

**THIRD AMENDED  
AGREEMENT FOR LEGAL SERVICES**

This Third Amended Agreement for Legal Services ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024 by the CITY OF LANCASTER ("City"), LANCASTER SUCCESSOR AGENCY ("Agency"), LANCASTER FINANCING AUTHORITY ("Financing Authority"), LANCASTER POWER AUTHORITY ("Power Authority"), LANCASTER HOUSING AUTHORITY ("Housing Authority"), and STRADLING YOCCA CARLSON & RAUTH, LLP ("Counsel");

RECITALS

WHEREAS, the City and Counsel have previously entered into an Agreement for City Attorney Service dated February 2, 1987 as amended July 3, 1989, June 22, 1999, July 1, 2011 and December 9, 2014; and

WHEREAS, Agency and Counsel have previously entered into a Special Counsel and Bond Counsel Agreement dated March 5, 1979 as Amended on June 2, 1980, January 18, 1988, July 3, 1989, June 22, 1999, July 8, 2003, July 1, 2011 and December 9, 2014;

WHEREAS, Counsel has provided and desires to continue to provide legal services to City, Agency, Financing Authority, Power Authority, Housing Authority, and such other entities as they may form from time to time (collectively "City Entities") as set forth in this Amendment and City and Agency desire to employ Counsel for such services.

NOW, THEREFORE, the parties do hereby agree as follows:

Section 1.     City Attorney.

(a)     City hereby retains Counsel to provide and Counsel agrees to provide legal services as City Attorney. The services to be provided shall be in the following categories:

(1)     **"Regular Services"** shall include the following:

- (i)     Attendance at all regular meetings of the City Council;
- (ii)    Review of all Agenda reports in connection with City Council meetings.

(2)     **"Extraordinary Services"** shall include the following:

- (i)     All representation of the City in litigation matters;
- (ii)    All representation of the City in advisory administrative proceedings such as personnel hearings, permit revocations, administrative citations and the like;
- (iii)   Advising, negotiating and/or litigating regarding dissolution of the former Lancaster Redevelopment Agency

- (iv) Reviewing all City Ordinances, Resolutions and contracts;
- (v) Negotiating and advising the City regarding economic development matters, development agreements or other non-routine or complex agreements;
- (vi) Reviewing agreements;
- (vii) Negotiating and advising the City regarding economic development projects of the City, as may, from time to time, be specifically requested by Agency or City. Such services may include, but shall not be limited to, advising Agency, or City, their staff and consultants, preparing legal opinions and other legal documents requested by Agency, City, Financing Authority or Housing Authority, and/or preparing development agreements; and
- (viii) Special assignments not otherwise described in Sections 1(a)(1) and 1(a)(2) hereof.

(b) **Fees.**

- (1) **Regular Services.** Counsel's fee for Regular Services shall be a retainer in the amount of \$8,850.00 to be billed monthly.
- (2) **Extraordinary Services.** Counsel's fee for Extraordinary Services described in Section 1(a)(2)(i), (ii), (iii) and (viii) shall be based upon the rate of \$475.00 per hour for shareholders and \$350 per hour for associates. Counsel's fee for Extraordinary Services described in Section 1(a)(2)(iv)-(vii) shall be based upon the rate of \$350 per hour for shareholders and \$290 per hour for associates. Fees for paralegal services shall be billed at \$235 per hour.
- (3) Fees for Regular and Extraordinary Services shall be billed monthly and shall be annually increased (on July 1 of each year) in an amount equal to the annual average consumer price index calculated by the U.S. Department of Labor Statistics [all urban consumers vs. city average] for the preceding calendar year.

(c) City hereby designates Allison E. Burns as the City Attorney and each of the other attorneys employed by Counsel who may from time to time provide Regular Services or Extraordinary Services to City Entities as Deputy City Attorneys.

(d) Counsel shall coordinate and review all legal services provided by other attorneys or firms of attorneys.

Section 2. **Additional Services and Conflict Waivers.**

(a) The parties recognize and agree that from time to time additional services may be requested of Counsel. To the extent that such services are not covered by this Agreement, they may be provided in accordance with a letter, email or other writing approved by the City Manager and describing the scope of the services and the fee for such services. The parties also recognize and agree that it may be necessary to create a new entity as provided by statute to exercise additional powers and the Parties agree that the services to be provided hereunder may be assigned to such entity without further amendment of this Agreement.

(b) The City Council expressly delegates to the City Manager the authority to waive any conflicts of interest that may arise from time to time with regard to Counsel's representation of the City Entities. The City Council acknowledges that Counsel also represents the Antelope Valley Transit Authority and Antelope Valley Air Quality Management District.

Section 3. **Reimbursement For Expenses.**

In addition to the above fees, Counsel will be reimbursed for out-of-pocket expenses incurred in connection with long distance telephone calls, telegrams, outside messenger service, document production and reproduction, travel at the City Entities' request, parking, toll charges and similar items.

Section 4. **Termination.**

This Agreement may be cancelled upon thirty (30) days prior written notice. Upon termination, City Entities will remain obligated to pay for all services rendered and costs or expenses paid or incurred on City Entities' behalf prior to the date of such termination or which are reasonably necessary thereafter.

Section 5. **Bond Counsel.**

(a) The City Entities may from time to time request Counsel to provide, and Counsel will provide, legal services in connection with the issuance of bonds, notes or other obligations (the "Bonds") by the City Entities. Counsel agrees to consult with and advise City officials and financial consultants as to the best legal method of accomplishing the objectives described above. Such services shall include, but not be limited to, the rendering of a legal opinion pertaining to the issuance of the Bonds to the effect that:

- (i) The Bonds have been properly authorized and issued and are valid and binding obligations;
- (ii) The essential sources of security for the Bonds have been legally provided; and
- (iii) Interest on the Bonds is exempt from California personal income taxation and, to the extent applicable, is excluded from gross income for purposes of federal income taxes.

(b) Counsel's services will also include compiling a record justifying the opinion by:

- (i) Researching applicable laws and ordinances relating to the proposed bond issues;
- (ii) Attending conferences and consulting with City staff and consultants regarding the proceedings;
- (iii) Participating with any financial advisors, underwriters or other experts retained by the City Entities in structuring the issuance of the Bonds;
- (iv) Supervising and preparing documentation of all steps to be taken through the issuance of the Bonds including:
  - a. Drafting all resolutions, notices, and other legal documents required for the financing, and all other basic documents relating to the security of the Bonds, in consultation with the City Entities, their financial advisors, underwriters and other experts;
  - b. Preparing the record of proceedings for the authorization, sale and issuance of the Bonds;
  - c. Assisting in the preparation of the official statements or placement memorandums and supporting documentation relating to the offering for sale of the Bonds;
  - d. Reviewing the Bond purchase contracts and participating in the related negotiations;
  - e. Consulting with the underwriters, their legal counsel and rating agencies;
  - f. Preparing the form of the Bonds, and supervising their production or printing, signing, authentication and delivery;
  - g. Rendering the final approving opinion as to the validity of the Bonds and the tax exempt status of the interest on the Bonds; and
  - h. Preparing transcripts of the proceedings for the City Entities and other participants.

(c) For the services to be rendered under this Section relating to each series of Bonds, City and Agency agree to pay a fee determined by the schedules set forth on **Exhibit A** attached hereto.

#### Section 6. **Independent Contractor**

The City Entities and Counsel agree that any employee of Counsel providing legal services under this Agreement is at all times acting as an independent contractor rather than as an employee of any City Entity. Counsel's employees shall at all times be under Counsel's exclusive direction and

control. Counsel and its employees are free to contract to provide similar or different legal services to other clients while Counsel is under contract with the City Entities. No provision of this Agreement shall be interpreted or construed to give the City Entities the right to (i) direct Counsel or any employee of Counsel as to the details of how the legal services provided hereunder are to be rendered or (ii) exercise any measure of control over the means by which such legal services are accomplished. The City Entities only have the right to direct Counsel as to the desired end results with respect to any legal services to be provided hereunder. No employee of Counsel shall be eligible for any employee benefits provided by City in connection with performance of legal services under this Agreement. Except for fees and costs paid to Counsel as provided in this Agreement, City shall not pay salaries, wages or other compensation to Counsel or to any employee of Counsel for performing legal services for the City Entities hereunder.

Section 6. **Miscellaneous**

(a) **Estimates Not Binding.** Although Counsel may furnish estimates of fees or costs that Counsel anticipates will be incurred, these estimates are not intended to be binding, are subject to unforeseen circumstances, and are by their nature inexact; litigation in particular is subject often to unforeseen circumstances and therefore increased fees and costs.

(b) **Related Activities.** If any claim or action is brought against Counsel or any personnel or agents of the firm based on City Entities' negligence or misconduct, or if Counsel is asked to testify as a result of Counsel's representation of City Entities or must defend the confidentiality of City Entities' communications in any proceeding, City Entities agree to pay Counsel for any resulting fees, costs, or damages, including Counsel time, even if Counsel's representation of City Entities has ended.

(c) **No Guarantee of Outcome.** Counsel does not and cannot guarantee any outcome in a matter.

(d) **Insurance.** In accordance with the requirements of California Business and Professions Code § 6148, Counsel advises City Entities that Counsel maintains professional errors and omissions insurance coverage applicable to the services to be rendered to City Entities.

(e) **Client.** Counsel's client for the purpose representation is only the entities identified in the Recitals set forth above. Unless expressly agreed, Counsel is not undertaking the representation of any related or affiliated person or entity, nor any parent, brother-sister, subsidiary, or affiliated corporation or entity, nor any of your or their officers, directors, agents, or employees.

(f) **Payment Notwithstanding Dispute.** In the event of any dispute that relates to **Counsel's** entitlement to any payment from City Entities, all undisputed amounts shall be paid by City. Any amounts in any client trust account held on City Entities' behalf, sufficient to pay the disputed amounts, shall continue to be held in such trust account until the final disposition of the dispute.

The parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY OF LANCASTER

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Mayor

LANCASTER SUCCESSOR AGENCY

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Chairman

LANCASTER POWER AUTHORITY

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Chairman

LANCASTER FINANCING AUTHORITY

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Chairman

LANCASTER HOUSING AUTHORITY

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Chairman

ATTEST:

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City Clerk and Secretary

STRADLING YOCCA CARLSON & RAUTH, LLP

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Allison E. Burns, Esq.  
Partner

**EXHIBIT A**  
**BOND FEE SCHEDULE**

A. Revenue and Lease Revenue Bonds and Certificate of Participation to Finance Public Improvements

<u>Principal Amount of Issue</u>	<u>Fee</u>
\$1,000,000 or less	\$35,000
\$1,000,001 to \$5,000,000	\$35,000, plus .25% of excess over \$1,000,000
\$5,000,001 to \$10,000,000	\$45,000, plus .2% of the excess over \$5,000,000
\$10,000,001 or more	\$52,000, plus .1% of the excess over \$10,000,000

B. Revenue and Lease Revenue Bonds, Certificates of Participation, Single Family Mortgage Revenue Bonds Multifamily Mortgage Revenue Bonds and other Bonds to Finance Private Projects

<u>Principal Amount of Issue</u>	<u>Fee</u>
\$1,000,000 or less	\$45,000
\$1,000,001 to \$5,000,000	\$45,000, plus .25% of excess over \$1,000,000
\$5,000,001 to \$10,000,000	\$55,000, plus .2% of the excess over \$5,000,000
\$10,000,001 to 20,000,000	\$65,000, plus .15% of the excess over \$10,000,000
\$20,000,000 or more	\$65,000, plus .1% of the excess over \$20,000,000

C. Tax Allocation Refunding Bonds

<u>Principal Amount of Issue</u>	<u>Fee</u>
\$1,000,000 or less	\$35,000
\$1,000,001 to \$5,000,000	\$35,000, plus .25% of excess over \$1,000,000
\$5,000,001 to \$10,000,000	\$45,000, plus .15% of the excess over \$5,000,000
\$10,000,001 or more	\$52,500, plus .1% of the excess over \$10,000,000

D. Community Facility Districts or Assessment Districts

<u>Principal Amount of Issue</u>	<u>Fee</u>
\$1,000,000 or less	\$45,000
\$1,000,001 to \$5,000,000	\$45,000, plus .25% of excess over \$1,000,000
\$5,000,001 to \$10,000,000	\$55,000, plus .2% of the excess over \$5,000,000
\$10,000,001 or more	\$65,000, plus .1% of the excess over \$10,000,000

All formation proceedings will be billed on an hourly basis be paid monthly; provided that such amounts shall be credited against the fees calculated in accordance with the above schedule if Bonds are delivered.

E. Issues Not Covered By Any of the Above Schedule

<u>Principal Amount of Issue</u>	<u>Fee</u>
\$1,000,000 or less	\$35,000
\$1,000,001 to \$5,000,000	\$35,000, plus .25% of excess over \$1,000,000
\$5,000,001 to \$10,000,000	\$45,000, plus .15% of the excess over \$5,000,000
\$10,000,001 or more	\$52,500, plus .1% of the excess over \$10,000,000