

Attachment 8

Letter between City of Berkeley and University regarding use of funds for Creek
Account.



Office of the City Manager

USE OF ESCROW ACCOUNT FUNDS

The purpose of this letter, dated July 23, 2004, is to set forth our agreement concerning the use of funds retained in an escrow account pursuant to the March 30, 2000, "Side Agreement" between the City of Berkeley and The Regents of the University of California.

As you know, the cities of Albany and Berkeley, and the University, have been discussing a three-party agreement that will define the parties' obligations with respect to the Codornices Creek improvements that all parties have agreed to and that Albany will be undertaking soon. The Berkeley City Council approved that agreement on July 20th, and the Albany City Council is expected to do likewise on July 26th. The three-party agreement and this one are interdependent. The three-party agreement is the context of our discussions and agreement concerning the use of the escrow funds.

By this letter agreement, the City and The Regents agree that the funds held in escrow under the Side Agreement, as well as interest on those funds, may be used to pay for the following construction-related improvements related to the improvement of Codornices Creek by the cities of Albany and Berkeley, and the University of California:

1. Easement-related costs (i.e., surveys, reasonable compensation to property owners, and similar costs);
2. Relocation of sculpture south of creek; and
3. Pre-construction soil testing.

The remaining balance, after the above expenditures, will be transferred into an account maintained by the City of Albany pursuant to the three-party agreement for maintenance of the Lower Codornices Creek and Site Improvement Project. The City estimates this balance will be approximately \$400,000.

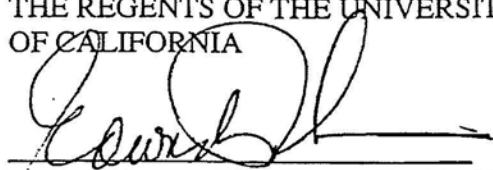
The Creek Account will be administered by the City of Albany, as set forth in the three-party agreement.

CITY OF BERKELEY



Lisa Caronna, Deputy City Manager

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA



Edward Denton, Vice Chancellor Facilities
Services