

AMENDMENT NO. 3

TO AGREEMENT FOR CONTRACT SERVICES

THIS THIRD AMENDMENT TO THE AGREEMENT FOR CONTRACT SERVICES (“Third Amendment”) by and between the CARSON SUCCESSOR AGENCY, as successor agency for the dissolved Carson Redevelopment Agency, a public body, corporate and municipal, (“Agency”) and DHA Consulting, LLC, a California Limited Liability Company (“Consultant”) is effective as of the 28th day of January, 2020.

RECITALS

A. Agency and Consultant entered into that certain Agreement for Contract Services dated July 1, 2016 (“Agreement”) whereby Consultant agreed to provide certain fiscal consultant services for a period of two years for a total contract sum of \$35,000.

B. On December 5, 2017, Agency and Consultant entered into the first amendment (“First Amendment”) to the Agreement to extend the term for an additional two years and increase compensation by \$24,000 to continue services and cover the cost of the preparation of a Fiscal Consultant Report, for a total contract sum of \$59,000.

C. The executed First Amendment contained conflicting contract expiration dates between Section 3.4, “Term,” which extended the term through December 4, 2019 and Exhibit D, which provided a contract expiration date of March 30, 2020. The parties intend to clarify the contract expiration date under the First Amendment to be December 4, 2019.

D. The Second Amendment added \$60,000 and extended the term to 2023.

E. Agency and Consultant now desire to amend the Agreement to (1) add additional tasks to the Scope of Services in Exhibit A related to 2020 Tax Allocation Bond Issues; and (2) increase the compensation by an additional \$50,000 for these tasks for a total contract sum not to exceed \$169,000.

TERMS

1. **Contract Changes.** The Agreement is amended as provided herein (new text is identified in *bold italics*):

A. **Section 2.1, “Contract Sum,” shall be amended as follows:**

“2.1 Contract Sum. Subject to any limitations set forth in this Agreement, Agency agrees to pay Consultant the amounts specified in the “Letter Proposal” attached hereto as Exhibit A and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed ***One Hundred Sixty Nine Thousand Dollars (\$169,000)***.”

B. **Section I of Exhibit A, “Scope of Services,” shall be amended as follows:**

Consultant will perform the following Services:

“At the direction of the Agency’s Contract Officer the Consultant shall provide financial consultant report services to the Agency related to the issuance of the 2020 Series A, B and C Tax Allocation Bonds, as shown in Exhibit A. All other scope described in the original contract or previous amendments shall remain unchanged.

2. **Continuing Effect of Agreement.** Except as amended by this Second Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Second Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this Second Amendment to the Agreement.

3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** Agency and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to Agency that, as of the date of this Second Amendment, Agency is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

Agency represents and warrants to Consultant that, as of the date of this Second Amendment, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Second Amendment.

5. **Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

AGENCY:

CARSON SUCCESSOR AGENCY, as successor agency for the dissolved Redevelopment Agency of the City of Carson, California, a public body corporate and politic

Albert Robles, Chairman

ATTEST:

Donesia L. Gause-Aldana
Agency Secretary

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Sunny K. Soltani, Agency Counsel
[ndp]

CONSULTANT:

DHA Consulting, LLC

By:_____
Name: Diane Hadland
Title: President and Sole Member
Address: 3621 California Avenue
Long Beach, CA 90807

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, or any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

DHA Consulting

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

Cell: (562) 458-1212

(562) 426-1150

January 23, 2020

Mr. John Raymond
Carson Successor Agency
701 E. Carson Street
Carson, CA 90745

RE: FISCAL CONSULTANT REPORT / CARSON CONSOLIDATED PROJECT

Dear Mr. Raymond:

DHA Consulting is pleased to provide this proposal for bond services to the Carson Successor Agency (Agency). As we understand it, the Agency is considering the issuance of tax allocation bonds secured by a combined pledge of revenues from all three Redevelopment Project Areas: Project Area No. 1, the Merged and Amended Project Area and Project No. 4. DHA Consulting is proposing to provide Fiscal Consulting services and has been asked to provide the Agency with the proposed fees for those services.

DHA Consulting is prepared to provide the analysis of tax increment revenues to be generated from the Project Areas for the Agency to include in the offering documents for its proposed bond issue ("Fiscal Consultant Report"). The Report will be designed to accommodate the changes to revenue allocation and distribution resulting from redevelopment dissolution.

SCOPE OF SERVICES

The scope of Fiscal Consulting services are really proscribed by the Agency's Financial Advisor and Bond Underwriter. As such, typical services required in these types of financings have been bundled under the proposed "Basic Services" description. Fiscal Consulting services include the preparation of a formal Fiscal Consultant's Report, the provision of a number of tables for inclusion in the Bond Official statement, and participation as part of the overall bond financing team. The following are the components of the formal Fiscal Consultant's Report.

Basic Services

Fiscal Report

- 1) **Current Year Revenue Estimate**: An estimate of the 2019-20 (current year) tax increment revenues expected will be included for each Project Area as a whole, as well as the many subareas that are included in Project No. 1 and the Merged Project. Unlike the preliminary projections prepared in November, these projections will include modifications to County reported assessed values to take into account assessment appeals, property transfers and any errors in County reported assessed values,
- 2) **Investigation of Assessed Value Increases**: As part of the analysis of reported assessed values, DHA Consulting will identify the major reasons for the increase in assessed values for the Project Areas and describe those increases in the report.

- 3) **Project Profile Tables:** The typical tables required by the rating agencies and insurance companies will be included for each Project Area as well as for the Consolidated Project Area, as appropriate: These tables include Project Limitations, Major Assesseees, Historical Taxable Values and Tax Receipts, Tax Rates and Assessed Values by Land Use. Because of the combined financing, this information is assumed to not be needed to be prepared for individual subareas.
- 4) **Appeals:** Filed appeals will be investigated to estimate potential future impacts to project values and revenues. Estimates of taxpayer refunds will be prepared as well as estimates of future declines in assessed values for each Project Area. Information will be presented for each Project Area; for the Merged Project Area, appeal information may be bifurcated between Project No. 2 and No. 3, if appropriate. Appeal information, however, will not be prepared for individual subareas.
- 5) **Analysis of County Tax Increment Allocations:** A review of the County's calculation and allocation of tax increment revenues will be finalized for each of the last 5 years, from 2014-15 to the present. These analyses are conducted to ensure that the Agency has a realistic expectation of receiving the revenues estimated for the current and future fiscal years. This information will be presented for each Project Area as well as the Consolidated Project Area.
- 6) **Tax Increment Projection:** Projections showing the tax increment revenue estimated to be annually generated by the Consolidated Project Area as a whole will be prepared as well as projections for each individual subarea. These projections will be prepared for a 25 to 30 year term. The projections are to be extended for a number of years so that the reader can determine the impact to the Consolidated Project Area when the older subareas no longer receive tax increment revenue. The projections will include estimates of the impact of outstanding appeals and also the positive impact from property transfers that have already occurred. Up to four alternative projections will be included: a) with a 2.0 percent inflationary trend and tax increment limits; b) with no inflationary trend and tax increment limits, c) with a 2.0 percent trend and no tax increment limits; and d) with no inflationary trend and no tax increment limits.

Please note that the revenue projections described above will not include trends beyond the 2.0 percent Proposition 13 automatic escalation nor will it include developments which are not yet under construction. So while the projections will technically cover an extended timeframe, its purpose is to test the impact of the loss of revenue from various subareas and show bond debt service coverage over an extended period. The projections are prepared for revenue analysis purposes and are not really intended to provide the Agency with realistic future revenue estimates for other planning purposes.

- 7) **Historical Cash Flow:** Actual tax receipts will be compared to bond debt service and other senior debt for the combined Project Areas for the last 5 years.
- 8) **Report:** A single formal Fiscal Consultant's Report will be prepared which includes revenues for all Project Areas. The report will summarize the methodologies used and the analysis of current and projected tax increment revenues.
- 9) **Bond Meetings:** DHA Consulting will attend up to five meetings to assist in structuring the bonds and/or to present information contained in the Fiscal Consultant's Report.

- 10) **Official Statement:** DHA Consulting will review up to three drafts of the Official Statement for the bond issue to ensure that information included concerning Project Areas assessed values and tax increment revenue are accurately reflected.
- 11) **Bond Structure Review:** DHA Consulting will review the bond structure reflected in the Official Statement and Indenture of Trust to assist the bond financing team in preparing documents that reflect the proposed bond structures and provide the Agency with flexibility in the ongoing compliance with the various requirements, such as continuing disclosure.
- 12) **Rating Agencies/Insurance Companies:** DHA Consulting is available to discuss by telephone the Fiscal Consultant's report with rating agencies and insurance companies.
- 13) **Department of Finance (DOF):** DHA Consulting will be available to coordinate with DOF and to discuss by telephone the Fiscal Consultant's report with state representatives.

Additional Services

Services beyond those included as Basic Services can be included at the Agency's direction and can be charged on a time and materials basis, in accordance with the attached schedule. Services not included in the services identified above, that could possibly be required in connection with the proposed bond issuance, would include:

1. The preparation of a ROPS cash flow that compares estimated future revenues to expenses and costs associated with existing debt service, the proposed bond debt service and other major obligations of the Agency.
2. Analysis of specific properties, such as the polypropylene plant in Project No. 3, or other specialized properties.
3. The preparation of other additional tables or other research requested by the bond financing team, the bond rating agencies or insurance companies.
4. the attendance of DHA Consulting at additional meetings;
5. the provision of miscellaneous services including participating in negotiations with the County or other taxing entities;
6. the preparation of alternative revenue projections, including alternative cash flows; and/or

COSTS

The above services, when performed in connection with a financing, are comprehensive and detailed, and therefore time consuming to prepare. The Basic Services described above (items 1 through 10) for all three Project Areas can be completed in a single combined report for a cost equal to \$37,500. This fee reflects a reduction from fees charged by DHA Consulting for previous reports to allow for the work previously completed by DHA Consulting for the Agency associated with the Annual Continuing Disclosure Report and the preliminary bond sizing. The fee is intended to cover an original draft of the Report, as well as two additional revised reports that incorporate comments from the financing group. Revisions to the document in excess of three drafts would be considered additional services. An additional fee of up to \$5,000 will be required if a ROPS cash flow is requested. This service can be prepared on a time and materials basis but would be in addition to the flat \$37,500 fee, plus expenses. The costs for additional services can range from

\$0 to \$10,000, or more, in a complicated issue such as the one being proposed and are dependent, in part, on the issues that arise with the financing structure as well as the Project Areas.

The \$37,500 fee is applicable to a Report that is based on 2019-20 assessed values. In the event the bonds are still not issued by August 2020 and the Fiscal Consultant's Report needs to be updated to 2020-21, additional fees would be incurred by the Successor Agency. The amount of the additional fees, which can be billed on a time and materials basis, would depend on the level of update required (timing) and the amount of surprise, if any, included in the 2020-21 numbers. If a full update is required, the additional costs can range from \$10,000 to \$15,000.

Other Matters

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

We look forward to working with the bond financing team and you on these financings. Please call with any questions or comments you may have. This proposal will remain effective for 30 days after which time cost and timing estimates may need to be revised.

Sincerely,



Diane Hadland

SCHEDULE OF FEES AND CHARGES

Diane Hadland/President	\$175/hour
Secretarial/Administrative	75/hour

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

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, 2019 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	
<input type="checkbox"/> CORPORATE OFFICER	
<div style="display: flex; align-items: center;"><div style="flex: 1;"><input type="checkbox"/> PARTNER(S)</div><div style="flex: 1; text-align: center;"><div style="border-bottom: 1px solid black; margin-bottom: 5px;">TITLE(S)</div><div style="display: flex; justify-content: space-around;"><input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL</div></div></div>	<div style="border-bottom: 1px solid black; text-align: center;">TITLE OR TYPE OF DOCUMENT</div>
<input type="checkbox"/> ATTORNEY-IN-FACT	
<input type="checkbox"/> TRUSTEE(S)	
<input type="checkbox"/> GUARDIAN/CONSERVATOR	<div style="border-bottom: 1px solid black; text-align: center;">NUMBER OF PAGES</div>
<input type="checkbox"/> OTHER _____	
SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____	<div style="border-bottom: 1px solid black; text-align: center;">DATE OF DOCUMENT</div>
	<div style="border-bottom: 1px solid black; text-align: center;">SIGNER(S) OTHER THAN NAMED ABOVE</div>

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<input type="checkbox"/> TRUSTEE(S)	<div style="text-align: center;">_____ NUMBER OF PAGES</div>
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<input type="checkbox"/> OTHER _____	
SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____	<div style="text-align: center;">_____ DATE OF DOCUMENT</div>
	<div style="text-align: center;">_____ SIGNER(S) OTHER THAN NAMED ABOVE</div>