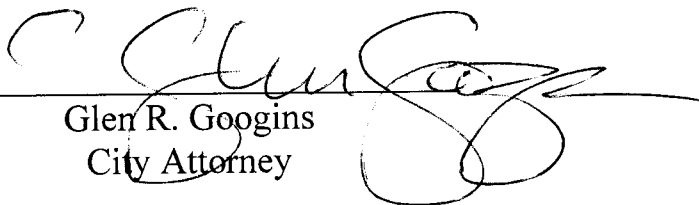


THE ATTACHED AGREEMENT HAS BEEN REVIEWED
AND APPROVED AS TO FORM BY THE CITY
ATTORNEY'S OFFICE AND WILL BE
FORMALLY SIGNED UPON APPROVAL BY
THE CITY COUNCIL


Glen R. Googins
City Attorney

Dated: 8/11/15

LEGAL SERVICES AGREEMENT – SPECIFIC MATTER
BETWEEN
THE CITY OF CHULA VISTA, THE HOUSING AUTHORITY OF
CHULA VISTA, THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF CHULA VISTA, THE CHULA VISTA PUBLIC
FINANCING AUTHORITY, AND THE CHULA VISTA MUNICIPAL
FINANCING AUTHORITY
AND
STRADLING, YOCCA, CARLSON & RAUTH

**LEGAL SERVICES AGREEMENT
SPECIFIC MATTER**

THIS AGREEMENT is entered into this 1st day of March 2015, by and between the City of Chula Vista, the Housing Authority of the City of Chula Vista, the Industrial Development Authority of the City of Chula Vista, the Chula Vista Public Financing Authority and the Chula Vista Municipal Financing Authority (collectively the CITY) and Stradling Yocca Carlson & Rauth (hereinafter ATTORNEY).

RECITALS

The following recitals are a substantive part of this Agreement:

1. ATTORNEY represents they are qualified by virtue of experience, training, education and expertise to accomplish the services necessary under this Agreement.

AGREEMENT

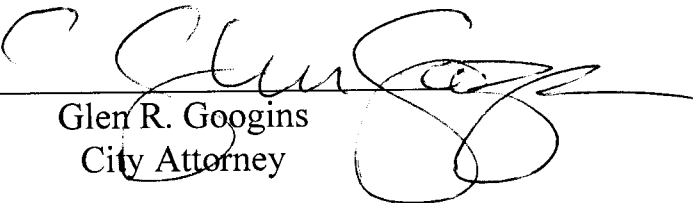
THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Term of Agreement. This Agreement shall cover services rendered from the above-referenced effective date of this Agreement until December 31, 2018 and thereafter for succeeding periods of one year from that anniversary date unless it is terminated or replaced with a new agreement.

2. Services to be Provided. The services to be performed by ATTORNEY shall consist of any and all tasks reasonably required to advise, assist and fully represent the CITY in all legal matters presented to ATTORNEY and on any matters in litigation, wherein ATTORNEY is consulted by, or appears on behalf of, the CITY. ATTORNEY'S services shall include, but are not limited to, any and all reasonably required legal representation on behalf of the CITY in the matter of issuing bonds as bond counsel and disclosure counsel, including:

- a. Provide ongoing legal advice concerning the financing issues which arise during the term of the AGREEMENT.
- b. Consult with staff, underwriters, and financial advisors in providing legal advice concerning the structure of contemplated debt issues.
- c. Prepare all legal proceedings deemed necessary or advisable for the authorization, issuance and delivery of bonds; including preparation of: (i) any documentation required for the loan of bond proceeds, any Indenture of Trust, trust agreements, resolutions, or other documents authorizing the issuance of the bonds, all agreements providing collateral security for the bonds except as may be within the scope of responsibility of any attorneys representing other parties to the transaction; (ii) all necessary resolutions, notices of hearings, California Debt Advisory Commission filings and other reports and

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THE CITY COUNCIL


Glen R. Googins
City Attorney

Dated: 8/11/15

LEGAL SERVICES AGREEMENT – SPECIFIC MATTER
BETWEEN
THE CITY OF CHULA VISTA, THE HOUSING AUTHORITY OF
CHULA VISTA, THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF CHULA VISTA, THE CHULA VISTA PUBLIC
FINANCING AUTHORITY, AND THE CHULA VISTA MUNICIPAL
FINANCING AUTHORITY
AND
STRADLING, YOCCA, CARLSON & RAUTH

documents; (iii) all certificates, deeds, requisitions, receipts and other documents required in connection with the delivery of the bonds to the original purchaser thereof; and (iv) all other proceedings of the CITY incidental to or in connection with the issuance, sale and delivery of the bonds.

- d. Apply for any Internal Revenue Service or other rulings deemed necessary by ATTORNEYS and CITY staff to ensure the exemption of interest on the bonds from Federal or, if applicable, State personal income taxation.
- e. Provide a legal opinion (i) approving in all respects the legality of all proceedings of the transaction for the authorization, issuance and delivery of the bonds and related agreements to which the CITY is a party, and (ii) stating that interest on the bonds is exempt from Federal and State personal income taxation, subject only to any qualifications as may be customary under and as required by applicable Federal tax law. Such opinion, shall be addressed to the CITY, provided, however, that ATTORNEYS shall be entitled to execute letters to other interested parties entitling such parties to rely upon such opinion. In addition, subject to the completion of proceedings to the satisfaction of ATTORNEYS, ATTORNEYS shall provide such additional legal opinions to the CITY, the original purchaser of the bonds, and other interested parties as shall be requested of and deemed appropriate by ATTORNEYS.
- f. Participate in the preparation of those portions of the Official Statement, relating to the accuracy, completeness and legality of the description of the bonds, the legal document prepared by ATTORNEYS, and all other matters relating to the validity of the bonds.
- g. For transactions on which ATTORNEYS are serving as disclosure counsel to CITY, assist in the preparation of the Official Statement and advise CITY regarding federal securities law.
- h. Provide such other services as are customarily performed by bond counsel on similar financing transactions.

3. Compensation - ATTORNEY shall be compensated as follows:

3.1 *Amount*. Any amounts incurred beyond the contract amount set forth in 3.1.a. and 3.1.b., below, that do not receive the prior written approval of the CITY, are subject to non-payment. ATTORNEY shall submit an initial estimated budget and a liability assessment within thirty days following the receipt of initial file and assignment. ATTORNEY must obtain prior written authorization from CITY for any fees or expenses that exceed the estimated budget. For work performed as Bond Counsel or Disclosure Counsel on a fixed fee basis, CITY shall pay a single, fixed-fee as set forth below:

a. Disclosure Counsel Services

For transactions in which Consultant acts as Disclosure Counsel, it shall be paid a single, fixed-fee of \$35,000; provided, however, for a CFD or Assessment District financing the

fee shall be \$45,000 plus an amount not to exceed \$15,000 for each additional CFD or AD included in a financing, payable at the closing of the bond sale.

b. Bond Counsel Services

For transactions in which Consultant acts as Bond Counsel, it shall be paid a single, fixed-fee, payable at the closing of the bond sale, pursuant to the following schedule:

Public Agency Revenue Bonds, Tax Allocation Bonds and Certificates of Participation	
Total Principal Amount of Bonds Sold	Fee
\$10,000,000 or less	\$40,000
\$10,000,000 or more	\$40,000 plus 0.10 of 1% of the excess over \$10,000,000

Housing Bonds, Industrial Development Authority Bonds (Private Obligors)	
Total Principal Amount of Bonds Sold	Fee
\$10,000,000 or less	\$45,000
\$10,000,001 or more	\$45,000 plus 0.10 of 1% of the excess over \$10,000,000

The compensation set forth in sections 3.1.a. and 3.1.b., above, shall be paid out of bond proceeds and shall be the sole and total remuneration for defined services rendered pursuant to section 2. of this AGREEMENT (“Defined Services”).

c. *Additional Services.* In addition to performing the Defined Services, CITY may require ATTORNEYS to perform additional legal services related to the Defined Services (“Additional Services”). If the Additional Services are within the scope of services offered by ATTORNEYS and ATTORNEYS are requested, in writing, to perform the Additional Services, ATTORNEYS shall do so and shall be compensated at the following hourly rates:

Through December 31, 2018

Shareholders: \$525.00/hour
 Associates: \$300.00/hour
 Paralegals: \$130.00/hour

Hourly rates may increase by 6% for services rendered after December 31, 2018.

Travel time shall be billed at the same hourly rate. Except for reimbursable expenses as defined below, such hourly compensation shall be the sole and total remuneration for Additional Services rendered pursuant to this AGREEMENT.

3.2 *Billing.* Except where ATTORNEY is to be paid a single, fixed fee in accordance with Section 3.1 above, ATTORNEY agrees to provide detailed invoicing of all billing for services on a monthly basis. Monthly invoices shall begin on the first of the month following the execution of the Agreement herein. All invoices submitted must include, on the first page of the invoice, the original estimated budget, and all subsequently revised budgets, beginning with the first invoice submitted and all invoices thereafter. All charges must be itemized by ATTORNEY,

showing in detail the work task performed during the billing entry. All charges must be presented in a line item format and in a manner such that each task is separately explained in reasonable detail, and with a specific time allocation recorded, for each task. The invoice shall include the amount, billing rate, basis for calculation of all fees and costs and indicate the initial budget estimate and any revised budget estimates, total fees and costs incurred, total amount paid and balance remaining.

The CITY does not pay for the preparation of billings or for discussions concerning billing. The CITY will not accept, and will not be responsible for block or cumulative invoice entries. ATTORNEY shall not charge the CITY for more than one attorney's time when appearing at a meeting, in Court, or for performing any task unless the CITY has expressly authorized the use of two or more attorneys for the appearance or task.

All billing for work performed under this Agreement shall be sent to the following:

City of Chula Vista
City Attorney's Office
ATTN: Law Office Manager
276 Fourth Avenue
Chula Vista, CA 91910
(619) 691-5037

3.3 *Reimbursements for Expenses.* ATTORNEY shall keep accurate records of all costs, travel and expenses. These records shall be made available to the CITY upon reasonable request.

The CITY will reimburse actual, reasonable and necessary out of pocket expenses incurred by ATTORNEY in performing any services under this Agreement as follows:

- a) Photocopying charges at no more than \$0.15 per page.
- b) Facsimile charges at no more than \$1.00 per page.
- c) Computerized legal research at the actual amount charged to ATTORNEY. However, all computerized legal research must be authorized and approved in advance by the CITY.
- d) Parking Fees at the actual amount charged to ATTORNEY.
- e) Travel/Mileage at the current federal rate per mile. Any travel fees incurred outside of San Diego County must be authorized and approved in advance of the CITY.
- f) Statutory Fees, Witness fees, Reporters fees, Stenographic transcription, jury fees and the cost of serving process actually incurred by ATTORNEY
- g) ATTORNEY may seek reimbursement for any actual, reasonable and necessary expenses incurred on items not identified above with the prior authorization and approval by the CITY.

The CITY will not reimburse ATTORNEY for any additional charges incurred due to "rush" deliveries or "late" charges, unless such expenses are approved in advance by the CITY

and the need for such services is determined by the CITY to be reasonably beyond the control of ATTORNEY.

To obtain reimbursement, ATTORNEY shall submit a monthly summary of expenses, along with all supporting receipts, within thirty (30) days of the expense being incurred.

3.4 *Expert Consultations and Witnesses.* Expert consultations and witnesses, and any investigators, may be retained on terms acceptable to the CITY, authorized and approved in advance, for which the CITY shall reimburse the ATTORNEY or pay investigators, consultants or experts directly. In no event shall ATTORNEY retain any service of any expert, investigator or consultant without first receiving express authorization and approval from the CITY.

4. Insurance.

4.1 *Professional Errors and Omissions Insurance.* ATTORNEY shall obtain and maintain in full force and effect at all times Professional Errors and Omissions Liability Insurance. Such insurance shall provide coverage in an amount not less than twenty-five million dollars (\$25,000,000.00) per occurrence and twenty-five million dollars (\$25,000,000.00) aggregate. The CITY reserves the right to require insurance for a higher coverage than the minimum limits noted above. All insurance carriers shall hold a Best rating of "A+" or better. The insurance policy required under this paragraph shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage, or in limits, except after thirty (30) days prior written notice, by certified mail return receipt requested, given to the CITY. If the Consultant maintains higher limits than the minimums stated above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant.

Said insurance policy shall provide coverage to the CITY for any damages or losses suffered by the CITY as a result of any error or omission, or neglect by ATTORNEY which arise out of the services rendered under this Agreement. Such insurance may not be subject to a self-insured retention or deductible in an amount in excess of Five Hundred Thousand (\$500,000.00) dollars without prior written authorization and approval by the CITY.

ATTORNEY shall, within ten (10) days after entering into this Agreement, and before commencing or performing any services under the Agreement, deposit with the CITY ATTORNEY of the CITY, a Certificate of Insurance certifying that all insurance required herein is, and will be, in full force and effect from the time the Agreement is entered into until completion or termination of this Agreement. Should ATTORNEY's insurance policy terminate during the Agreement period, the ATTORNEY shall renew the Certificates of Insurance at least fifteen (15) days prior to expiration and submit to the CITY at least ten (10) days prior to expiration. Any delay in submission of current Certificates of Insurance may result in a delay of payment.

ATTORNEY shall not commence any work under this Agreement until ATTORNEY has obtained and submitted all CITY approved insurance.

All insurance required shall be carried only by responsible insurance companies licensed to do business in California and shall name as additional insured the CITY, its elected officials, officers, employees, agents and representatives. All policies shall contain language to the effect that: (1) the insurer waives any right of subrogation against the CITY and the CITY's elected officials, officers, employees, agents, and representatives; (2) insurance shall be primary non-contributing and any other insurance carried by the CITY shall be excess over such insurance; and, (3) such insurance shall not be cancelled or materially changed except after thirty (30) day notice by the insurer to the CITY by certified mail. ATTORNEY shall furnish the CITY with copies of all applicable policies promptly upon receipt.

Nothing in this section shall be construed to make ATTORNEY other than a Consultant for all purposes.

ATTORNEY agrees to notify the CITY in the event that the limits shall fall below the coverage stated above or if the insurance policies noted here are allowed to lapse and substitute insurance is, or is not, obtained.

4.2 *Workers Compensation Insurance.* ATTORNEY shall obtain and maintain workers compensation insurance in accordance with section 3700 of the California Labor Code.

5. Indemnification. ATTORNEY agree to protect, hold harmless, defend, and indemnify the CITY, its employees, elective or appointive boards, officers, agents, agenda and affiliates, from any and all loss, claims liabilities, expenses, or damages of any nature whatsoever, including attorneys' fees, arising out of or in any way connected with the performance of, or services rendered by, ATTORNEYS, ATTORNEYS' agents, officers, employees, sub-contractors or independent contractors of ATTORNEYS, except where the loss or liability is due to the sole negligence or willful misconduct of the CITY; provided, however, that this indemnification shall not apply so long as ATTORNEYS maintain in effect Professional Errors and Omissions Liability Insurance in an amount not less than twenty-five million (\$25,000,000) per occurrence.

6. City Agent. The City Attorney, for the purposes of this Agreement, is the Agent for the CITY. Whenever authorization or approval is required, ATTORNEY understands that the City Attorney has the authority to provide the authorization or approval.

7. Independent Contractor. ATTORNEY, and anyone employed by ATTORNEY, are not and shall not be, deemed employees of the CITY. ATTORNEY is solely responsible for the payment of employment taxes, workers compensation taxes, and any other taxes for employees.

8. Conflict of Interest. ATTORNEY represents that they presently have no material financial interest other than that which may be held by the general public and shall not acquire any interest, direct or indirect, in any contract or decision made on behalf of the CITY which may be affected by the services to be performed by ATTORNEY under this Agreement. ATTORNEY further agrees that no person having any such interest shall be employed by them.

If ATTORNEY or their employees acquire a direct or indirect personal interest, such interest shall be immediately disclosed to the CITY and the interested individual shall abstain from any contracts or decisions under this Agreement.

In addition to the proscriptions regarding conflicts of interest imposed on ATTORNEY by the Business and Professions Code and by California Rules of Professional Conduct, ATTORNEY represents that no ATTORNEY shall represent clients before any board, commission, committee or agency of the CITY or represent any client with interests adverse to the CITY. Furthermore, ATTORNEY shall at all times avoid conflicts of interest or the appearance of a conflict of interest in performance of this Agreement. ATTORNEY shall immediately notify the City Attorney of any circumstances, or change of circumstances, that may provide for the potential for a conflict of interest, or actual conflict of interest.

9. Non-Liability of Officials/Employees of the CITY. No official or employee of the CITY shall be personally liable for any default or liability under this Agreement.

10. Compliance with Law. ATTORNEY shall comply with all applicable laws, ordinances, codes and regulations of the Federal, State and local governments. In addition, ATTORNEY agrees to abide by all ethical and moral standards as represented by the Rules of Professional Conduct as applied to the California State Bar.

11. Work Product. All documents, or other information developed or received, by ATTORNEY shall be the property of the CITY. ATTORNEY shall provide the CITY with copies of items upon reasonable demand or upon termination of this Agreement.

12. Notices. ATTORNEY must immediately advise CITY of any significant developments in the matter. CITY requires that drafts of all pleadings or papers filed with the court be provided to CITY in advance of filing and with adequate time for review and comment by CITY. ATTORNEY must immediately advise CITY of all trial related dates, any dates for alternative dispute resolution, and any motion or court hearing dates upon first notification to ATTORNEY of such dates.

All notices shall be personally delivered or mailed, via first class mail, to the below listed address. In addition, such addresses shall be used for delivery for service of process. ATTORNEY agrees to notify the CITY within ten (10) days of the date of any change of address and agree to keep an updated address with the applicable Courts on any matters that ATTORNEY is representing the CITY.

a. Address of ATTORNEY is as follows:

Stradling, Yocca, Carlson & Rauth
660 Newport Center Dr., Ste. 1600
Newport Beach, CA 92660

b. Address of CITY is as follows:

Bart Miesfeld, Senior Assistant City Attorney
City of Chula Vista
City Attorney's Office
276 Fourth Avenue
Chula Vista, CA 91910

13. Default/Termination of Agreement. CITY and ATTORNEY shall have the right to terminate this Agreement without cause by giving fifteen (15) written notice. However, ATTORNEY shall not substitute out as Attorney of Record on any matters it may be representing the CITY without first obtaining written consent from the CITY, or first obtaining an appropriate Court Order, allowing ATTORNEY to withdraw as counsel of record.

14. Limitations Upon Assignment/Subcontracting. ATTORNEY agrees that no portion of their performance or services rendered under this Agreement shall be assigned by ATTORNEY or subcontracted to any other without prior written authorization and approval of the CITY.

15. Non-Discrimination. ATTORNEYS covenant there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

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

17. Authority to Execute. The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement as herein stated.

18. City Audit. The City is required to complete an annual audit. The Auditors may contact and require some input from ATTORNEY concerning matters ATTORNEY is engaged for the City. ATTORNEY agrees to cooperate, at no charge to the City, for such cooperation or input as part of ATTORNEY costs of service for the City.

19. Entire Agreement. This Agreement represents the Parties' final and mutual understanding. This Agreement supersedes any previous Agreements, oral or written.

20. Modification. This Agreement shall not be modified or replaced except by another signed, written Agreement, properly executed by the parties.

21. Waiver. The waiver of any breach or any provision of this Agreement does not waive any other breach of that term, or any other term, in this Agreement.

22. Partial Invalidity. If any part of this Agreement is found for any reason to be unenforceable, all other parts nonetheless shall remain in force.

23. Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of California. Any action commenced regarding this Agreement shall be filed in the Central Branch of the San Diego Superior Court.

24. Interpretation. This Agreement shall be interpreted as though prepared by both parties.

25. Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the CITY and ATTORNEY survive the termination of this Agreement.

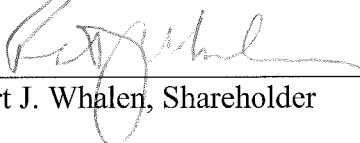
26. Financial Interests. ATTORNEY is deemed to be a "Consultant" for the purposes of the Political Reform Act conflict of interest and disclosure provisions, and shall report economic interests to the City Clerk on the required Statement of Economic Interests in such reporting categories as are specified in Exhibit A, or if none are specified, then as determined by the City Attorney.

IN WITNESS WHEREOF, these parties have executed this Agreement on the day and year shown hereinabove.

CITY OF CHULA VISTA

By: _____
Glen R. Googins, City Attorney

ATTORNEY

By:  _____
Robert J. Whalen, Shareholder

**EXHIBIT “A”
TO
LEGAL SERVICES AGREEMENT BETWEEN
CITY OF CHULA VISTA
AND
STRADLING, YOCCA, CARLSON & RAUTH**

STATEMENT OF ECONOMIC INTERESTS

Attorneys:

Stradling, Yocca, Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660

(X) Not Applicable. Not a Fair Political Practices Commission (“FPPC”) Filer.

() FPPC Filer.

If Attorneys in the performance of its services under this agreement: (1) conduct research and arrives at conclusions with respect to its rendition of information, advice, recommendations or counsel independent of the control and direction of the City or of any City official, other than normal contract monitoring; and (2) possesses no authority with respect to any City decision beyond the rendition of information, advice, recommendations or counsel, Attorneys should not be designated as an FPPC Filer.

If Attorneys are designated as FPPC filers, specify below which disclosure categories apply:

- () 1. All investments, sources of income and business positions;
- () 2. Interests in real property;
- () 3. Investments, business positions, interests in real property, and sources of income subject to the regulatory, permit or licensing authority of the department;
- () 4. Investments and business positions in business entities and sources of income that engage in land development, construction or the acquisition or sale of real property;
- () 5. Investments and business positions in business entities and sources of income that, within the past two years, have contracted with the City of Chula Vista to provide services, supplies, materials, machinery or equipment;
- () 6. Investments and business positions in business entities and sources of income that within the past two years, have contracted with the designated employee’s department to provide services, supplies, materials, machinery or equipment;
- () 7. List interests in real property within 2 radial miles of Project Property, if any: