

CITY OF LOMA LINDA
CITY COUNCIL AS SUCCESSOR AGENCY
TO THE LOMA LINDA REDEVELOPMENT AGENCY

AGENDA

REGULAR MEETING OF JUNE 14, 2016

A regular meeting of the City Council of the City of Loma Linda as successor agency to the Loma Linda Redevelopment Agency is scheduled to be held Tuesday, June 14, 2016 in the City Council Chamber, 25541 Barton Road, Loma Linda, California. *Pursuant to Municipal Code Section 2.08.010, study session or closed session items may begin at 5:30 p.m. or as soon thereafter as possible. The public meeting begins at 7:00 p.m.*

In acting in the limited capacity of Successor Agency as provided in California Health and Safety Code §§ 34173 and 34176, the City Council expressly determines, recognizes, reaffirms, and ratifies the statutory limitation on the City and the City Council's liability with regards to the responsibilities of the former Loma Linda Redevelopment Agency under AB 1X26. Nothing herein shall be construed as an action, commitment, obligation, or debt of the City itself, or a commitment of any resources, funds, or assets of the City to fund the City's limited capacity as the Successor Agency to the Loma Linda Redevelopment Agency. Obligations of the Successor Agency shall be funded solely by those funds or resources provided for that purpose pursuant to AB 1X26 and related statutes.

Reports and Documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours. The Loma Linda Branch Library is also provided an agenda packet for your convenience. The agenda and reports are also located on the City's Website at www.lomalinda-ca.gov.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 25541 Barton Road, Loma Linda, CA during normal business hours. Such documents are also available on the City's website at www.lomalinda-ca.gov subject to staff's ability to post the documents before the meeting.

Persons wishing to speak on an agenda item, including any closed session items, are asked to complete an information card and present it to the City Clerk prior to consideration of the item. When the item is to be considered, please step forward to the podium, the Chair will recognize you and you may offer your comments. The City Council meeting is recorded to assist in the preparation of the Minutes, and you are therefore asked to give your name and address prior to offering testimony.

The Oral Reports/Public Participation portion of the agenda pertains to items NOT on the agenda and is limited to 30 minutes; 3 minutes allotted for each speaker. Pursuant to the Brown Act, no action may be taken by the City Council at this time; however, the City Council may refer your comments/concerns to staff or request that the item be placed on a future agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (909) 799-2819. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible.

Agenda item requests for the JULY 12, 2016 meeting must be submitted in writing to the City Clerk no later than NOON, MONDAY, JUNE 27, 2016.

A. **Call To Order**

B. **Roll Call**

C. **Items To Be Added Or Deleted**

D. **Oral Reports/Public Participation - Non-Agenda Items** (Limited to 30 minutes; 3 minutes allotted for each speaker)

E. **Conflict of Interest** Disclosure - Note agenda item that may require member abstentions due to possible conflicts of interest

F. **Scheduled Items**

1. **Joint meeting** of the City Council, Successor Agency, and Housing Authority regarding - First Amendment to the Joint Powers Agreement to replace the Loma Linda Redevelopment Agency with the Loma Linda Housing Authority as a party [**Special Counsel**]
 - a. Council Bill #R-2016-25 (Successor Agency)
 - b. Council Bill #R-2016-26 (City Council)
 - c. LLHA Bill #R-2016-04 (Housing Authority)

F. **Consent Calendar**

2. Demands Register
3. Minutes of May 24, 2016
4. Agreements pertaining to refinancing Tax Allocation Bonds: [**Finance**]
 - a. Newcomb Williams Financial Group for underwriting services,
 - b. A. M. Miller & Co., Inc. for financial advisor services, and
 - c. DHA Consulting, LLC for preparation of the fiscal consultant report

G. **Old Business**

H. **New Business**

I. **Adjournment**



City of Loma Linda Official Report

Rhodes Rigsby, Mayor
Phill Dupper, Mayor pro tempore
Ovidiu Popescu, Councilman
Ronald Dailey, Councilman
John Lenart, Councilman

SUCCESSOR AGENCY AGENDA: June 14, 2016

TO: City Council

SUBJECT: **Joint meeting** of the City Council, Successor Agency, and Housing Authority regarding - First Amendment to the Joint Powers Agreement to replace the Loma Linda Redevelopment Agency with the Loma Linda Housing Authority as a party [**Special Counsel**]

Approved/Continued/Denied By City Council Date _____
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- a. Council Bill #R-2016-25 (Successor Agency)
- b. Council Bill #R-2016-26 (City Council)
- c. LLHA Bill #R-2016-04 (Housing Authority)

PLEASE SEE THE CITY COUNCIL AGENDA FOR THE STAFF REPORT AND ATTACHMENTS.

RECOMMENDATION

It is recommended that the Successor Agency adopt Council Bill #R-2016-25; the City Council adopt Council Bill #R-2016-26; and the Housing Authority adopt LLHA Bill #R-2016-04.



City of Loma Linda Official Report

Rhodes Rigsby, Mayor
Phill Dupper, Mayor pro tempore
Ovidiu Popescu, Councilman
Ronald Dailey, Councilman
John Lenart, Councilman

SUCCESSOR AGENCY AGENDA: June 14, 2016
TO: City Council
VIA: T. Jarb Thaipejr, City Manager
FROM: Pamela Byrnes-O'Camb, City Clerk
SUBJECT: Minutes of May 24, 2016

Approved/Continued/Denied By City Council Date _____
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RECOMMENDATION

It is recommended that the City Council as the Successor Agency to the Redevelopment Agency approve the Minutes of May 24, 2016.

City of Loma Linda

City Council as Successor Agency
To the Loma Linda Redevelopment Agency

Minutes

Regular Meeting of May 24 2016

A regular meeting of the City Council as Successor Agency to the Loma Linda Redevelopment Agency was called to order by Mayor Rigsby at 9:46 p.m., Tuesday, May 24, 2016, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Councilmen Present:	Mayor Rhodes Rigsby Mayor pro tempore Phill Dupper Ron Dailey John Lenart
Councilmen Absent:	Ovidiu Popescu
Others Present:	City Manager T Jarb Thaipejr City Attorney Richard Holdaway

No items were added or deleted; no public participation comments were offered upon invitation of the Chair; and no conflicts of interest were noted.

SA-2016-10 – Consent Calendar

Motion by Dupper, seconded by Lenart and unanimously carried to approve the following items. Councilman Popescu absent.

The Demands Register dated May 24, 2016 with commercial demands totaling \$5,294.70.

The Minutes of May 10, 2016 as presented.

The meeting adjourned at 9:46 p.m.

Approved at the meeting of _____, 2016.

City Clerk



City of Loma Linda Official Report

Rhodes Rigsby, Mayor
Phillip Dupper, Mayor pro tempore
Ovidiu Popescu, Councilman
Ronald Dailey, Councilman
John Lenart, Councilman

Approved/Continued/Denied
By City Council
Date _____

SUCCESSOR AGENCY AGENDA: June 14, 2016

TO: City Council

VIA: T. Jarb Thaipejr, City Manager

FROM: Diana De Anda, Finance Director 

SUBJECT: Agreements with Newcomb Williams Financial Group for underwriting services, A. M. Miller & Co., Inc. for financial advisor services and DHA Consulting, LLC. for the preparation of the fiscal consultant report relating to future Tax Allocation Bond refinancing.

RECOMMENDATION

It is recommended City Council approve the Contractual Service Agreements with Newcomb Williams Financial Group (Underwriters), A. M. Miller & Co., Inc. (Financial Consultant), and DHA Consulting, LLC., (Fiscal Consultant Report) for services relating to the refinancing of the 2003, 2005A, 2005B and 2008 Tax Allocation Bonds.

BACKGROUND

Prior to the dissolution of the Loma Linda Redevelopment Agency (RDA) in February of 2012, the RDA had several bond issues outstanding which were issued to finance the activities of the RDA:

- 2003 Tax Allocation Refunding Bonds – original issue \$12,610,000
- Subordinate 2005A Tax Allocation Bonds – original issue \$15,100,000
- Subordinate 2005B Taxable Tax Allocation Bonds – original issue \$10,435,000
- 2008 Taxable Housing Tax Allocation Bonds – original issue \$8,900,000

After the RDA dissolution all recognized obligations were transferred to the Successor Agency of the Loma Linda Redevelopment Agency and funding for the debt service payments are received through the Recognized Obligation Payment Schedule (ROPS) process.

ANALYSIS

Successor Agency staff would like to engage with the above mentioned Consultants to explore the possibility of refinancing all Tax Allocation Bonds into one bond issue. Lowering the overall debt service payments and consolidating the four payments into one would benefit the operations of the Successor Agency. A lower total bond debt service payment would allow for sooner repayment of City Loans and greater tax distribution payments to all taxing entities over time. The City has previously



May 18, 2016

Diana De Anda
Finance Director
City of Loma Linda
25541 Barton Rd.
Loma Linda, CA 92354

Re: Underwriter Engagement Relating to Potential Municipal Securities Transaction for the Successor Agency to the Loma Linda Redevelopment Agency, Tax Allocation Refunding Bonds, Series 2016A and Taxable Series 2016B

Dear Ms De Anda:

The Successor Agency to the Loma Linda Redevelopment Agency (the "Issuer") and Newcomb Williams Financial Group, (Securities offered through Stinson Securities, LLC) ("NWFG") are entering into this memorandum to confirm they are engaged in discussions related to the potential issue of Local Agency Revenue Bonds, Series 2016 (the "Issue") and to formalize NWFG's role as Underwriter with respect to the Issue.

Engagement as Underwriter

Issuer is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter for a particular issuance of municipal securities. Issuer hereby designates NWFG as an underwriter for the Issue. Issuer expects that NWFG will provide advice to Issuer on the structure, timing, terms and other matters concerning the Issue.

Limitation of Engagement

It is Issuer's intent that NWFG serve as Underwriter for the Issue, subject to satisfying applicable procurement laws or policies, formal approval by the Board of Issuer, finalizing the structure of the Issue and executing a bond purchase agreement. While Issuer presently engages NWFG as Underwriter for the Issue, this engagement letter is preliminary, nonbinding and may be terminated at any time by Issuer, without penalty or liability for any costs incurred by the underwriter, or NWFG. Furthermore, this engagement letter does not restrict Issuer from entering into the Issue with any other underwriters or selecting an underwriting syndicate that does not include NWFG.

Role Disclosure

The Issuer hereby confirms and acknowledges each of the following concerning the role that NWFG would have as an underwriter:

- (1) Municipal Securities Rulemaking Board ("MSRB") Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- (2) the underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer and it has financial and other interests that differ from those of the issuer;
- (3) unlike a municipal advisor, the underwriter does not have a fiduciary duty to the issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the issuer without regard to its own financial or other interests;
- (4) the underwriter has a duty to purchase securities from the issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and

- (5) the underwriter will review the official statement for the issuer's securities, and complete requisite due diligence, in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Disclosures Concerning the Underwriter's Compensation

The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Issue. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of compensation may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is the customary and standard manner to compensate underwriters in the municipal securities market, according to the MSRB interpretative notice, it presents a conflict of interest since the underwriter may have an incentive to recommend to the issuer a transaction that is unnecessary or an incentive to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest Disclosures

NWFG has not identified any additional potential or actual material conflicts that require disclosure.

Disclosures Relating to Complex Municipal Securities Financing

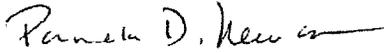
Since the underwriter has not recommended a "complex municipal securities financing" to the Issuer in connection with the issuance of the Issue, additional disclosures are not required.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

We look forward to working with you and the Successor Agency.

Sincerely,



Newcomb Williams Financial Group
Securities offered through Stinson Securities, LLC
Pamela D. Newcomb
President



Stinson Securities, LLC.
Lonnie Odom
President & CEO

Cc: Alan Miller, *A.M. Miller & Co., Inc.*
Mark J. Huebsch, *Stradling, Yocca, Carlson & Rauth*

The Issuer acknowledges the foregoing.

Accepted and Executed this _____ day of May, 2016

By _____
Diana De Anda
Finance Director
City of Loma Linda

AGREEMENT FOR FINANCIAL CONSULTANT SERVICES

THIS AGREEMENT, made this 14th day of June 2016, by and between the Successor to the Loma Linda Redevelopment Agency, San Bernardino County, California (the "Agency") and A. M. Miller & Co., Inc., Post Office Box 910049, San Diego, California 92191, a California corporation ("Consultant").

WITNESSETH:

WHEREAS, the Agency requires assistance in the development of both tax-exempt and taxable tax allocation refunding bond issues (hereinafter referred to as the "bonds") to refund four issues of the Agency's outstanding Tax Allocation Bonds; and

WHEREAS, the Agency, after due deliberation, has determined that Consultant is qualified by training and experience to perform said services;

NOW, THEREFORE, it is mutually agreed as follows, to wit:

The Agency hereby retains Consultant and Consultant hereby agrees to perform the services, upon the terms, subject to the conditions, and in consideration of payment as hereinafter set forth:

Services to be Performed by Consultant

Consultant shall perform at the direction of the Agency in a diligent manner the following services:

1. Prepare a financing plan, including a financing schedule of events, to include details relating to the proposed bond financing, taking into account tax increment revenues, annual bond debt service and debt service coverage requirements.
2. Make recommendations to the Agency as to the terms and conditions under which tax allocation refunding bonds are to be issued and sold, including repayment schedules, call features, sinking fund and reserve fund requirements, marketing strategy for the sale of the bonds and other structural details.
3. Assist bond counsel in drafting the necessary trust indenture, and all other necessary documents and resolutions to authorize the issuance of the bonds.
4. Assist disclosure counsel as requested in drafting the preliminary and final official statements for the bonds, taking into account all requirements for disclosure pursuant to securities industry regulations at the time of bond issuance.

5. Review all financing documents submitted to the California Department of Finance (the "DOF") which are required by DOF for approval of the refunding bond issue and assist the Agency in providing any additional information as may be requested by the DOF.

6. Assist in preparation for any presentations to rating agencies and bond insurance providers and attend any meetings with said entities as necessary.

7. Provide any Certificate of Independent Financial Consultant that may be required for issuance of the Agency's refunding bonds.

8. Arrange for printing and distribution of the preliminary and final official statements and related materials to potential underwriters and buyers of the bonds.

9. Assist the underwriter, as requested by the underwriter, to generate maximum interest in, and acceptance of, the Agency's proposed issues among potential investors in the bonds.

10. Consultant shall be available by e-mail, telephone or at the Loma Linda City Hall to discuss on a continuing basis the results of all studies, analyses, and drafts of documents and to provide additional information as desired and requested by the Agency.

Such continuing advisory services will be provided by Consultant at all times, including after the sale and closing of the Agency's issue, on an as-needed basis to provide whatever assistance the Agency may require with respect to said bond issue.

Payment for Services:

11. For the services performed hereunder, the Agency agrees to pay Consultant the sum of \$45,000. Such sum shall become payable only upon delivery of bond proceeds to the Agency. Such sum includes the costs of printing and distributing the preliminary and final official statements, travel and all other out-of-pocket expenses of Consultant. Agency shall not otherwise be liable to Consultant for any other sum for services performed with respect to issuance of said bonds, or for any requested continuing advisory services after bond closing.

Other Considerations:

12. Consultant will act as an Independent Registered Municipal Advisor and will be representing and advising the Agency. Pursuant to Federal securities law, Consultant will have a

fiduciary duty to the Agency and is required to act in the best interest of the Agency without regard to its own financial or other interests.

13. Consultant is retained hereunder to render professional services as municipal financing consultants and any payments made to Consultant are compensation solely for such services.

14. The Agency shall pay the fees of bond counsel, disclosure counsel, and trustee bank in connection with the sale of the bonds.

15. The Agency agrees that its officials and employees will be requested and directed to cooperate with and assist representatives of Consultant so that Consultant may obtain all information and data needed to perform the services herein provided.

16. This Agreement may be cancelled without cause by either party by giving the other party written notice of such cancellation.

IN WITNESS HEREOF, said Agency, party of the first part, has caused these presents to be properly executed, and said Consultant, party of the second part, has caused these presents to be executed, as of the date hereinabove set forth.

SUCCESSOR TO LOMA LINDA REDEVELOPMENT
AGENCY

By _____
Its: Chairman

A. M. MILLER & Co, Inc.

By _____
President

LOMA LINDA SUCCESSOR AGENCY

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and effective as of _____, between the Loma Linda Successor Agency, a municipal corporation (“Agency”) and DHA Consulting (“Consultant”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on _____ and shall remain and continue in effect for a period of 12 months until tasks described herein are completed, but in no event later than June 30, 2017, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. AGENCY MANAGEMENT

Agency’s Executive Director shall represent Agency in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to be Performed or change the compensation due to Consultant. Agency’s Executive Director shall be authorized to act on Agency’s behalf and to execute all necessary documents which enlarge the tasks to be performed or change Consultant’s compensation, subject to Section 5 hereof.

5. PAYMENT

(a) The Agency agrees to pay Consultant for services rendered in support of the proposed bond refunding from the proceeds of the bond refunding, in accordance with the payment rates and terms as set forth in Exhibit B, attached hereto and incorporated

herein by this reference as though set forth in full, based upon actual time spent on the above tasks.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the Executive Director. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by Executive Director and Consultant at the time Agency's written authorization is given to Consultant for the performance of said services.

(c) Consultant will submit invoices prior to bond closing for actual services performed. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the Agency disputes any of the Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The Agency may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the Agency suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the Agency shall pay to Consultant on a pro-rata basis the actual value of the work performed up to the time of termination, provided that the work performed is of value to the Agency. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the Agency pursuant to Section 5(c).

7. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, Agency shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the Agency Executive Director or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this

Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the Agency shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to billed time, sales, costs, expenses, receipts and other such information required by Agency that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of Agency or its designees at reasonable times to such books and records; shall give Agency the right to examine and audit said books and records; shall permit Agency to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, claims, applications, computer files, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the Agency and may be used, reused, or otherwise disposed of by the Agency without the permission of the Consultant. With respect to computer files, Consultant shall make available to the Agency, at the Consultant's office and upon reasonable written request by the Agency, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless Agency and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency, and any and all of its employees, officials, and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant. Said indemnification shall include any claim that Consultant, or Consultant's employees or agents, are considered to be employees of the Agency or are entitled to any employee benefits from Agency, including but not limited to those available under Public Employees Retirement Law.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or other person or entity involved by, for, with, or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of Agency to monitor compliance with these requirements imposes no additional obligations on Agency and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend Agency as set forth herein is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this section.

10. INSURANCE

(a) Consultant shall neither commence work under this Agreement until it has obtained all insurance required hereunder in a company or companies acceptable to Agency nor shall Consultant allow any subcontractor to commence work on a subcontract until all insurance required of the subcontractor has been obtained. Consultant shall, at all times during the term of this Agreement, maintain and keep in full force and effect, the following policies of insurance with minimum limits as indicated below and issued by insurers with A.M. Best ratings of no less than A-: VI:

Commercial general liability at least as broad as ISO CG 0001 (per occurrence)	1,000,000
(general aggregate)	2,000,000
Commercial auto liability at least as broad as ISO CA 0001 (per accident)	1,000,000
Professional Liability (per claim and aggregate)	1,000,000
Worker's compensation	Statutory

(b) All insurance required by this section shall apply on a primary basis. Consultant agrees that it will not cancel or reduce said insurance coverage. Consultant agrees that if it does not keep the aforesaid insurance in full force and effect Agency may either immediately terminate this Agreement or, if insurance is available at a reasonable

cost, Agency may take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

(c) Auto liability insurance shall cover owned, nonowned and hired autos. If Consultant owns no vehicles, auto liability coverage may be provided by means of a nonowned and hired auto endorsement to the general liability policy.

(d) At all times during the term of this Agreement, Consultant shall maintain on file with Agency a certificate of insurance, in a form acceptable to Agency showing that the aforesaid policies are in effect in the required amounts. The general liability policy shall contain or be endorsed to contain a provision including the Indemnitees as additional insureds. Consultant shall promptly file with Agency such certificate or certificates and endorsements if applicable. Coverage for the additional insureds shall apply to the fullest extent permitted by law.

(e) No policy required by this section shall prohibit Consultant from waiving any right of recovery prior to loss. Consultant hereby waives such right with regard to the Indemnitees.

(f) All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage.

(g) In accordance with the provisions of California Labor Code, Section 3700, every employer shall secure the payment of compensation to his employees. Consultant shall, prior to commencing work, sign and file with Agency a certification as follows:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

d. General Insurance Requirements: All insurance required by express provision of this Agreement shall be carried only in responsible insurance companies licensed to do business in the State of California. All policies shall contain language, to the extent obtainable, to the effect that (1) the insurer, insured and all subcontractors waive the right of subrogation against Agency and Agency's elected officials, officers, employees, and agents; (2) the policies are primary and noncontributing with any insurance that may be carried by Agency; and (3) they cannot be canceled or materially changed except after thirty (30) days' written notice by the insurer to Agency by certified mail. Consultant shall furnish Agency with copies of all such policies. Consultant may effect for its own account insurance not required under this Agreement.

11. INDEPENDENT CONTRACTOR

(a) Consultant is and shall at all times remain as to the Agency a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control and shall not be construed to be employees of Agency for any purpose, including eligibility under Public Employees Retirement Law. Neither Agency nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the Agency. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against Agency, or bind Agency in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement Agency shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for Agency. Agency shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The Agency, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the Agency in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Agency will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the Agency to any and all remedies at law or in equity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of Agency, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without Agency's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the Agency Executive Director or unless requested by the Agency Attorney, voluntarily provide declarations, letters of support, testimony at depositions, responses to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the Agency. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives Agency notice of such court order or subpoena.

(b) Consultant shall promptly notify Agency should Consultant, its officers, employees, agents or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the Agency. Agency retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with Agency and to provide the opportunity to review any response to discovery requests provided by Consultant. However, Agency's right to review any such response does not imply or mean the right by Agency to control, direct, or rewrite said response.

(c) Consultant covenants that neither he/she nor any office or principal of their firm have any interest in, or shall acquire any interest, directly nor indirectly, which will conflict in any manner or degree with the performance of their services hereunder. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent or subconsultant. Consultant further covenants that Consultant has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the Agency or the study area and further covenants and agrees that Consultant and/or its subconsultants shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the Agency or the study area prior to the completion of the work under this Agreement.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To Agency: Loma Linda Successor Agency
25541 Barton Road
Loma Linda, CA 92354
Attention: Authority Secretary

To Consultant: DHA Consulting
3621 California Avenue
Long Beach, CA 90807
Attention: Diane Hadland

17. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the Agency. Because of the personal nature of the services to be rendered pursuant to this Agreement, only Diane Hadland (responsible employee) shall perform the services described in this Agreement.

Consultant's responsible employee may use assistants, under his direct supervision, to perform some of the services under this Agreement. Consultant shall provide Agency fourteen (14) days' notice prior to the departure of the responsible employee from Consultant's employ. Should he leave Consultant's employ, the Agency shall have the option to immediately terminate this Agreement, within three (3) days of the close of said notice period. Upon termination of this Agreement, Consultant's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the Agency Board and the Consultant.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement, including a City of Loma Linda business license.

19. GOVERNING LAW

The Agency and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over the Agency.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

Consultant is bound by the contents of the proposal submitted by the Consultant, Exhibit "C" hereto. In the event of conflict, the requirements of this Agreement shall take precedence over those contained in the Consultant's proposal.

22. CONFIDENTIALITY

Information and materials obtained by the Consultant from Agency during the performance of this Agreement shall be treated as strictly confidential and shall not be used by the Consultant for any purpose other than the performance of this Agreement.

23. DISCRIMINATION

The Consultant agrees that no person shall be excluded from employment in the performance of this Agreement on grounds of race, creed, color, sex, age, marital status, or place of national origin. In this connection, the Consultant agrees to comply with all County, State and Federal laws relating to equal employment opportunity rights.

24. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

LOMA LINDA SUCCESSOR AGENCY

DHA CONSULTING

By: _____
[Agency Executive Director or Mayor]

By: _____
(signature)

Attest:

Diane Hadland

Agency Secretary

President

Approved as to Form:

Agency Attorney

Exhibit A
LOMA LINDA SUCCESSOR AGENCY
AGREEMENT FOR CONSULTANT SERVICES

SERVICES TO BE PERFORMED

- 1) **Current Year Revenue Estimate:** An estimate of the 2016-17 (available in August, 2016) tax increment revenues expected will be prepared for the Merged Project Area as a whole, as well as Project No. 1 and No.2.
- 2) **Project Profile Tables:** The typical tables required by the rating agencies and insurance companies will be prepared for the Merged Project as a whole: These tables include Project Limitations under SB 107, Major Assessees, Historical Taxable Values and Tax Receipts, Tax Rates and Assessed Values by Land Use.
- 3) **Appeals:** Filed appeals will be investigated to estimate potential future impacts to project values and revenues. Estimates of taxpayer refunds will be prepared as well as estimates of future declines in assessed values for the Project Area. Information will be presented for the Merged Project as a whole.
- 4) **Analysis of County Tax Increment Allocations:** A review of the County's calculation and allocation of tax increment revenues will be conducted for each of the last 5 years, from 2011-12 to 2015-16. These analyses are conducted to ensure that the Agency has a realistic expectation of receiving the revenues estimated for the current and future fiscal years. This information will be presented for the Merged Project.
- 5) **Tax Increment Projection:** Projections showing the tax increment revenue estimated to be annually generated by the Merged Project as a whole will be prepared as well as projections for Project No. 1 and Project No. 2. These projections will be prepared over the 20 to 30 year term of the proposed bond refunding. The projections will include estimates of the impact of outstanding appeals and also the positive impact from the taxable value of developments identified by the Agency as completed or under construction but not yet on the assessment roll.

Two alternative projections will be prepared: one including trended growth of up to the 2.0 percent inflation factor allowed by Proposition 13 and another with no trend. These two alternatives are prepared because they are the conventional ways in which bond debt service is demonstrated in these types of revenue based financings.
- 6) **Report:** A single formal Fiscal Consultant's Report will be prepared which includes revenues for the Merged Project. The report will summarize the methodologies used and the analysis of current and projected tax increment revenues.
- 7) **Bond Meetings:** DHA Consulting will attend up to five meetings to assist in structuring the bonds and/or to present information contained in the Fiscal Consultant's Report.
- 8) **Official Statement:** DHA Consulting will review up to three drafts of the Official Statement for the bond issue to ensure that information included concerning Project Areas assessed values and tax increment revenue are accurately reflected.

Exhibit A

Page 2

- 9) **Rating Agencies/Insurance Companies:** DHA Consulting is available to discuss by telephone the Fiscal Consultant's report with rating agencies and insurance companies.
- 10) **Department of Finance (DOF):** DHA Consulting will be available to coordinate with DOF and to discuss by telephone the Fiscal Consultant's report with state representatives.

Additional Services

Services beyond those included as Basic Services can be included at the Agency's direction and can be charged on a time and materials basis, in accordance with the attached schedule. Additional services which have been previously provided include analyzing the additional cash flow to the Agency that will result from refunding the bonds. Any updates to this analysis would also result in additional services. Other services that not included in the services identified above, that could possibly be required in connection with the proposed bond issuance, would include:

- A. The preparation of additional tables or other research requested by the bond financing team, the bond rating agencies or insurance companies;
- B. the attendance of DHA Consulting at additional meetings;
- C. the provision of miscellaneous services including participating in negotiations with the County or other taxing entities; and
- D. the preparation of alternative revenue projections and/or cash flow analyses.
- E. Other services that may be identified at a future time.

Exhibit B
LOMA LINDA SUCCESOR AGENCY
AGREEMENT FOR CONSULTANT SERVICES

COSTS AND FEES

1. BASIC SERVICES

- a) Basic Fiscal Consultant Services (items 1 through 10 in Exhibit A) shall be provided on a flat fee basis and may be paid from the proceeds of the refunding bonds. The fee for the provision of the basic services is \$22,500, plus out of pocket expenses. This fee is not contingent upon a successful bond refunding.
- b) Directly related job expenses not included in the above rates are: automobile mileage at the current IRS allowable rate, black and white copies (\$0.10 per page), color copies (actual outside charges), purchase of County data or reports, air fares, hotels and motels, meals, car rentals, taxis, telephone calls, delivery, duplication and binding, authorized artwork or mapping, graphics and printing. Directly related job expenses will be billed at cost.
- c) In the event that the bond refunding is not successful for any reason, fees will still due for the provision of services provided through the time that the Fiscal Consultant is advised that the bond refunding will not be proceeding. In such an event, fees will be due on a time and materials basis in accordance with the payment provisions described under 2. below.

2. ADDITIONAL SERVICES

- a) All additional services (items A through E in Exhibit A) shall be provided on a time and materials basis and may be paid from the proceeds of the refunding bonds. In the event the bond refunding is not successful, basic services shall also be compensated based on the provisions of this section.
- b) The Agency will compensate the Consultant on an hourly basis according to the following schedule, which will remain in effect from the date first written on this agreement through the term of this contract, at which point new rates may be negotiated.

Professional Consulting Services	\$165/hour
Administrative Services	\$70/hour

- c) Directly related job expenses not included in the above rates are: automobile mileage at the current IRS allowable rate, black and white copies (\$0.15 per page), color copies (actual outside charges), purchase of data or reports, air fares, hotels and motels, meals, car rentals, taxis, telephone calls, delivery, duplication and binding, authorized artwork or mapping, graphics and printing. Directly related job expenses will be billed at cost.

Exhibit B

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3. CONTRACT MAXIMUMS

The compensation to be paid under the Agreement, including all pre-approved extra work and reimbursements, is estimated to be twenty-five thousand dollars (\$25,000). Agency Executive Director shall be authorized to approve increases in total compensation provided that the increases do not cumulatively exceed \$5,000 (five thousand dollars). Any increase over \$5,000 (five thousand dollars) will be made by a written supplemental agreement and approved by the Agency Board.

EXHIBIT C
LOMA LINDA SUCCESSION AGENCY
AGREEMENT FOR CONSULTANT SERVICES

CONSULTANT'S PROPOSAL
January 28, 2016

DHA Consulting

Diane Hadland, President
3621 California Avenue
Long Beach, California 90807

Cell: (562) 458-1212

(562) 426-1150

January 28, 2016

Ms. Diana DeAnda
Loma Linda Successor Agency
25541 Barton Road
Loma Linda, California 92354

RE: FISCAL CONSULTANT REPORT / LOMA LINDA MERGED PROJECT

Dear Ms. DeAnda:

DHA Consulting is pleased to provide this proposal for bond services to the Loma Linda Successor Agency (Agency). As we understand it, the Agency is considering the issuance of tax allocation bonds secured by a pledge of revenues from the Loma Linda Redevelopment Project ("Merged Project"). DHA Consulting is proposing to provide Fiscal Consulting services and has provided this proposal to enable sufficient time for the Agency and DHA Consulting to execute a contract.

DHA Consulting is prepared to provide the analysis of tax increment revenues to be generated from Project No. 1 and Project No. 2 for the Agency to include in the offering documents for its proposed bond issue ("Fiscal Consultant Report"). The Report will be designed to accommodate the changes to revenue allocation and distribution practices resulting from redevelopment dissolution.

QUALIFICATIONS UPDATE

DHA Consulting, LLC is a consulting firm specializing in financial planning and property tax analyses that was formed in 1997. We have over 20 years of experience in the field of redevelopment and finance and excel in our ability to successfully navigate complicated financings.

With the demise of redevelopment agencies, DHA Consulting has been assisting successor agencies follow the many legislatively proscribed procedures to unwind. I served as the chairperson for CRA's AB 26 Implementation Technical Subcommittee, and conducted training sessions at a number of CRA workshops and conferences. DHA Consulting has hands-on experience in many redevelopment dissolution requirements, including the preparation of DDR's, ROPS, and Long Range Management Plans as well as coordination with the state Department of Finance and the Meet and Confer process. We are also experienced in providing property tax analysis in support of bond issues in the post-dissolution environment and recently completed complicated refundings for the Carson and Watsonville Successor Agencies.

SCOPE OF SERVICES

The scope of Fiscal Consulting services are really proscribed by the agencies that rate and insure bond issues. As such, typical services required in these types of financings have been bundled under the proposed "Basic Services" description. It is assumed that the report will be completed in August/September of 2016 and will be based on 2016-17 assessed values. Should the Project

timing differ from that assumed, changes to the scope and cost estimate may be required. This is particularly true if the report is initially based on 2015-16 values, which later need to be updated to 2016-17. The following is scope of the Basic Services suggested.

Basic Services/FCR

- 1) **Current Year Revenue Estimate**: An estimate of the 2016-17 (available in August, 2016) tax increment revenues expected will be prepared for the Merged Project Area as a whole, as well as Project No. 1 and No.2.
- 2) **Project Profile Tables**: The typical tables required by the rating agencies and insurance companies will be prepared for the Merged Project as a whole: These tables include Project Limitations under SB 107, Major Assesseees, Historical Taxable Values and Tax Receipts, Tax Rates and Assessed Values by Land Use.
- 3) **Appeals**: Filed appeals will be investigated to estimate potential future impacts to project values and revenues. Estimates of taxpayer refunds will be prepared as well as estimates of future declines in assessed values for the Project Area. Information will be presented for the Merged Project as a whole.
- 4) **Analysis of County Tax Increment Allocations**: A review of the County's calculation and allocation of tax increment revenues will be conducted for each of the last 5 years, from 2011-12 to 2015-16. These analyses are conducted to ensure that the Agency has a realistic expectation of receiving the revenues estimated for the current and future fiscal years. This information will be presented for the Merged Project.
- 5) **Tax Increment Projection**: Projections showing the tax increment revenue estimated to be annually generated by the Merged Project as a whole will be prepared as well as projections for Project No. 1 and Project No. 2. These projections will be prepared over the 20 to 30 year term of the proposed bond refunding. The projections will include estimates of the impact of outstanding appeals and also the positive impact from the taxable value of developments identified by the Agency as completed or under construction but not yet on the assessment roll.

Two alternative projections will be prepared: one including trended growth of up to the 2.0 percent inflation factor allowed by Proposition 13 and another with no trend. These two alternatives are prepared because they are the conventional ways in which bond debt service is demonstrated in these types of revenue based financings.

Please note that neither of the revenue projections described above will include trends beyond the 2.0 percent Proposition 13 automatic escalation nor will they include developments which are not yet under construction. So while the projections will technically cover an extended timeframe, its purpose is to show bond debt service coverage with very conservative assumptions. The projections are prepared for revenue analysis purposes and are not really intended to provide the Agency with realistic future revenue estimates for other planning purposes.

- 6) **Report**: A single formal Fiscal Consultant's Report will be prepared which includes revenues for the Merged Project. The report will summarize the methodologies used and the analysis of current and projected tax increment revenues.

- 7) **Bond Meetings:** DHA Consulting will attend up to five meetings to assist in structuring the bonds and/or to present information contained in the Fiscal Consultant's Report.
- 8) **Official Statement:** DHA Consulting will review up to three drafts of the Official Statement for the bond issue to ensure that information included concerning Project Areas assessed values and tax increment revenue are accurately reflected.
- 9) **Rating Agencies/Insurance Companies:** DHA Consulting is available to discuss by telephone the Fiscal Consultant's report with rating agencies and insurance companies.
- 10) **Department of Finance (DOF):** DHA Consulting will be available to coordinate with DOF and to discuss by telephone the Fiscal Consultant's report with state representatives.

Additional Services

Services beyond those included as Basic Services can be included at the Agency's direction and can be charged on a time and materials basis, in accordance with the attached schedule. Additional services which have been previously provided include analyzing the additional cash flow to the Agency that will result from refunding the bonds. Any updates to this analysis would also result in additional services. Other services that not included in the services identified above, that could possibly be required in connection with the proposed bond issuance, would include:

1. The preparation of additional tables or other research requested by the bond financing team, the bond rating agencies or insurance companies;
2. the attendance of DHA Consulting at additional meetings;
3. the provision of miscellaneous services including participating in negotiations with the County or other taxing entities; and
4. the preparation of alternative revenue projections and/or cash flow analyses.

COSTS

The above services, when performed in connection with a financing, are comprehensive and detailed, and therefore time consuming to prepare. DHA Consulting has not previously prepared Fiscal Consultant's Reports for the Agency's financings and will thus need to conduct additional research. The Basic Services described above (items 1 through 10) for the Merged Project can be completed for a flat fee of \$22,500, plus out-of-pocket expenses. This fee covers an original draft of the Report, as well as two additional revised reports that incorporate comments from the financing group. Revisions to the document in excess of three drafts would be considered additional services as would the need to update the report for the passage of time. The costs for additional services can range from \$0 to \$5,000, or more, and are dependent, in part, on the issues that arise with the financing structure and/or the Merged Project.

Should the Project timing differ from that assumed, changes to the scope and cost estimate may be required. This is particularly true if the report is prepared based on 2015-16 values, which later need to be updated to 2016-17.

Other Matters

Successor agencies often like to pay for the above services from the proceeds of the bond issue. This approach is acceptable as long as it is understood that our fees are not contingent on a successful bond sale, but will be due upon submission of the final report regardless of whether a financing is completed. In the event the bond issue is canceled before the Fiscal Consultant Report is completed, the Agency would be responsible for the time expended by DHA Consulting in accordance with the attached fee schedule.

I hope this proposal meets with your expectations. Please call with any questions or comments you may have. This proposal will remain effective for 30 days after which time cost and timing estimates may need to be revised.

Sincerely,



Diane Hadland

SCHEDULE OF FEES AND CHARGES

Diane Hadland/President	\$165/hour
Secretarial/Administrative	70/hour

Incurred Expenses shall be billed at an amount equal to 100% of the expense and shall include the following:

- ≈ Mileage at current IRS reimbursable amount, or equivalent car rental fee*
- ≈ Copies at the rate of \$0.15 per copy for black and white and \$1.00 per copy for color*
- ≈ Facsimiles at the rate of \$0.5 per transmittal*
- ≈ Duplication and binding performed by outside services at an amount equal to actual charges*
- ≈ Authorized artwork or mapping at an amount equal to actual charges*
- ≈ Purchase of data and/or reports concerning assessed values or taxes at an amount equal to actual charges*
- ≈ Authorized travel by common carrier at an amount equal to actual charges*
- ≈ Telephone at the actual rate plus taxes and applicable other charges*
- ≈ Data Processing and computer modeling at an amount equal to actual charges*

worked with both Consultants on prior bond issues and staff has been highly satisfied with their professional expertise and fair pricing.

ENVIRONMENTAL

None

FINANCIAL IMPACT

The contractual services will be paid out of the bond proceeds. The Underwriting Services are approximately 1% of the principal issued, services include advice on the structure, timing, terms and other matters concerning the Issue, as well as purchase of securities for distribution to the commercial market. The Financial Consultant services are \$45,000, which include representing and advising the City and acting as an Independent Registered Municipal Advisors. Additional services include the printing and distributing of the preliminary and final official statements, travel and out-of-pocket expenses of Consultant. For the Preparation of the fiscal consultant report the cost is a flat fee of \$22,500, plus out-of-pocket expenses of the Consultant. All fees will be paid out of the bond proceeds upon issuance.