such services.

**Section 12. FAMILIARITY WITH WORK**

Should Service Provider discover any latent or unknown conditions materially differing from those inherent in the services or as represented by the Board, Service Provider shall

immediately inform the Board of such fact and shall not provide any services, except at Service Provider's risk, until written instructions are received from the Chairman of the Oversight Board or his designee.

**Section 13.                  CONFLICTS OF INTEREST**

Service Provider covenants that it does not have any interest, nor shall it acquire any interest, directly or indirectly, which would conflict in any manner with the performance of Service Provider's services under this Agreement. Service Provider further covenants that in the performance of services under this Agreement, no officer, employee or agent of Service Provider having such an interest shall be employed by it. In the event the Board determines that Service Provider must disclose its financial interests by completing and filing a Fair Political Practices Commission Form 700, Statement of Economic Interests, Service Provider shall file such Form 700 with the Victorville City Clerk's Office pursuant to the written instructions provided by the City Clerk.

**Section 14.                  COMPLIANCE WITH LAWS**

Service Provider shall comply with all local, state, and federal laws and regulations applicable to the services to be rendered hereunder, including any rule, regulation, or bylaw governing the conduct or performance of Service Provider or its employees, officers, or board members.

**Section 15.                  COMPREHENSIVE GENERAL AND  
AUTOMOBILE LIABILITY INSURANCE**

a. Service Provider shall procure and maintain at its own expense, during the initial Term of this Agreement, and (if applicable, during any Option Periods), comprehensive general liability insurance, of not less than One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) in the aggregate, for bodily injury, personal injury, death, loss, or damage resulting from the wrongful or negligent acts by Service Provider or its officers, employees, servants, volunteers, and agents and independent contractors.

b. Service Provider shall further procure and maintain, at its own expense, during the initial Term of this Agreement, and (if applicable, during any Option Periods) commercial vehicle liability insurance covering personal injury and property damage, of not less than One Million Dollars (\$1,000,000) combined single limit, covering any vehicle utilized by Service Provider or its officers, employees, servants, volunteers, agents and independent contractors in performing the services required by this Agreement.

**Section 16.                  WORKERS' COMPENSATION INSURANCE**

a. Service Provider shall procure and maintain at its own expense, during the initial Term of this Agreement, and (if applicable, during any Option Periods), workers' compensation insurance, providing coverage as required by the California State Workers' Compensation Law.

b. If any class of employees employed by the Service Provider pursuant to this Agreement is not protected by the California State Workers' Compensation Law, Service Provider shall provide adequate insurance for the protection of such employees to the satisfaction of the Board.

**Section 17. PROFESSIONAL LIABILITY INSURANCE**

a. Attorneys shall maintain Professional Liability Insurance providing coverage for services included within this contract, with a limit of liability not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate, as acceptable by the Board.

**Section 18. ADDITIONAL NAMED INSURED**

Notwithstanding any inconsistent statement in any required insurance policies or any subsequent endorsements attached thereto, all insurance policies, except for the Workers' Compensation policy and Professional Liability policy, shall be endorsed to name the Board and its officers, employees, as Additional Insureds.

**Section 19. WAIVER OF SUBROGATION RIGHTS**

Service Provider shall require the carriers of all required insurance policies to waive all rights of subrogation against the Board and its officers, employees, servants, volunteers, agents, and independent contractors and subcontractors. Each policy of insurance shall be endorsed to reflect such waiver.

**Section 20. PROOF OF INSURANCE COVERAGE;  
REQUIRED ENDORSEMENTS**

a. Service Provider shall secure from a good and responsible company or companies authorized to transact insurance business in the State of California, the policies of insurance required by this Agreement and furnish to the Board Secretary certificates of insurance evidencing the required coverage, and policy endorsements at least one (1) business day prior to the commencement of any services to be performed under this Agreement.

b. The policies and certificates of insurance shall be endorsed to provide that in the event of cancellation or amendment of any required insurance policy for any reason whatsoever, the Board shall be notified by mail, postage prepaid, not less than thirty (30) days before the cancellation or amendment is effective. In the case of cancellation for non-payment, ten (10) days advance written notice shall be given.

c. Each policy and certificate of insurance shall be endorsed to provide that the policy shall not be terminated or expire without first providing thirty (30) days written notice to the Board of such termination or expiration.

d. Each policy and certificate of insurance shall be endorsed to provide that the policy will be maintained throughout the Initial Term, and (if applicable during any Option Periods) of this Agreement.

e. The comprehensive general liability and vehicle liability policies shall be endorsed to contain the following provision: "For any claims related to this Agreement, Service Provider's coverage shall be primary with respect to the Board. Any insurance maintained by the Board shall be in excess of Service Provider's insurance and shall not contribute with it."

**Section 21.                    TERMINATION OR SUSPENSION**

a. This Agreement may be terminated or suspended without cause by either Party at any time, provided that the Party initiating the termination provides the other Party at least thirty (30) days advance written notice of such termination or suspension. In the event of such termination, the Board shall only be liable for payment under the payment provisions of this Agreement for satisfactory services rendered or supplies actually furnished prior to the effective date of termination.

b. This Agreement may be terminated or suspended with cause by either Party at any time, provided that the Party initiating termination provides the other Party at least ten (10) days advance written notice of such termination or suspension. In the event of such termination, the Board shall only be liable for payment under the payment provisions of this Agreement for satisfactory services rendered or supplies actually furnished prior to the effective date of termination.

**Section 22.                    TIME OF THE ESSENCE**

Time is of the essence in the performance of this Agreement.

**Section 23.                    INDEMNIFICATION**

a. Service Provider shall defend, indemnify, and hold harmless the Board, its officers, employees, representatives, and agents, from and against those actions, suits, proceedings, claims, demands, losses, costs, and expenses, including legal costs and attorneys fees, for any personal injuries, deaths, or property damage (including property owned by the Board), which may arise out of Service Provider's negligence or willful misconduct in the performance of the services described in this Agreement, unless such losses or damages are proven to be caused by the Board's own negligence or willful misconduct, or that of its officers or employees.

b. The Board does not and shall not waive any rights that it may have against Service Provider under this Section, because of the acceptance by the Board, or the deposit with the Board, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions of this Section shall apply regardless of whether said insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense described herein.

**Section 24.                    REPORTS**

Upon request by the Chairman of the Oversight Board or his designee, Service Provider shall prepare and submit reports to the Board concerning Service Provider's performance of the services required by this Agreement.

**Section 25.                    RECORDS**

a. Service Provider shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the Chairman of the Oversight Board or his designee to evaluate the cost and the performance of such services.

b. Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principles.

c. The Chairman of the Board or his designee shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

d. Records and supporting documents pertaining to the use of funds paid to Service Provider hereunder shall be retained by Service Provider and made available to the Chairman of the Board or his designee for purposes of performing an audit for a period of five (5) years from the date of termination of this Agreement.

**Section 26.                    RESERVED**

**Section 27.                    CONFIDENTIALITY**

a. Any and all documents and information obtained from the Board or prepared by Service Provider for the Board shall be kept strictly confidential unless otherwise provided by applicable law. All Board data, documents and information shall be returned to Board upon termination of the Agreement.

b. Any drawings, specifications, reports, records, documents, or other materials prepared by Service Provider in the performance of services under this Agreement shall not be released publicly without the prior written approval of Chairman of the Board, or as required by applicable law.

c. Service Provider shall not disclose to any other entity or person any information regarding the activities of the Board, except with the prior written approval of the Chairman of the Board, or as required by applicable law.

**Section 28. PRINCIPAL REPRESENTATIVES**

a. Sean Varner, Esq., is designated as the principal representative of Service Provider for purposes of communicating with the Board on any matter associated with the performance of the services set forth in this Agreement.

b. The Chairman of the Board shall be the principal representative(s) of the Board for purposes of communicating with Service Provider on any matter associated with the performance of the services set forth in this Agreement.

c. Either Party may designate another individual as its principal representative by giving written notice of such designation to the other Party.

**Section 29. MODIFICATIONS AND AMENDMENTS**

This Agreement may be modified or amended only by a written instrument signed by both Parties.

**Section 30. ENTIRE AGREEMENT**

a. This Agreement supersedes any and all prior or contemporaneous agreements, either oral or written, between the Board and Service Provider with respect to the subject matter of this Agreement.

b. This Agreement contains all of the covenants and agreements between the Parties with respect to the subject matter of this Agreement, and each Party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any Party, except those covenants and agreements in this Agreement.

c. No agreement, statement, or promise with respect to the subject matter of this Agreement, which is not contained in this Agreement, or in a valid modification or amendment to this Agreement, shall be valid or binding on either Party.

**Section 31. AMBIGUITIES**

This Agreement is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of contract shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

**Section 32.**

**NOTICES**

a. Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the Parties as follows:

To the Board: **Chairman, Oversight Board**  
**14343 Civic Drive**  
**Victorville, CA 92392**

To Service Provider: **Sean Varner**  
**Varner & Brandt, LLP**  
**3750 University Avenue, Sixth Floor,**  
**Riverside, CA 92501-3323**

b. Notices, payments, and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

**Section 33.**

**NON-LIABILITY OF BOARD OFFICERS**

**AND EMPLOYEES**

No officer or employee of the Board shall be personally liable to Service Provider, or any successor in interest, in the event of any default or breach by the Board or for any amount, which may become due to Service Provider or to its successor(s), or for any breach of any obligation of the terms of this Agreement.

**Section 34.**

**REVIEW BY ATTORNEYS**

Each Party hereto has had its attorney(s) review this Agreement and all related documents. Each Party hereto has consulted with its attorney(s) and has negotiated the terms of this Agreement based on such consultation.

**Section 35.**

**WAIVER**

a. No waiver shall be binding unless executed in writing by the Party making the waiver.

b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.

c. Failure of either Party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of such provision or any of the remaining provisions of this Agreement.

**Section 36.                    ASSIGNMENT**

This Agreement shall not be assigned by either Party without prior written consent of the other Party.

**Section 37.                    CARE OF WORK**

The performance of services by Service Provider or the payment of money by the Board shall not relieve Service Provider from any obligation to correct any incomplete, inaccurate, or defective work at no further cost to the Board, when such incomplete, inaccurate or defective work is due to the negligence of Service Provider.

**Section 38.                    CAPTIONS AND HEADINGS**

The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

**Section 39.                    SUCCESSORS, HEIRS, AND ASSIGNS**

Except as otherwise expressly provided herein, this Agreement shall be binding upon the successors, endorsees, assigns, heirs, and personal representatives of each of the Parties to this Agreement and, likewise, shall inure to the benefit of the successors, endorsees, assigns, heirs, and personal representatives of each of the Parties.

**Section 40.                    GENDER**

In this Agreement, unless the context clearly requires otherwise, the masculine, feminine and neuter genders and the singular and the plural shall include one another.

**Section 41.                    SEVERABILITY**

If any one or more of the sentences, clauses, paragraphs, or sections contained herein is declared invalid, void, or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair, or invalidate any of the remaining sentences, clauses, paragraphs, or sections contained herein.

**Section 42.                    GOVERNING LAW**

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the Parties under this Agreement, shall be construed pursuant to and in accordance with California law.

**Section 43.**                    **DEFAULT**

a. Failure or delay by any Party to this Agreement to perform any material term or provision of this Agreement shall constitute a default under this Agreement; provided however, that if the Party who is otherwise claimed to be in default by the other Party commences to cure, correct, or remedy the alleged default within fifteen (15) days after receipt of written notice specifying such default and shall diligently complete such cure, correction, or remedy, such Party shall not be deemed to be in default hereunder.

b. The Party claiming that a default has occurred shall give written notice of default to the Party in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the injured Party shall have no right to exercise any remedy for a default hereunder without delivering the written default notice, as specified herein.

c. Any failure or delay by a Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

d. in the event that a default by any Party to this Agreement may remain uncured for more than fifteen (15) days following written notice, as provided above, the injured Party shall be entitled to seek any appropriate remedy or damages by initiating legal proceedings.

**Section 44.**                    **CUMULATIVE REMEDIES**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default of any other default by the other Party.

**Section 45.**                    **VENUE**

All proceedings involving disputes over the terms, provisions, covenants, or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in San Bernardino County, California.

**Section 46.**                    **ATTORNEYS' FEES**

In the event any action, suit, or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement, or as a result of any alleged breach of any provision of this Agreement, the prevailing Party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorneys' fees, from the losing Party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

**Section 47.                    EFFECTIVENESS OF AGREEMENT**

This Agreement shall not be binding upon the Board, until signed by the authorized representative(s) of Service Provider, and executed by the Board Chairman.

**Section 48.                    REPRESENTATIONS OF PARTIES AND  
PERSONS EXECUTING AGREEMENT**

(a) Each of the Parties to this Agreement hereby represents that all necessary and appropriate actions of their governing bodies have been taken to make this Agreement a binding obligation of each of the Parties hereto.

(b) The persons executing this Agreement warrant that they are duly authorized to execute this Agreement on behalf of and bind the Parties each purports to represent.

**Section 49.                    COUNTERPARTS**

This Agreement may be executed by the parties in counterparts, and when executed by each of the parties, each counterpart shall be deemed to be a part of this Agreement.

**IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the dates written below.**

**OVERSIGHT BOARD**

**SERVICE PROVIDER**

\_\_\_\_\_

\_\_\_\_\_

**Chairman**

**Varner & Brandt, LLP**

**Dated:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

# **EXHIBIT A**

## **SCOPE OF SERVICES**

***See Attachment***

Legal Counsel will be expected to perform a range of legal duties which may include, but not be limited to the following:

- Be present as necessary (may be options for telephone attendance) for all Oversight Board Meetings, providing Brown Act and other legal advice, as necessary and given 72- hour notice from OB;
- Provide legal advice regarding Oversight Board member duties, responsibilities and obligations;
- Provide legal advice and consultation on issues and actions before the Oversight Board;
- Provide legal advice and consultation to the Oversight Board regarding its relationship to and role with the Successor Agency;
- Provide legal opinions as requested by the Oversight Board on matters related to the duties of that board; and
- Other duties as necessary within the scope of the Oversight Board.

Services to be provided in a manner consistent with the Response to Request for Qualifications for Legal Services for the Oversight Board of the Successor Agency to the Victorville Redevelopment Agency dated June 25, 2015 attached hereto.



RESPONSE  
TO  
REQUEST FOR QUALIFICATIONS  
FOR  
LEGAL SERVICES FOR THE OVERSIGHT BOARD  
OF THE SUCCESSOR AGENCY TO THE  
VICTORVILLE REDEVELOPMENT AGENCY

JUNE 25, 2015

Riverside Office  
3750 University Avenue, Suite 610  
Riverside, CA  
92501  
951.274.7777

Ontario Office  
3237 East Guasti Road  
Ontario, California  
92761  
909.931.0879

[www.varnerbrandt.com](http://www.varnerbrandt.com)



## RESPONSE TO REQUEST FOR QUALIFICATIONS FOR LEGAL SERVICES

### 1.0 FIRM APPROACH TO PROVIDING LEGAL SERVICES

Varner & Brandt LLP (“VB”) is a full-service law firm with legal roots in the Inland Southern California community dating back to 1873. VB built the strength of its practice upon outstanding legal expertise and client service. We will utilize our significant experience with pre- and post-AB 1290 redevelopment matters and our dedication to quality of work to provide the Oversight Board to the Successor Agency to the Victorville Redevelopment Agency (“Oversight Board”) with exemplary legal services.

With high-level expertise in a diverse spectrum of practice areas including: pre- and post- Assembly Bill 1290 California community redevelopment law, dissolution of former redevelopment agencies under Assembly Bill X1 26, Assembly Bill 1484 and other recent legislation, economic development, affordable housing, real estate, public contract creation and interpretation, land use, business, finance, and civil litigation, VB attorneys integrate their knowledge of various disciplines and make VB one of Southern California’s preeminent law firms. U.S. News Media Group, publisher of *U.S. News & World Report* and *Best Lawyer’s*, ranks VB as one of the top rated law firms in California. In addition, the leading survey of lawyers worldwide, *Best Law Firms*, recently rated VB as a Tier 1 law firm. VB was only one of two firms in the Inland Southern California region to receive this designation, placing VB among the top rated law firms in the United States.

Our practice is centered upon long-standing relationships with our clients. We care about and are dedicated to our clients and their needs, and we are deeply committed to achieving their goals. We are known for our solution-based, problem-solving approach and our commitment to ethics and integrity.

### 2.0 PUBLIC ENTITY REPRESENTATION

Our attorneys understand the business functions of public entities and have represented several diverse types of public entities (cities, redevelopment agencies, water agencies, quasi-public agencies, joint powers authorities and other commissions) over the course of decades. VB attorneys currently serve on and/or advise many public agencies and entities, including: Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, Oversight Board of the Successor Agency to the Industry Urban Development Agency, Inland Valley Development Agency, San Bernardino Valley Municipal Water District, and the University of California Board of Regents. Our attorneys have a working knowledge of the Brown Act and the Political Reform Act and will assist the Oversight Board compliance thereunder.

### 3.0 PRE- & POST- CALIFORNIA COMMUNITY REDEVELOPMENT LAW

For more than 40 years, our attorneys have been extensively and continuously involved in regional and statewide real estate, redevelopment and affordable housing matters, representing numerous public entities and private developers. Decades of experience enable us to provide legal counsel and direction on a myriad of issues involving pre- and post- California community redevelopment law.

We routinely handle a variety of substantial redevelopment dissolution matters, including: issues of local and state-wide importance concerning the winding down of the operations of former redevelopment agencies pursuant to Assembly Bill X1 26 as modified by Assembly Bill 1484 and other recent legislation; matters of first impression relating to the enforceability of redevelopment contracts, distribution of former redevelopment agency funds, the future of properties owned by former redevelopment agencies and the impact of California Department of Finance (“DOF”) determinations; all aspects of large-scale industrial, commercial and mixed-use economic development projects (including purchase and sale transactions, property development, financing, leasing and asset management); and complex senior and multi-family affordable housing projects.

Our experience providing counsel to both public and private entities give us a unique ability to thoroughly evaluate transactions from diverse perspectives. Having drafted and interpreted documents from varying perspectives, our attorneys have the ability to review matters coming before the Oversight Board and provide knowledgeable interpretation and advice regarding how to address unchartered situations facing the Oversight Board. Our attorneys offer special expertise in the following areas:

#### 3.1 DISSOLUTION & WINDING DOWN OF FORMER REDEVELOPMENT AGENCIES

We represent oversight boards to successor agencies in numerous matters involving the dissolution and winding down of the operations of the former redevelopment agencies pursuant to Assembly Bill X1 26 as modified by Assembly Bill 1484 and other recent legislation. We currently advise our clients on several issues of first impression relating to enforceability of redevelopment contracts, distribution of former redevelopment agency funds, the future of properties owned by former redevelopment agencies and the impact of DOF determinations.

Our attorneys continually keep abreast of the current developments and changes in redevelopment dissolution law. We routinely advise oversight boards to successor agencies about their statutory obligations, potential liabilities, fiduciary duties, and limitation of rights.

#### 3.2 REDEVELOPMENT & ECONOMIC DEVELOPMENT PROJECT DEVELOPMENT

Our attorneys have extensive experience in all phases of former redevelopment project development and current economic development project development. VB possess a depth of experience in pre-development planning and site-acquisition, negotiating terms of development agreements, structuring financing for development projects, determining relocation and prevailing wage obligations, determining publication and notice requirements, and drafting a wide variety of development documents to effectuate project development. We specialize in drafting effective exclusive negotiation agreements, statutory development agreements and economic development agreements.

### 3.3 AFFORDABLE HOUSING PROJECTS

Our attorneys have significant experienced in a wide array of affordable housing matters, including: senior and multi-family affordable housing development and financing, affordable housing fund expenditures, inclusionary housing and housing production requirements, single family rehabilitation and first time buyer mortgage assistance. VB specializes in negotiating the terms of affordable housing agreements, structuring financing for affordable housing projects and drafting documents to implement affordable housing development.

### 3.4 EMINENT DOMAIN & PUBLIC IMPROVEMENTS

VB has considerable expertise in all aspects of eminent domain law, including: (i) pre-condemnation; (ii) condemnation; (iii) inverse condemnation; (iv) owner compensation; and (v) public hearing requirements. Our attorneys also have extensive experience in negotiating and drafting public improvements agreements pertaining to the provision of public improvements and reimbursement of costs for the same.

### 3.5 ALL ASPECTS OF REAL ESTATE LAW

VB has represented both public agencies and private owners and developers regarding all aspects of retail, commercial, office and industrial real estate investment, including purchase and sale transactions, property development, financing, leasing and asset management. We advise one of the largest regional supermarket grocers with all of its real estate needs, including the acquisition of developed and undeveloped land, risk assessment, development, securing entitlements, development of shopping centers, commercial leasing, common area operations and disposition of real property. We take a market-aware legal and business approach to our clients' real estate challenges. We often act as our clients' eyes and ears in the marketplace, offering competitive insight and a keen understanding of prevailing trends and market-shaping dynamics.

### 4.0 RECENT SUCCESSFUL REPRESENTATION OF OVERSIGHT BOARDS

For the past three years, VB has proven experience working successfully with the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Los Angeles and the Oversight Board of the Successor Agency to the Industry Urban Development Agency. With hundreds of millions of dollars in property, both of the City of Los Angeles and the City of Industry have complex and diverse issues as a result of redevelopment dissolution. We also have advised the private companies on matters with successor agencies and oversight boards in California. Our redevelopment experience in both the public and private sector has positioned us to anticipate trends, lead in the practical application of the law, negotiate with the California Department of Finance and provide novel counsel in an evolving area of the law. With our research, analysis and counsel to oversight boards and counsel to private companies facing the impact of their projects with redevelopment agencies, VB can provide efficient, and when necessary innovate, solutions to issues of the Oversight Board.

Prior to 2012, our attorneys worked with public agencies and private developers on major redevelopment projects in many California municipalities, including: Aliso Viejo, Arcadia, Big Bear Lake, City of Industry, Corona, Fontana, Grand Terrace, Highland, Ontario, Riverside, San Bernardino, San Jacinto, Shafter and Watsonville. Our attorneys have provided counsel to a number of significant real estate transactions, neighborhood revitalization projects, redevelopment projects and affordable housing developments in Southern California, including:

- The representation of one of the most successful supermarket retailers in California who routinely relies on our expertise and ability to negotiate high quality real estate documents, including: purchase and sale agreements, development agreements, owner participation agreements, economic development agreements, leases, declarations of covenants, conditions and restrictions, and reciprocal easement agreements. New store openings are a major part of our work; however, we also devote much of our efforts towards assisting with expansions, remodels and landlord-tenant issues.
- The acquisition, entitlement, financing and development of a new distribution center for a major supermarket retailer located on a 160-acre campus in the former Norton Air Force Base in San Bernardino, California. The new distribution center replaced eleven structures, in eight locations, and is the largest under-one-roof supermarket distribution center in America. This complex and intricate transaction involved land acquisition from private parties and public agencies (including the United States government), redevelopment financing, and the negotiation of complex development and redevelopment agreements, and union negotiations.
- The sale, lease, entitlement, financing and development of an over 120-acre historic fairground property. The project involves the development of a dynamic mix of retail, entertainment, education, office and light industrial uses that will transform the current fairground property into a vibrant, modern, multi-faceted venue.
- The development of mixed-use and neighborhood-oriented entertainment, retail, professional and restaurant projects in the City of Ontario, California and the City of Highland, California. These transactions involved redevelopment financing and the negotiation and drafting of complex development and redevelopment agreements.
- The development of shopping center projects in the City of Riverside, California and the City of Grand Terrace, California. These matters involved the negotiation and drafting of complex development and redevelopment agreements.
- The structuring and implementation of numerous housing programs that provide a wide range of financial assistance to first-time homebuyers, existing homeowners and senior citizens in many Southern California neighborhoods. These programs assisted redevelopment agencies increase and maintain adequate affordable housing in their communities and effectively use housing set-aside funds as well as funds from the community development block grant program.

## 5.0 CONFLICTS OF INTEREST

We know of no current or potential conflicts of interest that would prevent us from providing legal services to the Oversight Board. VB certifies that it is not employed by: the City of Victorville or any of its related entities; the County of San Bernardino or any of its related entities; Victor Valley Community College District; Victor Union High School District; or Victor Elementary School. In addition, VB does not currently represent any private developer that is under existing contracts with the former Victorville Redevelopment Agency for redevelopment projects which have not yet been completed.

6.0 RESUMES

Attached for your reference are brief resumes for five attorneys at VB listing their various areas of practice, education and expertise. These five attorneys will provide services, along with other attorneys, as appropriate, for the particular matter that comes before the Oversight Board.

7.0 REFERENCES

Richard Close, Chairman, Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Los Angeles

Santos Kreimann, Chairman, Oversight Board of the Successor Agency to the Industry Urban Development Agency

C. Patrick Milligan, former President of Board of Directors, San Bernardino Valley Municipal Water District

Douglas D. Headrick, PE, General Manager, San Bernardino Valley Municipal Water District

Michael Burrows, Deputy Director, Development/Properties/Capital Project, Inland Valley Redevelopment Agency and San Bernardino International Airport Authority

8.0 PROPOSED FEES

Enclosed in a sealed envelope, please find our fee proposal which includes our hourly billing rates.



## **BRUCE D. VARNER, ESQ.**



**POSITION IN FIRM:** Founding Partner

**TOTAL YEARS OF EXPERIENCE:** 53 years

**CALIFORNIA BAR ASSOCIATION NUMBER:** 33688

**KEY QUALIFICATIONS:** Bruce Varner is a Founding Partner of VB and has been practicing law in Southern California since 1963, specializing in business, finance, real estate and redevelopment law. He has served as counsel to the Redevelopment Agency of the City of San Bernardino and the Mayor of San Bernardino; as Chair and Member of the Executive Committee of San Bernardino Economic Development Council; and as Member of the Board of Directors of the Inland Empire Economic Council.

### **EDUCATION & MILITARY:**

University of California, Hastings College of the Law (The Order of the Coif), JD, 1962

University of California at Santa Barbara, BA, 1958

United States Army Infantry, 2nd Lieutenant; Active Duty, Fort Benning, Georgia (1959)

### **PROFESSIONAL & COMMUNITY AFFILIATIONS:**

Friends of the Arrowhead, Inc., Founding Member, Board of Directors

Foundation Board of Governors, California State University, San Bernardino

Inland Empire Economic Partnership, Member and Past Chair of the Board of Directors

Judge Pro-Tem, Municipal and Superior Court

Match Corporation, Member, Board of Directors

Monday Morning Group

National Orange Show, Board of Directors and Executive Committee

President's Advancement Council - California State University, San Bernardino, Member and Past Chair

San Bernardino County Sheriff, Specialized Services Bureau, Lieutenant (Volunteer)

San Bernardino County District Attorney's Advisory Council

SBM Dairies, Inc., Board of Directors

Security Bank of California, Board of Directors

Service Academy Review Board, 41st Congressional District, Member

Silver Eagle Club, Board of Directors and Past Chair

State of California Postsecondary Education Commission, Past Member

Stater Bros. Development, Inc., Board of Directors and Secretary

Stater Bros. Markets, Board of Directors and Secretary, and Executive Committee

Stater Bros. Holdings Inc., Board of Directors and Secretary

Superior Court Arbitrator

Super Rx, Inc., Member, Board of Directors and Secretary

University of California, Board of Regents, Chairman

University of California Riverside Foundation, Board of Trustees

**HONORS & AWARDS:**

- 2014 The Best Lawyers in America Tier 1 Ranking (Selected by Peers)
- 2013 Best Attorneys in Los Angeles (Selected by Peers)
- 2013 The Best Lawyers in America Tier 1 Ranking (Selected by Peers)
- 2012 The Best Lawyers in America Tier 1 Ranking (Selected by Peers)
- 2011 Honorary Doctor of Laws, California State University, San Bernardino
- 2011 The Best Lawyers in America Tier 1 Ranking (Selected by Peers)
- 2010 The Best Lawyers in America Tier 1 Ranking (Selected by Peers)
- 2009 Dick Bryant Memorial Award - Santa Clause Inc. (Bruce & Nancy Varner)
- 2009 Hometown Heroes Award – Assistance League of San Bernardino (Bruce & Nancy Varner)
- 2009 Shirley Pettis Award - Loma Linda University Children's Hospital (Bruce & Nancy Varner)
- 2007 Inland Empire's Best Lawyers - Featured Inland Empire Magazine (September)
- 2006 Appointed by Governor Schwarzenegger to the University of California Board of Regents
- 2004 Arrowhead Distinguished Executive Officer - California State University San Bernardino
- 2002 Visionary Award - San Bernardino Boys & Girls Club
- 1996 Ernst & Young LLP Inland Empire Entrepreneur of the Year Award - Supporter of Entrepreneurship

**ADMISSIONS:**

- American Bar Association
- State Bar of California
- Federal District Court for the Central District of California
- Montana State Bar (Inactive)
- Riverside County Bar Association
- San Bernardino County Bar Association
- United States Supreme Court
- United States Tax Court



**SEAN S. VARNER, ESQ.**



POSITION IN FIRM: Managing Partner  
TOTAL YEARS OF EXPERIENCE: 22 years  
CALIFORNIA BAR ASSOCIATION NUMBER: 169250

**KEY QUALIFICATIONS:** Sean Varner is Managing Partner of VB and has been practicing law in Inland Southern California since 1997, specializing in business, finance, real estate and redevelopment law. He currently serves as real estate and redevelopment counsel to numerous private developers and also as counsel to the Inland Empire Economic Recovery Corporation.

**EDUCATION:**

Pepperdine University School of Law, JD *cum laude*, 1993  
University of California, Victorville, B.A., 1989  
Cambridge University, England, Pembroke College

**PROFESSIONAL & COMMUNITY AFFILIATIONS:**

I2RTA Technology Alliance, Past Board of Directors  
All Saints' Episcopal Church, Past Senior Warden, Past Capital Campaign Chair, Past Vestry Member  
American Youth Soccer Association, Soccer Coach  
Boys and Girls Club of San Bernardino, Board of Directors  
Cal State University San Bernardino Inland Empire Center for Entrepreneurship, Advisory Board  
California State University, San Bernardino, Graduate School of Management, Guest Lecturer  
Diamond Venture Forum, Professional Review Team  
Education First, Past Board Member  
Highlander Athletics Association – Board of Directors  
HomeAid Inland Empire, Board of Directors  
Inland Empire Economic Partnership, Past Board of Directors  
Leadership Riverside, Graduate and Past Steering Committee  
Lincoln Club of Riverside County, Board of Directors  
National Orange Show, Board of Directors  
Riverside Chamber of Commerce, Downtown Division, Past Board of Directors  
San Bernardino County Sheriff's Department, S.S.B. Deputy  
Spirit of the Entrepreneur Awards, Past Judge  
The Community Foundation of Riverside and San Bernardino Counties, Board of Directors  
United States Green Building Council, Inland Empire Chapter, Member  
University of California, Riverside – Chancellor's Advisory Committee on Intercollegiate Athletics  
Victoria Club, Past Chairman of House Committee, Past Member of Membership Committee  
Young Presidents' Organization, California Inland Empire Chapter, Board of Directors and Member

PUBLICATIONS:

CEQA After Two Decades: Relevant Problems and Ideas For Necessary Reform, *19 Pepperdine L. Rev.*  
(1992) (reprinted in the *National Law Anthology, Environmental Law Anthology* October 1993)

ADMISSIONS:

American Bar Association

State Bar of California

Riverside County Bar Association

United States District Court (Central, Eastern, Southern, Northern Districts of California)

9<sup>th</sup> Circuit Court of Appeal



**BRENDAN W. BRANDT, ESQ.**



POSITION IN FIRM: Litigation Managing Partner  
TOTAL YEARS OF EXPERIENCE: 25 years  
CALIFORNIA BAR ASSOCIATION NUMBER: 150603

KEY QUALIFICATIONS: Mr. Brandt has handled civil litigation matters from initial investigation through trial and appeal. He specializes in business law, real estate, employment litigation and state and federal civil litigation. Mr. Brandt has extensive experience in public agency law, the Brown Act and currently sits as an elected member of the City Council for the City of Upland.

**EDUCATION:**

University of San Diego, School of Law, JD, 1990  
University of California, Victorville, BA, 1986

**PROFESSIONAL & COMMUNITY AFFILIATIONS:**

Upland City, Council Member  
Baldy View Public and Private Coalition, Past Representative  
San Antonio Community Hospital Business Benefactors, Past Executive Committee Member  
Upland Unified School District, Past Board of Trustees  
Upland YMCA, Past Vice-Chairman Board of Managers

**ADMISSIONS:**

State Bar of California  
American Bar Association  
Riverside County Bar Association  
San Bernardino County Bar Association  
United States District Court (Central and Eastern Districts of California)  
Western San Bernardino Bar Association



**KRISTIN C. VARNER, ESQ.**



POSITION IN FIRM: Of Counsel

TOTAL YEARS OF EXPERIENCE: 14 years

CALIFORNIA BAR ASSOCIATION NUMBER: 210288

**KEY QUALIFICATIONS:** Kristin Varner has been practicing law in Southern California since 2000, specializing in real estate, redevelopment and affordable housing matters. She has served as counsel to many redevelopment agencies in the State of California, including: the Redevelopment Agency of the City of Corona; the Redevelopment Agency of the City of Ontario, the Redevelopment Agency of the City of Fontana, the Redevelopment Agency of the City of Arcadia, the Redevelopment Agency of the City of San Jacinto, the Redevelopment Agency of the City of Watsonville and the Redevelopment Agency of the City of Shafter. She currently serves as real estate, redevelopment and affordable housing counsel to many private developers.

**EDUCATION:**

University of California, Hastings College of the Law, JD, 2000

University of California Victorville, BA, *cum laude*, 1996

**PROFESSIONAL & COMMUNITY AFFILIATIONS:**

All Saints' Carden Academy, Board of Directors and President

California Redevelopment Association, Member

Girl Scouts of San Geronio Council, Past Board of Directors, Past First Vice President

Girl Scouts of San Geronio Council, Super Troop 1661, Troop Leader

Inland Women Fighting Cancer, Believe Walk, Event Committee Member

Junior League of Riverside, Past Board of Directors, Sustaining Member

Loma Linda University Children's Hospital Big Hearts for Little Hearts Riverside Guild, Board of Directors

United States Green Building Council, Inland Empire Chapter, Member

Urban Land Institute, Inland Empire Chapter, Member

Young Presidents' Organization, Inland Empire Chapter, Spouses Forum Member

**HONORS & AWARDS:**

Junior League of Riverside, Bonnie Pollis Spirit of Volunteerism Award, 2006

Top 20 Under 40 To Watch, *Inland Empire Magazine*, 2006

**PRESENTATIONS:**

California Redevelopment Association - *Negotiation & Drafting of Exclusive Negotiation Agreements*

Lorman Educational Seminars - *Brownfields Development*

**ADMISSIONS:**

American Bar Association

California Redevelopment Association

State Bar of California



**NATHAN W. HEYDE, ESQ.**



POSITION IN FIRM: Associate Attorney  
TOTAL YEARS OF EXPERIENCE: 9 years  
CALIFORNIA BAR ASSOCIATION NUMBER: 242947

**KEY QUALIFICATIONS:** Nathan Heyde is an associate in Varner & Brandt's transactions department. Mr. Heyde is skilled in the area of business law and real estate. He has advised publicly and privately held businesses in entity formation and dissolution, asset and stock acquisitions, venture financing, real estate acquisitions and intellectual property protection and licensing. He has guided his business clients in forming venture capital funds and domestic and international investments, private placements, and exempt securities offerings. Mr. Heyde also has experience specific to financial institutions. He has assisted financial entities with regulatory compliance, corporate governance, contract negotiations, financial privacy, and advertising. He has negotiated and drafted agreements for electronic banking, payment systems and non-deposit products and has lead a regional client in multi-million dollar national money transmission licensing project.

**EDUCATION:**

Whittier College School of Law, JD, *cum laude* 2005  
University of Cantabria, Santander, Spain, 2003  
Sonoma State University, BA, 2000

**HONORS AND AWARDS:**

Law Review, Member  
Moot Court Honors Board, Member  
Trial Advocacy Honors Board, Member  
Dean Merit Scholarship Recipient  
CALI Award Recipient

**PUBLICATIONS:**

Can You Keep a Secret? The "Similar Relationship of Trust and Confidence" in the Misappropriation Theory:  
*U.S. v. Kim*, 26 *Whittier L. Rev.* 653 (2004)

**ADMISSIONS:**

State Bar of California  
American Bar Association  
Riverside County Bar Association  
Orange County Bar Association

## **EXHIBIT B**

### **PAYMENT SCHEDULE**

***See Attachment***

## **PROPOSED FEE SCHEDULE**

The cost of legal services has a distinct impact on a client's general funds. Varner & Brandt LLP ("VB") is sensitive to this reality and seeks to provide the most efficient legal services without sacrificing the quality and accuracy of counsel and service.

### TRADITIONAL/HOURLY BILLING APPROACH

We work within established budgets and provide clients with monthly, itemized statements of services rendered. VB recognizes that hiring top-notch attorneys is a significant investment. We leverage our attorneys' experience and the breadth of our firm's expertise to perform faster and more economically than other firms, thereby delivering both high quality service and real value.

VB's hourly rates are provided below:

- |                      |          |
|----------------------|----------|
| 1. BRUCE D. VARNER   | \$295.00 |
| 2. BRENDAN W. BRANDT | \$275.00 |
| 3. SEAN S. VARNER    | \$275.00 |
| 4. KRISTIN C. VARNER | \$250.00 |
| 5. NATHAN W. HEYDE   | \$250.00 |

Unlike other firms that bill in minimum increments of a quarter hour, we bill our clients in tenths of an hour, which results in client savings.

VB also offers alternative billing arrangements, including flat fee and hybrid structures. We are prepared to discuss and negotiate such alternative billing structures based on the particular matter.

# **EXHIBIT C**

## **PERFORMANCE SCHEDULE**

*(Not Applicable)*