

OAKLAND HOUSING AUTHORITY

LEGAL SERVICES CONTRACT
FOR GENERAL COUNSEL

This LEGAL SERVICES CONTRACT ("Contract") is entered into as of April 1, 2006 ("Effective Date"), by and between the HOUSING AUTHORITY OF THE CITY OF OAKLAND, a public body, corporate and politic ("OHA"), and GOLDFARB & LIPMAN LLP, a California limited liability partnership (the "Attorney").

NOW, THEREFORE, OHA and the Attorney agree as follows:

1. SCOPE OF SERVICES

Attorney shall provide the services described on Exhibit A, "Scope of Services."

2. TIME OF PERFORMANCE

The term of this Contract shall begin on the Effective Date and will end on June 30, 2009, unless earlier terminated as provided herein.

3. COMPENSATION BILLING RATES, AND METHOD OF PAYMENT

A. Compensation. The maximum amount payable for this Contract for the period from April 1, 2006, through June 30, 2007, is Three Hundred Thousand (\$300,000) Dollars. OHA shall compensate Attorney according to the hourly rate schedule attached as Exhibit B. Costs will be billed in addition to professional fees. The maximum amount payable for the subsequent years of the contract will be negotiated by the OHA Executive Director and revised accordingly by April 1st of each subsequent year, to be effective July 1st of that year and the Executive Director and the Attorney shall execute an amendment to this Contract reflecting the negotiated changes.

(1) Billings are to be directed to Accounts Payable Finance Department, Oakland Housing Authority, 1619 Harrison Street, Oakland, CA 94612.

(2) Invoices shall be accompanied with the following information, which may be supplied by computer printout:

(a) a summary, listing names of attorneys and paralegals who provided legal services, total hours for each and their hourly rates;

- (b) number of hours worked per attorney or paralegal, on a daily basis;
 - (c) brief description of actual work done by each person (detailed narratives are not necessary), on a daily basis;
 - (d) itemization of disbursements and costs;
- (3) Payments made by Attorney to others, including other firms and/or witnesses, for services in connection with the matter shall be included in the statement and supporting invoices shall be attached to the billing.

B. Method of Payment. Attorney will submit monthly billing invoices to OHA. The invoices shall include the billing amount, total hours invoiced, hourly billing rate, description of services rendered, and supporting documentation. OHA staff will review these invoices for payment.

C. Taxes. No payroll or employment taxes of any kind will be withheld or paid by OHA on behalf of Attorney. OHA will not treat Attorney as an employee with respect to the Contract services for any purpose, including federal and state tax purposes. Attorney understands and agrees that it is Attorney's responsibility to pay all taxes required by law, including self-employment social security tax. OHA will issue an IRS 1099 Form, or other appropriate tax reporting document, to Attorney for the Contract services.

D. Benefits. Attorney will not be eligible for, and will not participate in, any health, pension, or other benefit of OHA which exists solely for the benefit of OHA employees during the Contract term.

4. NO PERSONAL LIABILITY

No member, official or employee of OHA shall be liable personally to Attorney or any successor in interest in the event of any default or breach by OHA or for any amount which may become due to Attorney or any successor or on any obligation under the terms of this Contract.

5. ASSIGNMENT OF CONTRACT

Attorney shall not assign this Contract, or any part thereof, without the prior express written consent of OHA.

6. HUD REQUIREMENTS

Attorney agrees to comply with all relevant HUD requirements including the Section 3 Clause, attached hereto as Exhibit C.

7. INDEMNIFICATION

Attorney shall defend, hold harmless and indemnify OHA and its respective commissioners, members, officers, agents and employees of and from all claims, loss, damage, injury, actions, causes of action and liability of every kind, nature and description directly or indirectly arising out of or connected with the performance of this Contract and any of Attorney's operation or activities related thereto, excluding the willful misconduct or the gross negligence of the person or entity seeking to be defended, indemnified or held harmless.

8. INDEPENDENT CONTRACTOR

Attorney hereby declares that it is engaged in an independent business and agrees to perform its services as an independent contractor and not as the agent or employee of OHA. Attorney has and hereby retains the right to exercise full control and supervision of the services and work to be provided under this Contract and full control over the employment, direction, compensation and discharge of all persons assisting it in the performance of the services and work hereunder. Attorney agrees to be solely responsible for all matters relating to payment of employees, including, but not limited to, compliance with all federal, state and local payroll tax and withholding requirements, workers' compensation requirements and all regulations governing such matters. Attorney agrees to be solely responsible for its own acts and those of its subordinates and employees during the term of the Contract.

9. INSURANCE

A. Attorney must procure and maintain for the duration of the Contract, including any extensions, insurance against claims for injuries to person or damages to property which may arise from or in connection with the performance of the work under this Contract by the Attorney, its agents, representatives, employees or subcontractors.

B. Minimum Scope of Insurance. Coverage must be at least as broad as:

- (1) Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01).
- (2) Insurance Services Office Automobile Liability coverage, code 1 (form number CA 00 01- any auto).
- (3) Workers' Compensation insurance as required by the State of California.
- (4) Professional Liability Insurance covering all negligent acts, errors and omissions.

C. Minimum Limits of Insurance. Attorney must maintain limits no less than:

- (1) General Liability: Five Hundred Thousand Dollars (\$500,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit must apply separately to this project/location or the general aggregate limit must be twice the required occurrence limit.
- (2) Automobile Liability: Five Hundred Thousand Dollars (\$500,000) per accident for bodily injury and property damage.
- (3) Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the State of California.
- (4) Professional Liability Insurance: Five Hundred Thousand Dollars (\$500,000) per occurrence.

D. Additional Insured and Notice of Cancellation. The insurance policies, excluding Professional Liability Insurance, shall contain an endorsement naming OHA, its commission, officers, and employees as additional insureds for the duration of the Contract and for the specific work done under the Contract. Additionally, all policies shall contain a provision stating that the issuing insurer will endeavor to mail thirty (30) days' written notice to OHA prior to cancellation or expiration.

10. DISCLAIMER OF GUARANTY

Although Attorney may offer an opinion about possible results regarding the any specific matter handled by Attorney, Attorney cannot guarantee any particular result. OHA acknowledges that Attorney makes no promises about the outcome of any specific matter and any opinion offered by Attorney in the future will not constitute a guaranty.

11. CONFLICTS OF INTERST

OHA is informed that the Rules of Professional Conduct of the State Bar of California require the client's informed written consent before an attorney may begin or continue to represent the client when the attorney has or had a relationship with another party interested in the subject matter of the attorney's proposed representation of the client. At this time Attorney is not aware of any relationship with any other party interested in the subject matter of Attorney's services for OHA under this Agreement. As long as Attorney's services for OHA continue under this Agreement, Attorney will not agree to provide legal services for any such party without OHA's prior written and informed consent.

12. NONDISCRIMINATION

There shall be no discrimination against any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) in the performance of this Contract. Attorney will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations to clients or the general public.

13. TERMINATION

Either party may terminate this Contract at any time without cause upon ninety (90) days' written Notice of Termination to the other party; provided, however, that in the event of such termination, OHA shall compensate the Attorney for work completed to the satisfaction of OHA as of the date of such notice or the date of termination specified in and directed by such notice.

14. MISCELLANEOUS PROVISIONS

A. Notices. All notices, demands, consents or approvals required under this Contract shall be in writing and shall be deemed given when delivered personally or by facsimile transmission or three (3) business days after being deposited in the U.S. Mail, first class postage prepaid, return receipt requested, addressed as follows:

If to OHA: Housing Authority of the City of Oakland
1619 Harrison Street
Oakland, CA 94612
Attn: Executive Director

If to Attorney : Goldfarb & Lipman LLP
1300 Clay Street, 9th Floor
Oakland, CA 94612
Attn: Jennifer K. Bell

or to such other addresses as the parties may designate by notice as set forth above.

B. Successors and Assigns. This Contract shall be binding upon and inure to the benefit of the successors and assigns of OHA and Attorney. Where the term "Attorney" or "OHA" is used in this Contract, it shall mean and include their respective successors and assigns; provided, however, that OHA shall have no obligation under this Contract to, nor shall any

benefit of this Contract accrue to, any unapproved successor or assign of Attorney where OHA approval of a successor or assign is required by this Contract.

C. Modification, Waiver and Amendment. Any modification, waiver or amendment of any of the provisions of this Contract must be in writing and signed by both OHA and Attorney.

D. Entire Contract. This Contract represents the complete agreement between the parties as to the matters described herein, and there are no oral understandings between Attorney and OHA affecting this Contract not set forth herein. This Contract supersedes all previous negotiations, arrangements, agreements and understandings between Attorney and OHA with respect to the subject matter hereof.

E. Severability. If any provision of this Contract shall be determined to be illegal or unenforceable, such determination shall not affect any other provision and all such other provisions shall remain in full force and effect.

F. Governing Law. This Contract shall be governed by the laws of the State of California. It is the responsibility of Attorney to be informed of local, state and federal laws and requirements applicable to this Contract and to perform all work in compliance with those laws and requirements.

G. Headings. Titles of parts or sections of this Contract are inserted for convenience only and shall be disregarded in construing or interpreting its provisions.

H. Attorneys' Fees. In any action or proceeding arising out of the interpretation of this Contract, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

I. Alternative Dispute Resolution. In the event of a dispute between the parties regarding the interpretation of this Contract, the parties may agree to mediation or another form of alternative dispute resolution.

J. Authority. The undersigned represents and warrants that he or she has full power and authority to enter into this Contract and to bind the Attorney in accordance with its terms.

K. Designated Representative. The initial designated representative for OHA for this Contract is David Lipsetz. The initial Attorney designated representative for this Contract is Jennifer K. Bell.

IN WITNESS WHEREOF OHA and Attorney have executed this Contract as of the date first above written.

GOLDFARB & LIPMAN LLP

By: _____
Jennifer K. Bell, Partner
Federal Tax Identification No. 94-2437210

HOUSING AUTHORITY OF THE CITY OF
OAKLAND, a public body, corporate and politic

By: _____
Jon Gresley, Executive Director

EXHIBIT A
SCOPE OF SERVICES

Attorney shall provide the following legal services at the request and direction of OHA:

1. Serve as legal advisor to the Board of Commissioners regarding the Commission's powers, duties and responsibilities, legal methods and procedures and attend all Board meetings as follows:

- a. Regular meetings normally held on the fourth (4th) Monday of the month at 6:00 p.m., and any closed sessions preceding the regular meetings.
- b. Workshop meetings normally held on the second (2nd) Wednesday of the month at 6:00 p.m.
- c. Special meetings as needed as appropriate.

2. Provide general legal advice to the Executive Director and the Board of Commissioners including preparing, reviewing and approving proposed resolutions and contracts for form and content. Write legal opinions covering a variety of legal issues and make recommendations regarding the resolution of such issues. Provide legal advice in the implementation of recommendations.

3. Develop, coordinate and execute policy, methods and procedures relative to the legal processes of OHA.

4. Provide legal advice and litigation services for construction-related claims and lawsuits.

5. Provide legal review of proposed documents that may include, but are not limited to RFPs, RFQs, bids and purchasing documents, real estate documents, insurance policies, and contracts for goods or services.

6. Manage the selection for the procurement of any specialized legal services to be provided outside of this Contract.

7. Provide oversight and review and advice to the Executive Director and OHA staff on all legal services provided by other legal advisors. Review billings, evaluate quality of representation, including settlement discussions, litigation, settlement agreements, and other aspects of legal representation.

8. Provide legal advice and review in negotiating bargaining unit Memoranda of Understanding,

9. Attend meetings with staff and others, as needed and appropriate.

10. Monitor state and local legislative matters in order to alert OHA to proposed legislation that might affect OHA.
11. Provide general counsel legal services in the areas of labor and employment law.
12. Represent OHA in grievance proceedings.

EXHIBIT B
BILLING RATES

ATTORNEYS AND RATE SCHEDULE

Our hourly rates for this Contract are listed below. Costs will be billed in addition to professional fees. Costs include overnight mail, messenger service, copying costs, facsimile service, filing fees, and fees paid to third parties to accomplish the work under the Contract. Costs do not include secretarial or administrative support, phone calls, or first class postage. Attorney will consult with and obtain approval from OHA before incurring any extraordinary costs.

Rate Schedule for April 1, 2006 –June 30, 2007

| | |
|----------------------|-----------|
| Partners | \$240-245 |
| Associates | \$165-240 |
| Senior Law Clerks | \$135 |
| Law Clerks | \$125 |
| Project Coordinators | \$125 |

Rate Schedule for July 1, 2007 – June 30, 2009

| | |
|----------------------|-----------|
| Partners | \$240-250 |
| Associates | \$165-240 |
| Senior Law Clerks | \$135 |
| Law Clerks | \$125 |
| Project Coordinators | \$125 |

EXHIBIT C
SECTION 3 CLAUSE

Section 3 Clause (12 U.S.C. 1701u) (24 CFR Part 135)

A. The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from the U.S. Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the area of the Section 3 covered project, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the Section 3 covered project.

B. The parties to this Contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of the Department of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department of Housing and Urban Development issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

C. The Attorney will send to each labor organization or representative or workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

D. The Attorney will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subAttorney is in violation of regulations issued by the Secretary of the Department of Housing and Urban Development, 24 CFR Part 15. The Attorney will not subcontract with any subAttorney where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subAttorney has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

E. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department of Housing and Urban Development issued thereunder prior to the execution of the Contract, shall be a condition of the Federal financial assistance provided under this Contract and shall be binding upon Contactor, its successors and assigns. Failure to fulfill these requirements shall subject the Attorney, its subAttorneys, successors and assigns to those sanctions specified by 24 CFR Part 135.