

REPORT TO SUCCESSOR AGENCY

DATE: AUGUST 22, 2012

TO: HONORABLE CHAIR AND MEMBERS OF THE SUCCESSOR AGENCY BOARD

FROM: GREG RAMIREZ, SUCCESSOR AGENCY EXECUTIVE DIRECTOR

**BY: NATHAN HAMBURGER, SUCCESSOR AGENCY ASSISTANT EXECUTIVE DIRECTOR
CHRISTY PINUELAS, DIRECTOR OF FINANCE**

SUBJECT: REQUEST TO ENTER INTO AGREEMENTS FOR FINANCIAL AND LEGAL SERVICES IN CONNECTION WITH THE DEFEASANCE OF THE AGOURA HILLS REDEVELOPMENT AGENCY HOUSING SET-ASIDE BONDS

The former Agoura Hills Redevelopment Agency (the “Redevelopment Agency”) issued on June 5, 2008, \$10,000,000 in original principal amount of Housing Set-Aside Tax Allocation Bonds (Agoura Hills Redevelopment Project Area) Series 2008, (the “2008 Housing Bonds”), which are payable from former tax increment required to be set aside for low and moderate income housing.

Pursuant to the Indenture for the 2008 Housing Bonds, the Redevelopment Agency established a Series 2008 Project Account in the Housing Fund. A portion of the sale proceeds of the 2008 Housing Bonds was deposited in the Series 2008 Project Account, intended to be used for low and moderate income housing projects of the Redevelopment Agency. As of June 1, 2012, there remained approximately \$9,750,000 in the Series 2008 Project Account.

As the result of legislation disbanding the Redevelopment Agency, there is much uncertainty as to whether unspent bond proceeds may be spent on any project for which no contractual work was already underway as of June 29, 2011. However, legislation does allow that a successor agency, subject to approval by the Successor Agency to the Agoura Hills Redevelopment Agency Board (the “Agency”) and the State Department of Finance may use unspent bond proceeds to defease outstanding bonds.

Under the Indenture, the 2008 Housing Bonds may not be redeemed until October 1, 2018, at the earliest. The Indenture does, however, allow for the defeasance of some or all of the 2008 Housing Bonds well before October 1, 2018. To effectuate such a defeasance, the Successor Agency will enter into an escrow agreement with the bond trustee. Under the escrow agreement, the trustee will establish an escrow fund. The Agency will have to cause sufficient moneys to be deposited into this escrow fund, so that the trustee can pay principal, interest and redemption price due on the defeased bonds (collectively, the “Escrow Requirement”) on and before the

redemption date (i.e., October 1, 2018) solely out of the escrow fund. Moneys in the escrow fund may be invested, but only in securities issued or guaranteed by the U.S. Government that meet the qualifications set forth in the Indenture.

According to C.M. de Crinis & Co., the Agency's financial advisor, to establish an escrow to defease all of the outstanding 2008 Housing Bonds, the Escrow Requirement will be \$12,442,128. As noted above, there is approximately \$9,750,000 in the Series 2008 Project Account. There is also \$620,131 in the debt service reserve account held by the bond trustee. The current combined balance of the Series 2008 Project Account and the reserve account, even with interest earnings thereon, will not be enough to satisfy the Escrow Requirement to defease all of the 2008 Housing Bonds.

Instead, the Agency may elect to only partially defease the outstanding 2008 Housing Bonds. Payments on the remaining outstanding, undefeased portion of the 2008 Housing Bonds will continue to be listed on the Successor Agency's Recognized Obligation Payment Schedules to be paid from property taxes. Based on the financial advisor's estimates, if the Successor Agency is to use all of the unspent bond proceeds for the purpose of partially defeasing the 2008 Housing Bonds, after taking transaction costs into consideration, the Agency will be able to defease approximately \$7,825,000 in principal amount of the 2008 Housing Bonds, leaving approximately \$1,745,000 in principal amount outstanding.

The proposed defeasance will require the services of a financial advisor, bond counsel, a certified public accountant, and a bond trustee. Current legislation requires that the Agency complete a Recognized Obligation Payment Schedule (ROPS), to be approved by the State Department of Finance and the County Auditor Controller. The ROPS must have signed contracts. Therefore staff is requesting that the contracts be signed now. Once permission is granted from the State Department of Finance to defease the bonds, staff will bring back additional information to the Board.

RECOMMENDATION

Staff requests that the Successor Agency Board direct the Agency staff to sign contracts for the following services: (1) financial advisor services with C.M. de Crinis & Co., Inc. in an amount not to exceed \$12,000 (2) fiscal analyst services with DHA Consulting, not to exceed \$9,000 in a year, and (3) verification agent services with Barthe and Wahrman in an amount not to exceed \$2,000.

Attachments: Agreements

AGREEMENT FOR CONSULTANT SERVICES WITH THE
SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY

NAME OF CONSULTANT: CM de Crinis & Co, Inc.

RESPONSIBLE PRINCIPAL OF CONSULTANT: Attn: Curt de Crinis

CONSULTANT'S ADDRESS: 100 No. Brand Blvd., Suite 605
Glendale, CA 91203

SUCCESSOR AGENCY'S ADDRESS: 30001 Ladyface Court
Agoura Hills, CA 91301
Attn: Executive Director

PREPARED BY: Christy Pinuelas

COMMENCEMENT DATE: June 14, 2012

TERMINATION DATE: August 1, 2013

CONSIDERATION: Contract Price \$12,000
Not to Exceed: \$12,000 /yr

ADDITIONAL SERVICES <i>(Describe Services, Amount, and Approval):</i> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
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Date: _____ Amount: \$ _____ Authorized By: _____
(Not to Exceed 10% of Contract Price) Executive Director

**AGREEMENT FOR CONSULTANT SERVICES BETWEEN
THE SUCCESSOR AGENCY TO THE AGOURA HILLS
REDEVELOPMENT AGENCY AND CM DE CRINIS AND
CO., INC.**

THIS AGREEMENT is made and effective as of June 14, 2012, between the Successor Agency to the Agoura Hills Redevelopment Agency, a municipal corporation ("Agency") and CM de Crinis and Co., Inc. ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**. This Agreement shall commence on June 14, 2012, and shall remain and continue in effect until tasks described herein are completed, but in no event later than August 1, 2013, unless sooner terminated pursuant to the provisions of this Agreement.

2. **SERVICES**. Consultant shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. **PERFORMANCE**. Consultant shall at all times faithfully, competently and to the best of his or 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. **PAYMENT**.

A. The Agency agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B other than the payment rates and schedule of payment are null and void. This amount shall not exceed \$12,000 ("Contract Price") for the initial Term of the Agreement unless additional payment is approved as provided in this Agreement.

The Executive Director may approve additional work up to ten percent (10%) of the amount of the Contract Price. Any additional work in excess of this amount shall be approved by the Successor Agency Board of Directors.

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 the Executive Director and Consultant at the time Successor Agency's written authorization is given to Consultant for the performance of said services.

C. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the Successor Agency disputes any of 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.

5. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

A. The Successor 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 Successor 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 Successor Agency shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the Successor Agency. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the Successor Agency pursuant to Section 4.

6. 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, Successor 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 Executive Director or his delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Consultant with written notice of the default. The Consultant shall have (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 Successor 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.

7. OWNERSHIP OF DOCUMENTS

A. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by Successor 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 Successor Agency or its designees at reasonable times to such books and records, shall give Successor Agency the right to examine and audit said books and records, shall permit Successor Agency to make transcripts there from 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, designs, drawings, maps, models, computer files containing data generated for the work, surveys, 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 Successor Agency and may be used, reused or otherwise disposed of by the Successor Agency without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the Successor Agency, upon reasonable written request by the Successor Agency, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

8. INDEMNIFICATION. The Consultant agrees to defend, indemnify, protect and hold harmless the Successor Agency, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, including attorney fees and expert witness fees, or liability of any kind or nature which the Successor Agency, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Consultant's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement, excepting only liability arising out of the negligence of the Successor Agency.

9. INSURANCE REQUIREMENTS. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88.

2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92 covering Automobile Liability, code 1 (any auto). If the Consultant owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.

3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Consultant has no employees while performing under this Agreement, worker's compensation insurance is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Consultant's profession.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1) General Liability: \$1,000,000 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 shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

3) Worker's Compensation as required by the State of California; Employer's Liability: One million dollars (\$1,000,000) per accident for bodily injury or disease.

4) Professional Liability coverage: One million (\$1,000,000) per claim and in aggregate.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Executive Director. At the option of the Executive Director, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Successor Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1) The Successor Agency, its officers, officials, employees and volunteers are to be covered as additional insureds in respect to: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Successor Agency, its officers, officials, employees or volunteers.

2) For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Successor Agency, its officers, officials,

employees and volunteers. Any insurance or self-insured maintained by the Successor Agency, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Successor Agency, its officers, officials, employees or volunteers.

4) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Successor Agency.

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Successor Agency. Self insurance shall not be considered to comply with these insurance requirements.

F. Verification of Coverage. Consultant shall furnish the Successor Agency with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the Successor Agency. All endorsements are to be received and approved by the Successor Agency before work commences. As an alternative to the Successor Agency's forms, the Consultant's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

10. INDEPENDENT CONTRACTOR

A. Consultant is and shall at all times remain as to the Successor 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. Neither Successor Agency nor any of its officers, employees, agents, or volunteers 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 Successor Agency. Consultant shall not incur or have the power to incur any debt, obligation or liability whatever against Successor Agency, or bind Successor 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, Successor Agency shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for Successor Agency. Successor Agency shall not be liable

for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

11. LEGAL RESPONSIBILITIES. The Consultant shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The Successor 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.

12. RELEASE OF INFORMATION

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

B. Consultant shall promptly notify Successor Agency should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under or with respect to any project or property located within the Successor Agency. Successor 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 Successor Agency and to provide Successor Agency with the opportunity to review any response to discovery requests provided by Consultant. However, Successor Agency's right to review any such response does not imply or mean the right by Successor Agency to control, direct, or rewrite said response.

13. 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, that 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. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To Successor Agency: Successor Agency to the Redevelopment Agency
of Agoura Hills
30001 Ladyface Court
Agoura Hills, California 91301
Attention: Executive Director

To Consultant: C.M. de Crinis & Co., Inc.
100 N. Brand Blvd., Suit 605
Glendale, CA 91203
Attn: Curt de Crinis

14. 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 Successor Agency. 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 Successor Agency Board of Directors and the Consultant.

15. 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.

16. GOVERNING LAW. The Successor 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 geographic jurisdiction over the Successor Agency of Agoura Hills. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

17. PROHIBITED INTEREST. No officer, or employee of the Successor Agency to the Redevelopment Agency of Agoura Hills shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-contractors for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the Successor Agency that no officer or employee of the Successor Agency has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the Consultant or Consultant's sub-contractors on this project. Consultant further agrees to notify the Successor Agency in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

18. 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.

19. AUTHORITY TO EXECUTE THIS AGREEMENT. The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or 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.

SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY

Greg Ramirez,
Executive Director

ATTEST:

Kimberly M. Rodrigues, MMC
Secretary

APPROVED AS TO FORM:

Candice K Lee,
Attorney

CONSULTANT

**CM de Crinis & Co., Inc.
100 N. Brand Blvd., Site 605
Glendale, Ca 91203**

By: _____

Name:

Title:

By: _____

Name:

Title:

[Signatures of Two Corporate Officers Required]

EXHIBIT A

TASKS TO BE PERFORMED

The specific elements (scope of work) of this service include:

Financial advising regarding outstanding bond issues as well as assistance in defeasing bonds.

See proposal dated May 22, 2012.

EXHIBIT B

PAYMENT RATES AND SCHEDULE

See proposal dated May 22, 2012.

Financial Advisors, Public Finance
Serving California and Hawaii



C.M. de CRINIS & CO., INC.

Curt de Crinis
Managing Director

100 N. Brand Blvd., Suite 605
Glendale, California 91203
Tel: (818) 385-4900
E-mail: curt@cmdecrinis.com
www.cmdecrinis.com

May 22, 2012

Christi Pinellas
Successor Agency to the Agoura Hills Redevelopment Agency
City Agoura Hills
30001 Lady Face Court
Agoura Hills, CA. 91301

RE: Defeasance of Series 2008 Housing Tax Allocation Bonds

Dear Christi;

Please consider this our letter proposal to assist the Successor Agency in the defeasance of the Series 2008 Housing Tax Allocation Bonds.

Scope of Services

1. Review Defeasance Objective
2. Develop Defeasance Plan and Manage Process
3. Participate in Conference Calls as needed.
4. Assist Agency in retaining Verification Agent and Escrow Agent
5. Review State and Local Government Securities (SLGS) and/or Open Market Securities yields – make recommendation for defeasance
6. Structure Defeasance Escrow
7. Work with Escrow Agent (Trustee Bank) to purchase or order Escrow Securities
8. Work with Verification Agent to develop Report
9. Review and Comment on Verification Report
10. Work with Bond Counsel to obtain Defeasance Opinion
11. Defeasance Bonds

Our fees for the above Scope of Services will be \$4,500 plus 5% for costs. If we are asked to consider economic defeasance options involving Guaranteed Investment Contracts (GICs) or to consider open market bond purchases we would do so on an hourly basis given the open



C.M. de CRINIS & CO., INC.

ended nature of these approaches. Attendance of meetings or other special presentations will also be billed on an hourly basis.

I will serve as the primary consultant assisted my Michael Williams as needed.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Curt de Crinis', written in a cursive style. The signature is positioned above a horizontal line.

Curt de Crinis, *Managing Director*

**AGREEMENT FOR CONSULTANT SERVICES BETWEEN
THE SUCCESSOR AGENCY TO THE AGOURA HILLS
REDEVELOPMENT AGENCY AND DHA CONSULTING**

THIS AGREEMENT is made and effective as of 8/1/2012, between the Successor Agency to the Agoura Hills Redevelopment Agency's, 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 8/1/2012, and shall remain and continue in effect until tasks described herein are completed, but in no event later than 8/1/2013, unless sooner terminated pursuant to the provisions of this Agreement.

The Agency may, at its option, extend this Agreement for one additional term of three year[s] upon providing written notice of its intent to so-extend this Agreement to the Contractor not less than thirty (30) days prior to the expiration of the initial Term. Such extension shall be at the same price and conditions as set forth herein SERVICES. Consultant shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

2. PERFORMANCE. Consultant shall at all times faithfully, competently and to the best of his or 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. PAYMENT.

A. The Agency agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B other than the payment rates and schedule of payment are null and void. This amount shall not exceed \$9,000 ("Contract Price") for the initial Term of the Agreement unless additional payment is approved as provided in this Agreement.

The Executive Director may approve additional work up to ten percent (10%) of the amount of the Contract Price. Any additional work in excess of this amount shall be approved by the Successor Agency Board of Directors.

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 the Successor Agency Board of Directors and Consultant at the time Agency's written authorization is given to Consultant for the performance of said services.

C. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. 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 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.

5. 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 the actual value of the work performed up to the time of termination, provided that the work performed is of value to the Successor Agency. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the Agency pursuant to Section 4.

6. 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 Executive Director or his delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Consultant with written notice of the default. The Consultant shall have (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.

7. OWNERSHIP OF DOCUMENTS

A. Consultant shall maintain complete and accurate records with respect to 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 there from 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, designs, drawings, maps, models, computer files containing data generated for the work, surveys, 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 containing data generated for the work, Consultant shall make available to the Agency, upon reasonable written request by the Agency, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

C. With respect to the design of public improvements, the Consultant shall not be liable for any injuries or property damage resulting from the reuse of the design at a location other than that specified in Exhibit A without the written consent of the Consultant.

8. INDEMNIFICATION. The Consultant agrees to defend, indemnify, protect and hold harmless the Agency, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, including attorney fees and expert witness fees, or liability of any kind or nature which the Agency, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Consultant's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement, excepting only liability arising out of the negligence of the Agency.

9. INSURANCE REQUIREMENTS. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88.

2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92 covering Automobile Liability, code 1 (any auto). If the Consultant owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.

3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Consultant has no employees while performing under this Agreement, worker's compensation insurance is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Consultant's profession.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1) General Liability: \$1,000,000 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 shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

3) Consultant warrants and represents to the Successor Agency that it has no employees and that it will obtain the required Workers Compensation Insurance upon the hiring of any employees.)

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Executive Director. At the option of the Executive Director, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1) The Agency, its officers, officials, employees and volunteers are to be covered as additional insureds in respect to: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.

2) For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agency, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the Agency, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.

4) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Agency. Self insurance shall not be considered to comply with these insurance requirements.

F. Verification of Coverage. Consultant shall furnish the Agency with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the Agency. All endorsements are to be received and approved by the Agency before work commences. As an alternative to the Agency's forms, the Consultant's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

10. INDEPENDENT CONTRACTOR

A. Consultant is and shall at all times remain as to the Successor 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. Neither Agency nor any of its officers, employees, agents, or volunteers 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.

11. LEGAL RESPONSIBILITIES. The Consultant shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, 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.

12. RELEASE OF INFORMATION

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 subcontractors, shall not without written authorization from the Executive Director or unless requested by the Successor Agency

Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response 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 Successor Agency notice of such court order or subpoena.

B. Consultant shall promptly notify Agency should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under or with respect to any project or property located within the Successor 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 Agency with 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.

13. 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, that 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. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To Successor Agency: Successor Agency to the Agoura Hills
Redevelopment Agency
30001 Ladyface Court
Agoura Hills, California 91301
Attention: Executive Director

To Consultant: *DHA Consulting*
Attn: Diana Hadland
3621 California Avenue
Long Beach, CA 90807

14. 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 Successor Agency. 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 of Directors and the Consultant.

15. **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.

16. **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 geographic jurisdiction over the Successor Agency to the Redevelopment Agency of Agoura Hills. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

17. **PROHIBITED INTEREST.** No officer, or employee of the Agency of Agoura Hills shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-contractors for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the Successor Agency that no officer or employee of the Agency of Agoura Hills has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the Consultant or Consultant's sub-contractors on this project. Consultant further agrees to notify the Successor Agency in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

18. **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.

19. **AUTHORITY TO EXECUTE THIS AGREEMENT.** The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or 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.

**SUCCESSOR AGENCY TO THE
AGOURA HILLS
REDEVELOPMENT AGENCY**

Greg Ramirez,
Executive Director

ATTEST:

Kimberly M. Rodrigues, MMC
Secretary

APPROVED AS TO FORM:

Candice K. Lee,
Successor Agency Attorney

CONSULTANT

**DHA Consulting
Attn: Diana Hadland
3621 California Avenue
Long Beach, CA 90807
(562)426-1150
(562)426-3282**

By: _____
Name:
Title:

By: _____
Name:
Title:

[Signatures of Two Corporate Officers Required]

EXHIBIT A

TASKS TO BE PERFORMED

The specific elements (scope of work) of this service include:

See proposal dated July 12, 2011

EXHIBIT B

PAYMENT RATES AND SCHEDULE

See proposal dated July 12, 2011

DHA Consulting

Diane Hadland, President
110 Pine Avenue, Suite 340
Long Beach, California 90802

Facsimile: (562) 426-3282

(562) 426-1150

July 12, 2011

Ms. Christy Pinuelas
Agoura Hills Redevelopment Agency
3001 Ladyface Court
Agoura Hills, California 91301

Dear Ms. Pinuelas:

I am pleased to provide this proposal to provide additional consulting services to the City of Agoura Hills. This proposal covers three separate assignments: 1) calculation of the Agency's pass through payments due to the Community College District and the Las Virgenes Unified School District; 2) preparation of the specified tables required for the Agency's continuing disclosure requirements; and 3) assistance in evaluating the correct path to take in light of recently enacted legislation, ABX1 26 and 27.

The most urgent services involve assisting the Agency in determining whether or not it is in the City's best interest to continue redevelopment given the impact of recent legislation. In order to put the proposed services in perspective, a summary of the legislation has been included below.

BACKGROUND

ABX1 27 requires redevelopment agencies make annual payments to schools and certain other taxing entities in order to avoid elimination.ⁱ For 2011-12, the payments are to total an amount equal a total of \$1.7 billion, apportioned amongst all redevelopment agencies according to a two-step formula. For 2012-13 and thereafter, two separate types of payment calculations will be required. First, a payment based on the same formula as 2011-12 would be required, only rather than trying to raise \$1.7 billion, the state would require payments that would total \$400 million. This payment, referred to as the Component 1 payment would initially be more or less equal to about 23.5 percent of the 2011-12 payment amount. The initial payment amount, however, is to be increased or decreased annually by a factor which is derived from: 1) changes in the amount of gross tax increment revenue received by the redevelopment agencies; and 2) new debt payments; and 3) school payments due under Component 2.

The Component 2 payments redevelopment agencies will be required to make are additional payments to schools in 2012-13 and thereafter for any new debt that is issued. If no new debt is issued by an agency, no Component 2 payment would be required. The amount of the Component 2 payment is based on the amount of the "net school share" and the amount

ⁱ The obligation to make the payments required under the legislation is actually a city obligation, although the redevelopment agency appears to be allowed to reimburse the city, subject to some restrictions.

of any new debt incurred after the deadline.ⁱⁱ Specifically, a redevelopment agency must pay to school districts each year 80 percent of the net school share of the annual debt payments.

Given the rather onerous payment requirements together with the onerous tax sharing agreements the Agency entered into at the time the Project Area was initially adopted, it is unclear whether it is in the City's best interest to make the payments and continue redevelopment efforts or just let redevelopment lapse in Agoura Hills.

SCOPE OF SERVICES

Because this proposal includes several separate services to be completed in different time frames, the scope and budget of each component is discussed separately below.

Eliminate Redevelopment:

A number of items need to be addressed by the agency over the next 60 to 90 days. DHA Consulting can assist the Agency in preparing some or all of these items.

1. **Fiscal Impact Analysis:** In order to evaluate whether or not the Agency should continue, it is suggested that a comparison of revenues to expenses be prepared over time for both alternatives: continuing redevelopment and making the payments versus letting the Agency lapse. Estimates of the amount of money remaining under both alternatives can be compared to assist the Agency in making its decision. It is suggested that both alternatives be examined assuming conservative revenue estimates and also more optimistic revenue estimates. The specific scope of services include the following:
 - Modify revenue estimates provided in March 2011 to incorporate varying assumptions concerning long term growth. Incorporate assessed values for 2011-12, if available from the County. Prepare two alternatives: conservative and optimistic.
 - Prepare a cash flow which outlines revenues versus expenditures over a 10 year period.
 - Evaluate the cash flow to the city that would result if redevelopment remains versus the revenues that might be received by the city if redevelopment is eliminated.
2. **Appeal the Department of Finance Payments.** The Department of Finance (DOF) will be formally advising redevelopment agencies of their payment amounts on August 1, 2011. Based on our discussions to date, it appears the Agency qualifies to file an appeal under the legislation. Any appeals of the DOF payments must be filed by August 15th, which means that it is suggested that the Agency begin the preparation of the appeal prior to August 1st.

ⁱⁱ The legislation is unclear as to whether the deadline is October 1, 2011 or November 1, 2010.

3. Enforceable Obligations Listing: Commencing in late August, 2011, the Agency will only be able to pay obligations included on the Enforceable Obligations Listing. This will form the basis of all Agency payments. DHA Consulting can assist the Agency in preparing the listing and meeting the public hearing and web posting requirements.

4. Document Debt and Prepare Statement of Indebtedness: If the Agency elects to continue, the Statement of Indebtedness it prepares for the October 1, 2011 due date will be the baseline upon which all component 2 payments will be based. As a result, it is extremely important that this document be not only accurate but strategic as well. In the event the Agency elects to continue redevelopment, it may wish to adopt additional debts at the same time as it adopts the ordinance providing for continuation. DHA Consulting can assist the Agency by preparing or reviewing the Agency's Statement of Indebtedness and/or in preparing the additional debt items.

If the Agency elects to continue redevelopment, it will probably need to calculate the pass through payments due for the 2010-11 fiscal year and cause the preparation of its continuing disclosure reporting. These are services for which DHA Consulting typically assists the Agency and are outlined below.

Pass Through Calculations:

DHA Consulting is prepared to assist the Agency by calculating the amount due to the Las Virgenes Unified School District and the Community College District under the terms and provisions of the Cooperative Agreements between the Agency and the Districts. The calculations will cover tax increment revenues received for the 2008-09 fiscal year. In addition, calculations will be performed for estimated 2009-10 revenues. The calculations of amounts due will be provided together with a description of any relevant new information of which the Agency should be aware informally via e-mail.

Continuing Disclosure

For the continuing disclosure requirement, DHA Consulting will prepare tables of the Project Area's major assesses and incremental values, as included in the 2007 Bond Official Statement. In addition, an allowance for an appeals analysis has been included.

We will have the continuing disclosure tables completed in time for the Agency to meet its January 26th deadline. The appeals analysis is recommended to be completed later next calendar year after the results of the 2011-12 appeals, which can be filed by taxpayers through December 2011, have been processed by the County.

ESIMATED COSTS/TIMING

Services are proposed to be provided on a time and materials basis in conformance with the enclosed schedule of fees and charges.

Eliminate Redevelopment

1. Fiscal Impact Analysis	\$3,500 to 5,000
2. Prepare appeal application	\$1,500
3. Enforceable Obligation Listing	\$1,500
4. Document Debt and Prepare Statement of Indebtedness	\$1,500 to 3,500
5. Miscellaneous Assistance	\$0 to 2,000
<hr/>	
TOTAL/ELIMINATE REDEVELOPMENT	\$8,000 to 11,500

The timing on the services outlined above, all need to be completed in the next 30 to 45 days with some follow-up required through October 1, 2011. DHA Consulting is prepared to provide these services within the timeframe required.

Pass Through Payments

For budgeting purposes, a fee of \$2,000 to \$3,000 complete the pass through calculations as described above is estimated.

We estimate that we can have the pass through calculations completed within 30 days of our receipt of requested information, which information includes copies of the County's remittance advices which the Agency will receive in August 2011.

Continuing Disclosure

A fee of \$1,200 to complete the required tables for the continuing disclosure report and an additional \$1,500 complete the appeals analysis for a total estimated cost of \$2,700.

We will have the continuing disclosure tables completed in time for the Agency to meet its January 26th deadline. The appeals analysis is recommended to be completed later next calendar year after the results of the 2011-12 appeals, which can be filed by taxpayers through December 2011, have been processed by the County.

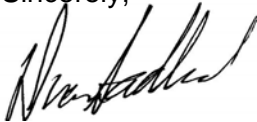
Total Budget

DHA Consulting is again not increasing its hourly rates for 2011-12 in recognition of current economic circumstances. The estimated costs associated with all of the above tasks range from \$11,200 to \$17,200. Once you have a chance to review the scope of services as outlined above, you can indicate which of the services you find most relevant to the Agency's needs. We would be pleased to modify the proposal to add or delete services as appropriate once we receive your feedback. If the Agency selects all of the services associated with "Eliminating Redevelopment", we anticipate that some economies of scale would result in total expenditures for all tasks in an amount much closer to the lower end of the range provided.

We expect that any expenses related to this assignment would be nominal and will probably be limited to obtaining any needed data from the County and any printing and mailing expenses. Should the scope of the assignment be expanded or required information is not readily available, additional hourly fees and expenses could be incurred.

DHA Consulting appreciates the opportunity to submit this proposal and looks forward to having an opportunity to work with you. Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Diane Hadland", written in a cursive style.

Diane Hadland

SCHEDULE OF FEES AND CHARGES

Principal	\$145/hour
Administrative/Secretarial	60/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*
- ≈ Black and white copies at the rate of \$0.15 per copy; or actual outside charges*
- ≈ Facsimiles at the rate of \$0.5 per transmittal*
- ≈ Duplication and binding 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*

AGREEMENT FOR CONSULTANT SERVICES WITH THE
SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY

NAME OF CONSULTANT: Barthe & Wahrman

RESPONSIBLE PRINCIPAL OF CONSULTANT: Attn: Craig DeBerg

CONSULTANT'S ADDRESS: 3601 Minnesota Drive, Suite 510
Bloomington, Minnesota 55435

SUCCESSOR AGENCY'S ADDRESS: 30001 Ladyface Court
Agoura Hills, CA 91301
Attn: Executive Director

PREPARED BY: Christy Pinuelas

COMMENCEMENT DATE: August 22, 2012

TERMINATION DATE: August 22, 2013

CONSIDERATION: Contract Price \$2,000
Not to Exceed: \$2,000 /yr

ADDITIONAL SERVICES <i>(Describe Services, Amount, and Approval):</i> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
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Date: _____ Amount: \$ _____ Authorized By: _____
(Not to Exceed 10% of Contract Price) Executive Director

**AGREEMENT FOR CONSULTANT SERVICES BETWEEN
THE SUCCESSOR AGENCY TO THE AGOURA HILLS
REDEVELOPMENT AGENCY AND BARTHE &
WAHRMAN**

THIS AGREEMENT is made and effective as of August 22, 2012, between the Successor Agency to the Agoura Hills Redevelopment Agency, a municipal corporation ("Agency") and Barthe & Wahrman ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**. This Agreement shall commence on June 14, 2012, and shall remain and continue in effect until tasks described herein are completed, but in no event later than August 1, 2013, unless sooner terminated pursuant to the provisions of this Agreement.

2. **SERVICES**. Consultant shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. **PERFORMANCE**. Consultant shall at all times faithfully, competently and to the best of his or 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. **PAYMENT**.

A. The Agency agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B other than the payment rates and schedule of payment are null and void. This amount shall not exceed \$2,000 ("Contract Price") for the initial Term of the Agreement unless additional payment is approved as provided in this Agreement.

The Executive Director may approve additional work up to ten percent (10%) of the amount of the Contract Price. Any additional work in excess of this amount shall be approved by the Successor Agency Board of Directors.

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 the Executive Director and Consultant at the time Successor Agency's written authorization is given to Consultant for the performance of said services.

C. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the Successor Agency disputes any of 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.

5. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

A. The Successor 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 Successor 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 Successor Agency shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the Successor Agency. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the Successor Agency pursuant to Section 4.

6. 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, Successor 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 Executive Director or his delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Consultant with written notice of the default. The Consultant shall have (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 Successor 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.

7. OWNERSHIP OF DOCUMENTS

A. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by Successor 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 Successor Agency or its designees at reasonable times to such books and records, shall give Successor Agency the right to examine and audit said books and records, shall permit Successor Agency to make transcripts there from 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, designs, drawings, maps, models, computer files containing data generated for the work, surveys, 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 Successor Agency and may be used, reused or otherwise disposed of by the Successor Agency without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the Successor Agency, upon reasonable written request by the Successor Agency, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

8. INDEMNIFICATION. The Consultant agrees to defend, indemnify, protect and hold harmless the Successor Agency, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, including attorney fees and expert witness fees, or liability of any kind or nature which the Successor Agency, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Consultant's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement, excepting only liability arising out of the negligence of the Successor Agency.

9. INSURANCE REQUIREMENTS. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88.

2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92 covering Automobile Liability, code 1 (any auto). If the Consultant owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.

3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Consultant has no employees while

performing under this Agreement, worker's compensation insurance is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Consultant's profession.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1) General Liability: \$1,000,000 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 shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

3) Worker's Compensation as required by the State of California; Employer's Liability: One million dollars (\$1,000,000) per accident for bodily injury or disease.

4) Professional Liability coverage: One million (\$1,000,000) per claim and in aggregate.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Executive Director. At the option of the Executive Director, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Successor Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1) The Successor Agency, its officers, officials, employees and volunteers are to be covered as additional insureds in respect to: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Successor Agency, its officers, officials, employees or volunteers.

2) For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Successor Agency, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the Successor Agency, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Successor Agency, its officers, officials, employees or volunteers.

4) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Successor Agency.

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Successor Agency. Self insurance shall not be considered to comply with these insurance requirements.

F. Verification of Coverage. Consultant shall furnish the Successor Agency with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the Successor Agency. All endorsements are to be received and approved by the Successor Agency before work commences. As an alternative to the Successor Agency's forms, the Consultant's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

10. INDEPENDENT CONTRACTOR

A. Consultant is and shall at all times remain as to the Successor 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. Neither Successor Agency nor any of its officers, employees, agents, or volunteers 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 Successor Agency. Consultant shall not incur or have the power to incur any debt, obligation or liability whatever against Successor Agency, or bind Successor 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, Successor Agency shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for Successor Agency. Successor Agency shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

11. LEGAL RESPONSIBILITIES. The Consultant shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such ordinances, laws and regulations. The Successor 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.

12. RELEASE OF INFORMATION

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

B. Consultant shall promptly notify Successor Agency should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under or with respect to any project or property located within the Successor Agency. Successor 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 Successor Agency and to provide Successor Agency with the opportunity to review any response to discovery requests provided by Consultant. However, Successor Agency's right to review any such response does not imply or mean the right by Successor Agency to control, direct, or rewrite said response.

13. 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, that 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. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To Successor Agency:	Successor Agency to the Agoura Hills Redevelopment Agency 30001 Ladyface Court Agoura Hills, California 91301 Attention: Executive Director
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To Consultant: Barthe & Wahrman
3601 Minnesota Drive, Suite 510
Bloomington, Minnesota 55435
Attn: Craig De Berg

14. 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 Successor Agency. 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 Successor Agency Board of Directors and the Consultant.

15. 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.

16. GOVERNING LAW. The Successor 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 geographic jurisdiction over the Successor Agency of Agoura Hills. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

17. PROHIBITED INTEREST. No officer, or employee of the Successor Agency to the Redevelopment Agency of Agoura Hills shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-contractors for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the Successor Agency that no officer or employee of the Successor Agency has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the Consultant or Consultant's sub-contractors on this project. Consultant further agrees to notify the Successor Agency in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

18. 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.

19. AUTHORITY TO EXECUTE THIS AGREEMENT. The person or persons executing this Agreement on behalf of Consultant warrants and represents that he or 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.

SUCCESSOR AGENCY TO THE AGOURA HILLS REDEVELOPMENT AGENCY

Greg Ramirez,
Executive Director

ATTEST:

Kimberly M. Rodrigues, MMC
Secretary

APPROVED AS TO FORM:

Candice K. Lee,
Attorney

CONSULTANT

**Barthe & Wahrman
3601 Minnesota Drive, Suite 510
Bloomington, Minnesota 55435**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signatures of Two Corporate Officers Required]

EXHIBIT A

TASKS TO BE PERFORMED

The specific elements (scope of work) of this service include:

Verification Agent Services

See proposal dated August 14, 2012.

EXHIBIT B

PAYMENT RATES AND SCHEDULE

See proposal dated August 14, 2012.

Barthe & Wahrman
A Professional Association
3601 Minnesota Drive
Suite 510
Bloomington, Minnesota 55435
952-897-1477 • Fax 952-897-1329

August 14, 2012

Ms. Christy Pinuelas
Director of Finance
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Dear Ms. Pinuelas:

Thank you for the opportunity to submit this letter setting forth our fee quote to provide the required verification services.

We understand that the City is planning to defease certain of its outstanding Series 2008 housing bonds. As part of this transaction, certain computations to be prepared by C.M. de Crinis & Co., Inc. will need to be verified as to the arithmetical accuracy.

Our fee and expenses to verify the escrow fund cash sufficiency and escrow yield would be \$2,000.

Please feel free to contact me with any questions you may have.

Sincerely,



Craig DeBerg
cdeberg@barthecpa.com
(612) 963-6160

cc: Curt de Crinis