




REPORT TO CITY COUNCIL

DATE: SEPTEMBER 28, 2016

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER 

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER 
CHRISTY PINUELAS, DIRECTOR OF FINANCE 

SUBJECT: REQUEST TO ENTER INTO AN AGREEMENT FOR CONSULTANT SERVICES WITH C.M. de CRINIS AND COMPANY, INC.

Staff is requesting that the City Council consider approving a contract with C.M. de Crinis & Co., Inc. for consulting services specifically related to the sale of the 2017 refunding bonds. The 2017 bond refunding is to refund the 2007 bonds which were issued to finance the Civic Center and other Capital Improvements. These bonds will allow the City to take advantage of lower interest rates and reduce the overall debt service.

During 2013, the City utilized the services of C.M. de Crinis & Co., Inc., to assist in the issuance of the 2013 Lease Revenue bonds which financed the Agoura Hills Recreation and Event Center. The City was pleased with the services it received from the firm and the attention to detail provided.

C.M. de Crinis and Company, Inc. brings knowledge and expertise regarding the City of Agoura Hills and its financing options. If the bonds are sold, the financial consultant will be paid a maximum of \$75,000 directly from the proceeds of the bond sale. If, for any reason, the refunding bonds are not sold, the City will pay the costs for his services provided up to that date from the General Fund. Staff previously brought a staff report to the City Council estimating that the total cost of those services, including legal, printing and financial advisor costs, would not exceed \$30,000.

The proposed agreement has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends the City Council approve the Agreement for Consultant Services for C.M. de Crinis & Co., Inc. for consulting services in an amount not-to-exceed \$75,000 for the issuance of the 2017 refunding bonds.

Attachment: C.M. de Crinis & Co., Inc.

AGREEMENT FOR CONSULTANT SERVICES
WITH THE CITY OF AGOURA HILLS

NAME OF CONSULTANT: C.M. de CRINIS & Co., Inc.
RESPONSIBLE PRINCIPAL OF CONSULTANT: Attn: Curt de Crinis
CONSULTANT'S ADDRESS: 100 N. Brand Blvd. Suite 605
Glendale, CA 91203
CITY'S ADDRESS: City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301
Attn: City Manager
PREPARED BY: Christy Pinuelas
COMMENCEMENT DATE: 8/18/2016
TERMINATION DATE: 8/17/2017
CONSIDERATION: Contract Price
Not to Exceed: \$ 75,000/yr

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

**AGREEMENT FOR CONSULTANT SERVICES BETWEEN
THE CITY OF AGOURA HILLS AND C.M. DE CRINIS & CO.,
INC.**

THIS AGREEMENT is made and effective as of August 18, 2016, between the City of Agoura Hills, a municipal corporation ("City") and C.M. de Crinis & 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 August 18, 2016 , and shall remain and continue in effect until tasks described herein are completed, but in no event later than August 17, 2017, unless sooner terminated pursuant to the provisions of this Agreement.

The City may, at its option, extend this Agreement for one additional term of three years upon providing written notice of its intent to extend this Agreement to the Consultant 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.

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

In meeting its obligations under this Agreement, Consultant shall at all times faithfully and competently perform all tasks described herein in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

4. PAYMENT

A. The City agrees to pay Consultant, in accordance with the payment 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 seventy-five thousand dollars and zero cents (\$75,000.00) ("Contract Price") for the initial Term of the Agreement unless additional payment is approved as provided in this Agreement.

The City Manager may approve additional work up to ten percent (10%) of the amount of the Agreement. Any additional work in excess of this amount shall be approved by the City Council.

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 City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by the City Council and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

C. Consultant shall submit invoices for actual services performed. Payment shall be made within thirty (30) days of receipt of each invoice or as otherwise agreed as to all non-disputed fees. If the City 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. For all reimbursements authorized by this Agreement, Consultant shall provide receipts on all reimbursable expenses in excess of Fifty Dollars (\$50) in such form as approved by the Director of Finance or as otherwise agreed

5. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

A. The City 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 City 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 City 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 City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section entitled "**PAYMENT**" herein.

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, City 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 City Manager 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 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 City 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 City 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 City or its designees at reasonable times to such books and records, shall give City the right to examine and audit said books and records, shall permit City 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, 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 City and may be used, reused or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files containing data generated for the work, Consultant shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

8. INDEMNIFICATION

- 1) Consultant shall defend, indemnify, and hold the City, its officials, officers, employees, and agents serving in the role of City officials, (collectively “Indemnitees”) free and harmless from any and all claims arising from any negligent or wrongful act, error or omission by CONSULTANT or any of CONSULTANT’s officers, agents, employees, or representatives, in the performance of this Agreement except for such Claims arising out of the sole negligence or willful misconduct of the Indemnitees.

, With respect to any and all such Claims, Consultant shall defend Indemnitees at Consultant’s own cost, expense, and risk and shall pay and satisfy any judgment, award, or decree that may be rendered against Indemnitees. . Consultant’s obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant or Indemnitees. All duties of Consultant under this Section shall survive termination of this Agreement.

9. INSURANCE REQUIREMENTS

Prior to commencement of work, Consultant shall procure, provide, and maintain, at Consultant’s own expense, for the duration of this Agreement, 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, or equivalent.

2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92, or equivalent, 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, including without limitation, blanket contractual liability. 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: \$500,000 per accident for bodily injury and property damage for all activities of the Consultant arising out of or in connection with work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rental vehicles.

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 City Manager. At the option of the City Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, 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 City, its officers, officials, employees and volunteers are to be covered and named 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 City, 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 City, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the City, 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 City, 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 has been given to the City. Consultant agrees to oblige its insurance agent or broker and insurers to provide City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

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 City. Self insurance shall not be considered to comply with these insurance requirements.

F. Verification of Coverage. **Consultant shall furnish the City with original endorsements, specifically naming the City of Agoura Hills, its officers, officials, employees and volunteers as additional insured, 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 acceptable to the City. Insurance certificates and endorsements must be received and approved by City's Risk Manager prior to commencement of performance. Current insurance certificates and endorsements shall be kept on file with the City at all times during the term of this agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

G. Mailing Instructions. Insurance documents shall be mailed with the signed Agreement to the attention of the staff person indicated on the cover sheet of this Agreement, to the City of Agoura Hills, 30001 Ladyface Court, Agoura Hills, CA 91301. Executed Agreement(s) cannot be released nor may any work commence on a project until the signed Agreement and appropriate insurance documents are on file with the City Clerk.

10. INDEPENDENT CONSULTANT

A. Consultant is and shall at all times remain as to the City a wholly independent Consultant. 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 City 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 City. Consultant shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City 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, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City 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 City, 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 City's prior written authorization. Consultant, its officers, employees, agents or sub-consultants, shall not without written authorization from the City Manager or unless requested by the City 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 City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or sub-consultants be served with any summons, complaint,

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 City 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 City of Agoura Hills shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Consultant, or Consultant's sub-consultants for this project, during his/her tenure or for one year thereafter. The Consultant hereby warrants and represents to the City that no officer or employee of the City 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-consultants on this project. Consultant further agrees to notify the City 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.

CITY OF AGOURA HILLS

Harry Schwarz,
Mayor

ATTEST:

Kimberly M. Rodrigues, MMC
City Clerk

Date Approved by City Council: _____

APPROVED AS TO FORM:

Candice K. Lee,
City Attorney

CONSULTANT

C.M. de Crinis & Co. Inc.
100 N. Brand Blvd., Suite 605
Glendale, CA 91203
Curt de Crinis
(818)385-4900
curt@cmdecrinis.com

By: _____
Name:
Title:

By: _____
Name:
Title:

[Signatures of Two Corporate Officers Required]

EXHIBIT A

TASKS TO BE PERFORMED

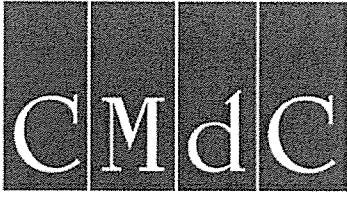
The specific elements (scope of work) of this service include:

See Engagement Letter dated September 14, 2016, attached.

EXHIBIT B
PAYMENT RATES AND SCHEDULE

See engagement letter dated September 14, 2016, attached

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

August 2, 2016

Christy Pinuelas

Director of Finance

City of Agoura Hills

30001 Ladyface Court

Agoura Hills, CA 91301

Re: Financial Advisory Services

RE: Municipal Advisory Services Engagement Letter

Dear Christy:

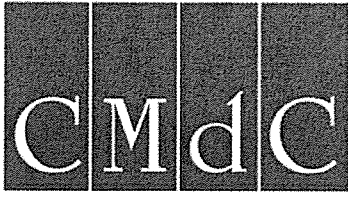
This letter specifies the terms of the engagement between C.M. de Crinis & Co., Inc. ("CMdC") and City of Agoura Hills for the refinancing of the City's 2007 Lease Revenue Bonds.

This engagement between CMdC and City of Agoura Hills ("Client") shall become effective as of the date of its formal acceptance or as of the date services are first provided by mutual consent as provided below.

Scope of Municipal Advisory; Activities to be Performed

Services will include, as needed, a review and analysis of financing options, recommendations if appropriate, assistance in assembling a financing team, developing a plan of finance, and structuring and managing the financing to completion. Our proposed scope of services is outlined as follows;

1. Analyze and review proposed funding options. Prepare Options Memo as needed.



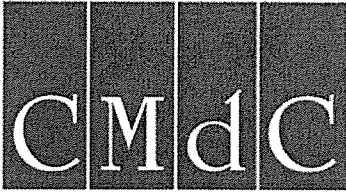
C.M. de CRINIS & CO., INC.

2. Review and confirm revenue available for debt service including review of prior Audits, studies and continuing disclosure and other documents.
3. Review terms and conditions of existing Bonds. Prepare analysis outlining bonding capacity, savings and debt structuring options.
4. Assist issuer in retaining other financing team members as required. Assess benefits of competitive VS negotiated sale; make recommendation.
5. Evaluate underwriter responses if negotiated sale.
6. Review and evaluate debt structure options including recommended debt coverage, legal covenants and other terms; Work with Staff, Consultants, and Board as necessary.
7. Develop final Recommended Plan of Finance as needed.
8. Prepare required Reports; Prepare other reports, materials and analysis required or requested.
9. Maintain and manage Financing Calendar.
10. Work with Bond Counsel in the drafting of required legal documents, investor disclosure documents and bond sale documents and terms.
11. Assist issuer by managing the financing process; provide updated bond market information, provide advice on market conditions.
12. Assist issuer in preparing and presenting Rating and Bond Insurance Applications, as advisable.
13. Assist the issuer in final negotiations of terms with Rating Agencies and Insurers.
14. Advise on and coordinate bond sale activities including verifications, represent issuer in underwriter negotiations or competitive sale processes. Verify reasonableness of bond pricing and bond sale terms.
15. Assist Issuer and Bond Counsel in finalizing all bond documents and closing documents. Prepare closing memo and confirm all wiring instruction.
16. Coordinate closing of transaction.
17. Provide post closing follow up and advice as needed.

If all the above service are not required or the scope of services is expanded or reduced CMdC will modify the Engagement Letter accordingly.

Independent Registered Municipal Advisor (“IRMA”)

In acting in the capacity of an Independent Registered Municipal Advisor (“IRMA”) with regard to the IRMA exemption of the SEC Rule, CMdC will, upon request, review all third party recommendations submitted by Underwriters or other advisors.



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

Term and Termination of the Engagement Letter

The commencement date of the Engagement is the date of acceptance or the date services are first provided, upon mutual consent, and the end date is the date of bond closing or as otherwise agreed in writing. Any extensions must be mutually agreed upon by all parties in writing. Either party may terminate the Engagement for any reason upon 15 day written notice.

Compensation and Out-of-Pocket Expenses

Compensation for the municipal advisory services to be performed for this engagement is due at time of bond closing from bond proceeds will not exceed \$65,000. Expenses will be billed at 5% of fees with the exception of any required out of state travel for bond rating or bond underwriting purposes. Out of state travel will be billed based on out of pocket costs incurred. CMdC may recommend that the Client abandon, terminate or not undertake the financing.

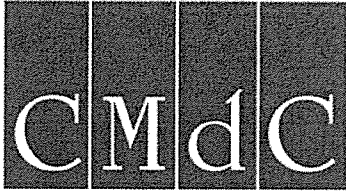
CMdC has a conflict of interest if compensation for municipal advisory activities to be performed, is contingent on the size or closing of any transactions as to which CMdC is providing advice; No such conflict of interest exists if CMdC is paid on a non-contingent basis.

Fiduciary Duty

CMdC is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board (“MSRB”). As such, CMdC has a Fiduciary duty to Client and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

Duty of Care

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide Client with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to Client s determination as to whether to proceed with a course of action or that form the basis for any advice provided to Client; and
- d) undertake a reasonable investigation to determine that CMdC is not forming any recommendation on materially inaccurate or incomplete information; CMdC must have a reasonable basis for:
 - i. any advice provided to or on behalf of Client;



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

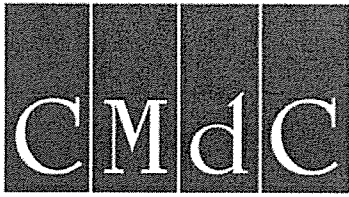
- ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by Client, any other party involved in the municipal securities transaction or municipal financial product, or investors in Client securities; and
- iii. any information provided to Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty

CMdC must deal honestly and with the utmost good faith with Client and act in Client's best interests without regard to the financial or other interests of CMdC. CMdC will eliminate or provide full and fair disclosure (included herein) to Issuer about each material conflict of interest (as applicable). CMdC will not engage in municipal advisory activities with Client as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in Client's best interests.

Conflicts of Interest and Other Matters Requiring Disclosures

- As of the date of the Agreement, there are no actual or potential conflicts of interest that CMdC is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If CMdC becomes aware of any potential conflict of interest that arise after this disclosure, CMdC will disclose any such conflict to Client.
- The fee paid to CMdC increases the cost of investment to Client. The increased cost occurs from compensating CMdC for municipal advisory services provided.
- CMdC does not act as principal in any of the transaction(s) related to this Agreement.
- During the term of the municipal advisory relationship, this agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this agreement and the revised writing will be promptly delivered to Client.
- CMdC does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by Client;



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

- CMdC has not made any payments directly or indirectly to obtain or retain the Clients municipal advisory business;
- CMdC has not received any payments from third parties to enlist CMdC recommendation to Client of its services, any municipal securities transaction or any municipal finance product;
- CMdC has not engaged in any fee-splitting arrangements involving CMdC and any provider of investments or services to Client;
- CMdC has a conflict of interest IF compensation for municipal advisory activities to be performed, is contingent on the size or closing of any transactions as to which CMdC is providing advice; No such conflict of interest exists if CMdC is paid on a non-contingent basis.
- CMdC does not have any other engagements or relationships that might impair CMdC ability either to render unbiased and competent advice to or on behalf of Client or to fulfill its fiduciary duty to the Client as applicable; and
- CMdC does not have any legal or disciplinary event that is material to Client evaluation of the municipal advisory or the integrity of its management or advisory personnel.

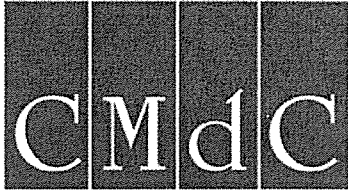
Legal Events and Disciplinary History

CMdC does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. Client may electronically access CMdC's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Recommendations

If CMdC makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by CMdC and is within the scope of the engagement, CMdC will determine, based on the information



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

obtained through reasonable diligence of CMdC whether a municipal securities transaction or municipal financial product is suitable for Client. In addition, CMdC will, as appropriate or required, inform Client of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which CMdC reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for Client; and
- whether CMdC has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Clients objectives.

If Client elects a course of action that is independent of or contrary to the advice provided by CMdC, CMdC is not required on that basis to disengage from Client.

Record Retention

Effective July 1, 2014, pursuant to the Securities and Exchange Commission (SEC) record retention regulations, CMdC is required to maintain in writing, all communication and created documents between CMdC and Client for 5 years.

If there are any questions regarding the above, please do not hesitate to contact CMdC. If the foregoing terms meet with your approval, please indicate your acceptance by executing both copies of this letter and returning one copy. We look forward to working with you!

Sincerely,

A handwritten signature in cursive script, appearing to read 'Curt de Crinis', written in black ink over a horizontal line.

Curt de Crinis, *Managing Director*