

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

215



**FROM:** COUNTY EXECUTIVE OFFICE

**SUBMITTAL DATE:**  
December 8, 2009

**SUBJECT:** First Amendment to Professional Services Agreement between the County of Riverside and Albert A. Webb Associates regarding Land Secured Finance Districts.

**RECOMMENDED MOTION:** That the Board of Supervisors approve the attached First Amendment to Professional Services Agreement between the County of Riverside and Albert A. Webb Associates to provide special tax consulting services for the County's existing Land Secured Finance Districts.

**BACKGROUND:** On December 19, 2006 the Board of Supervisors approved a Professional Services Agreement with Albert A. Webb Associates to provide special tax consulting services for the County's existing Land Secured Finance Districts. The original terms of this agreement expire December 16, 2009; however there is an option to renew the agreement for an additional two years.

To ensure continuity in administration of the County's existing Land Secured Finance Districts and to align the contract with the Land Secured Finance Districts fiscal year budget, it is being recommended that Albert A. Webb Associates continue to administer these districts for an additional 18 months and at that time administration of the Districts will be rebid.

*Stephanie Persi*  
Stephanie Persi, Associate Management Analyst

FORM APPROVED COUNTY COUNSEL  
BY: Dale A. Gardner 11/30/09  
DATE: 11/30/09  
DALE A. GARDNER  
Environmental Concurrence

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 300,000	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$ -0-	Budget Adjustment:	NO
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	09/10

<b>SOURCE OF FUNDS:</b> CFD/AD Operating Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE APPROVE

**County Executive Office Signature**

BY: *Jerry Norris*  
Jerry Norris

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:  
Per Exec. Ofc.:

**FIRST AMENDMENT TO  
PROFESSIONAL SERVICES AGREEMENT**

This First Amendment to Professional Services Agreement (the "Amendment") is made and entered into on the 8<sup>th</sup> day of December 2009, by and between the County of Riverside, (the "County") and Albert A. Webb Associates, (the "Consultant").

**RECITALS**

**WHEREAS**, the parties hereto are the parties to an agreement entitled Agreement for Professional Services that is dated December 19, 2006, (the "Agreement"), under the terms of which the Consultant is to provide services to the County;

and

**WHEREAS**, the parties desire to amend the agreement as hereinafter set forth to extend the term of said Agreement;

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the above recitals and the covenants herein set forth, the Agreement is hereby amended as follows:

1. Section 2 of the Agreement is hereby amended by deleting said Section 2 therefrom in its entirety and substituting in place and stead thereof the following Section 2:

2. Term Of Agreement: The term of this Agreement shall be in effect from December 20, 2009 to June 30, 2011.

2. The first sentence of Section 3 is hereby amended to add the phrase "upon the initial enrollment of special taxes," so as to read as follows:

As compensation for the services to be rendered hereunder upon the initial enrollment of special taxes, the Consultant...

3. The second sentence of Attachment "B", Section I is hereby amended to add the phrase "payable in quarterly amounts of \$75,000, is valid each year through June 30, 2011" so as to read as follows:

The aggregate amount of \$300,000, payable in quarterly amounts of \$75,000, is valid each year through June 30, 2011, and includes all services outlined in the scope of services,...

4. Table I of the Agreement is amended to include current amounts for the services rendered through June 30, 2011.

Except to the extent specifically modified or amended hereunder, all of the terms, covenants and conditions of the Agreement shall remain in full force and effect between the parties hereto.

**IN WITNESS WHEREOF**, the parties herein have executed this First Amendment to the professional Services Agreement.

**COUNTY OF RIVERSIDE**

By: \_\_\_\_\_  
Jeff Stone, Chairman  
Board of Supervisors

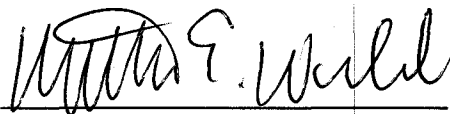
**ATTEST:**  
Kecia Harper-Ihem  
Clerk of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**  
Pamela J. Walls  
County Counsel

By:  \_\_\_\_\_  
Dale A. Gardner  
Deputy County Counsel

**ALBERT A. WEBB ASSOCIATES**

By:  \_\_\_\_\_  
Matthew E. Webb, President

**TABLE I**  
**Initial Fixed Fee Schedule By District**  
**Commencing January 1, 2010**

<u>District</u>	<u>Annual Fixed Cost</u>
CFD 86-1 (Menifee Village)	\$ 11,000.00
CFD 87-1 ("A" Street South)	\$ 9,000.00
CFD 87-5 (Wild Rose Ranch)	\$ 9,000.00
CFD 88-4 (Winchester Ranch)	\$ 16,000.00
CFD 88-8 ("A" Street North)	\$ 9,000.00
CFD 89-1 (Mountain Cove)	\$ 9,000.00
CFD 89-4 (Walsh Medical Center)	\$ 9,000.00
CFD 03-1 (Newport Road)	\$ 9,000.00
CFD 04-2 (Lakehills Crest)	\$ 8,500.00
CFD 05-1 (Salt Creek)	\$ 4,000.00
CFD 05-8 (Scott Road)	\$ 9,000.00
CFD 07-1 (Newport/I215 Interchange)	\$ 4,000.00
CFD 07-2 (Clinton Keith Road)	\$ 4,000.00
AD 159 (Rancho Villages)	\$ 35,000.00
AD 159 Supplemental (Rancho Villages)	\$ 35,000.00
AD 161A (Winchester Properties) Series A	\$ 35,000.00
AD 161B (Winchester Properties) Series B	\$ 35,000.00
AD 161C (Winchester Properties) Series C	\$ 35,000.00
AD 167 (No. Palm Springs Business Center)	\$ 5,500.00
AD 168 (Rivercrest)	\$ 9,000.00
<b>Total</b>	<b>\$ 300,000.00</b>

**Quarterly Payments:**

1st Quarter	\$ 75,000.00
2nd Quarter	\$ 75,000.00
3rd Quarter	\$ 75,000.00
4th Quarter	\$ 75,000.00

## PROFESSIONAL SERVICES AGREEMENT

**THIS PROFESSIONAL SERVICES AGREEMENT** (herein the "Agreement"), is made and entered into this \_\_\_ day of \_\_\_\_\_, 2006, by and between the County of Riverside, on behalf of itself, those assessment districts formed pursuant to the Municipal Improvement Act of 1913 that it administers and the community facilities districts for which the Board of Supervisors of the County of Riverside serves as the legislative body (herein, the "County"), and Albert A. Webb Associates (herein, the "Consultant").

### RECITALS

**WHEREAS**, Government Code Section 31000 authorizes the County to contract for special services with a person who is specially trained and experienced, and who is competent to perform the special services required; and

**WHEREAS**, the Consultant has the expertise, special skills, knowledge and experience to perform the duties set out herein.

### AGREEMENT

**NOW THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the parties hereto agree as follows:

1. **Scope Of Services:** In consideration of the compensation hereinafter set forth, the Consultant shall provide services as described in Attachment "A", consisting of thirteen (13) pages, that is attached hereto and incorporated herein. The Consultant covenants that the principals who will be providing the special services are persons specially trained, experienced, expert and competent to provide the services as described in Attachment "A". Options specified in Attachment "A" are to be exercised at the discretion of the County.

2. **Term Of Agreement:** The term of this Agreement shall be in effect from December 20, 2009 to June 30, 2011.

3. **Compensation:** As compensation for the services to be rendered hereunder upon the initial enrollment of special taxes, the Consultant shall be paid those fixed amounts as shown in Table I to Attachment "B"; the aggregate amount to be paid the Consultant in any calendar year shall not exceed Three Hundred Thousand dollars, (\$300,000.00). It is understood that the amount to be paid by the County with regard to any district identified in Attachment "B" shall be as stated; however, the parties agree to review the appropriateness of the amount specified for a particular district on an annual basis and make any adjustment necessary to bring hours actually worked

**Deleted:** The term of this Agreement shall be for three (3) years from the day and year this agreement is executed, and may be subsequently renewed for an additional two years by written mutual consent of all parties to this Agreement. ¶

and the fee listed into alignment. After considering and making any annual adjustments, the aggregate dollars to be paid on this agreement, in any year cannot exceed \$300,000. The Consultant shall submit, on a quarterly basis, a billing for each district that represents one quarter of that district's set annual cost, and the billing is to be paid within thirty days of the County's receipt of the billing.

3.1 Should the County elect to retain the Consultant for any of the optional services specified in Attachment "A", the Consultant is to provide a letter of proposal specifying the work to be performed and an estimate of the hours needed to complete the optional services. The rate of compensation shall be on a time and materials bases as set forth in Table II to Attachment "B". The timing of billings and payment are to be specified in the letter of proposal.

4. **Independent Consultant:** The parties intend that in performing services herein specified the Consultant shall act as an independent contractor, having control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of the County and is not entitled to participate in any employee benefits that the County may provide for its employees. The Consultant is responsible for the compliance with the payment of employer-related taxes, business licenses, and insurance on the Consultant's own behalf and for the Consultant's employees, if any, including, but not limited to, federal and state income taxes, federal and state unemployment insurance, workers compensation insurance, adequate property damage and personal liability insurance, and Social Security (FICA) taxes, the costs of which are not reimbursable under this Agreement.

4.1 The sole interest and responsibility of the County is to assure that the services covered by this Agreement shall be performed and rendered in a competent, professional and satisfactory manner. The Standards of practice to be employed by the Consultant shall be determined by all applicable provisions of law and other rules and regulations of any and all governmental authorities relating to the subject matter of this Agreement.

4.2 It is agreed that all information, data, reports, records and maps as are existing or available to the County and that are necessary for carrying out the services outlined in Attachment "A" shall be furnished to the Consultant by the County, at the expense of the County. The County and its agents will cooperate with the Consultant in every possible way to facilitate the performance of those services set forth in Attachment "A".

5. **Hold Harmless-Indemnification:** The Consultant agrees to indemnify and defend the County, its Board of Supervisors, elected officials, officers, agents and employees against any damages, losses, liability, costs and expenses (including attorneys' fees and court costs) resulting from, by reason of, or arising out of any breach by the Consultant of any representation, warranty or duty hereunder or resulting from, by reason of, or arising out of any claim that may be made against the County, its Board of Supervisors, elected officials, officers, agents and employees arising from or on

account of any act or omission by the Consultant while rendering services for the County under the terms of this Agreement.

5.1 The Consultant further agrees to indemnify and defend the County, its Board of Supervisors, elected officials, officers, agents and employees against any damages, losses liability, costs and expenses (including attorneys' fees and court costs) arising out of any claim made against the County, its Board of Supervisors, elected officials, officers, agents and employees for violation of any withholding or employment related law or failure to render a legally required benefit payment relating to the Consultant's activities resulting from this Agreement. This indemnity shall include, but is not limited to, any claim by any governmental entity or any other person that the County has violated any federal, state or local employment discrimination law or regulation, any wage law or regulation or any other employment related law or regulation arising out of this Agreement or the Consultant's activities as described herein resulting from this Agreement.

5.2 If the Consultant fails to do so, the indemnified parties shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorneys' fees and court costs, to and recover the same from the Consultant. Notwithstanding the foregoing, no indemnification is required from the Consultant for any liability, claim, loss or expense arising from the willful misconduct or from the sole or active negligence of any indemnified party. The hold-harmless and indemnification provisions of this Agreement shall survive this Agreement's cancellation, discharge, or other termination.

6. **Insurance:** Without limiting the Consultant's indemnification, the Consultant shall maintain in force at all times during the performance of this Agreement, insurance policies evidencing coverage during the entire term of the Agreement as follows:

- A. General Liability insurance in the amounts of:
  - i. \$1,000,000/bodily injury per person
  - ii. \$2,000,000/bodily injury each occurrence
  - iii. \$500,000 property damage
- B. Workers' Compensation insurance in accordance with statutory requirements.
- C. If motor vehicles are used pursuant to this Agreement, not less than a \$300,000 combined single limit for damage to property and injury to persons.

Certificate(s) satisfactory to the County Risk Manager evidencing the maintenance of such insurance coverage shall be filed with the County's Executive Office. The County shall be given notice, in writing, at least thirty (30) days in advance of cancellation, modification or reduction in coverage. All insurance shall be with a

company or companies admitted by the Department of Insurance for the State of California to transact insurance business in California.

**7. License And Certification:** The Consultant verifies upon execution of this Agreement, possession of a current and valid license in compliance with any local, State, and Federal laws and regulations relative to the scope of services to be performed under Attachment "A", and that service(s) will be performed by properly trained and licensed staff.

**8. Conflict Of Interest:** In the event County staff, on behalf of the County or its officials, request specific services to be provided by the Consultant, which causes a potential conflict of interest to arise, the Consultant shall notify the County of the potential conflict in a timely manner. If the conflict of interest cannot be resolved to the reasonable satisfaction of the County, County shall have the right to terminate this agreement and Consultant will be entitled to compensation for work performed to the date of termination.

**9. Termination:** Notwithstanding any other provisions of this Agreement, the Consultant's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon the Consultant's bankruptcy, death or disability or in the event of fraud, dishonesty, or a willful or material breach of this Agreement by the Consultant or, at the County's election, in the event of the Consultant's unwillingness or inability for any reason whatsoever to perform the duties hereunder. In such event, the Consultant shall be entitled to no further compensation under this Agreement, it being the intent that the Consultant shall be paid as specified in Paragraph 3 only during such period that the Consultant shall, in fact, be performing the duties hereunder.

**10. Assignment:** This Agreement may not and shall not be assigned by the Consultant without the prior written consent of the County. This includes the ability to subcontract all or a portion of its rights, duties and obligations hereunder.

**11. Nondiscrimination:** The Consultant shall not discriminate in her/his recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this contract, and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment Practices Act (commencing with Section 1410 of the Labor Code), and the Federal Civil Rights Act of 1964 (P.L. 88-352).

**12. Administration:** The County Executive Officer, or his/her designee, shall administer this Agreement on behalf of the County.

**13. Alteration:** No alteration or variation in the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

**14. Waiver:** Any waiver by County of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent breach of the same or of any other term hereof. Failure on the part of the County to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof, or stopping the County from enforcement hereof.

**15. Work Product:** All reports, preliminary findings, or data assembled or compiled by the Consultant under this Agreement shall become the property of the County. The County reserves the right to authorize others to use or reproduce such materials. Therefore, such materials may not be circulated in whole or in part, nor released to the public, without the direct authorization of the Chief Executive Officer or an authorized designee.

**16. Confidentiality:** The Consultant shall comply with applicable laws and regulations regarding the confidentiality of County records.

**17. Jurisdiction, Venue, Attorney's Fees:** This Agreement is to be construed under the laws of the State of California. The parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to attorney's fees in addition to whatever other relief is granted.

**18. Notices:** All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one (1) day after their deposit in the United States Mail, postage prepaid:

County:       CFD/AD Administration  
                  County Executive Office  
                  4080 Lemon Street, 4<sup>th</sup> Floor  
                  Riverside, CA 92501  
                  Phone (951) 955-1110  
                  Fax (951) 955-1105

Consultant:   Albert A. Webb Associates  
                  3788 McCray Street  
                  Riverside, CA 92506  
                  Phone (951) 781-6190  
                  Fax (951) 788-4139

Notices of change of address shall be given in the same manner as prescribed herein for other notices.

**19. Severability:** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**20. Entire Agreement:** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements of any kind or nature relating to the same shall be deemed void. Any modifications to the terms of this Agreement must be in writing and signed by the parties herein.

**21. Approval:** The Consultant warrants and represents that the execution and delivery of this Agreement and the performance of its covenants and obligations have been duly authorized by all necessary partnership and/or corporate action and formalities. The Consultant further warrants and represents that neither the execution nor the delivery of this Agreement nor the consummation of its terms will constitute a default, violation or breach of any agreement to which the Consultant or its partners may be bound. The Consultant further warrants and represents that the individual executing this agreement on behalf of the Consultant is duly authorized to do so.

**[Remainder of page intentionally left blank]**

**IN WITNESS WHEREOF**, the Consultant and the County have executed this Agreement as of the date first above written.

**COUNTY OF RIVERSIDE**

By: \_\_\_\_\_  
Bob Buster, Chairman  
Board of Supervisors

ATTEST:  
Nancy Romero  
Clerk of the Board of Supervisors

By: \_\_\_\_\_  
Deputy Clerk

APPROVED AS TO FORM:  
Joe Rank  
County Counsel

**ALBERT A. WEBB ASSOCIATES**

By: \_\_\_\_\_  
Deputy County Counsel

By: \_\_\_\_\_  
Matthew E. Webb, President

IN WITNESS WHEREOF, the Consultant and the County have executed this Agreement as of the date first above written.

COUNTY OF RIVERSIDE

By: Bob Buster  
Bob Buster, Chairman  
Board of Supervisors

ATTEST:  
Nancy Romero  
Clerk of the Board of Supervisors

By: [Signature]  
Deputy Clerk

APPROVED AS TO FORM:  
Joe Rank  
County Counsel

By: [Signature]  
Deputy County Counsel

ALBERT A. WEBB ASSOCIATES

By: Matthew E. Webb  
Matthew E. Webb, President

**ATTACHMENT "A"**  
**Scope of Services**

**Mello-Roos Community Facilities Act of 1982**  
**(Streets and Highways Code Sections 53311, et. seq.)**  
**Municipal Improvement Act of 1913**  
**(Streets and Highway Code Sections 10000, et. seq.)**  
**Municipal Improvement Act of 1915**  
**(Streets and Highway Code Sections 8500, et. seq.)**

Services to be provided by CONSULTANT with regard to community facilities districts and assessment districts pursuant to the Acts as described above (which are collectively referred to herein as the "Special Districts") for which the Board of Supervisors of the County of Riverside serves as the legislative body are:

**I. CALCULATION AND LEVY OF SPECIAL TAX OR SPECIAL ASSESSMENT.**

Annually on or before the first Tuesday in August, CONSULTANT will have, in consultation with COUNTY staff assigned to administer the Special Districts, determined the requirement for the current fiscal year for each district for which bonds are outstanding and apportion the special tax or special assessment to each parcel within each particular district consistent with the method of apportionment for each district in a format acceptable to the Auditor-Controller. The requirement will consist of the following:

- A. Parcel Information. CONSULTANT will maintain current Assessor's Maps for all Special District parcels and shall update annually, prior to enrollment of the current year's levy, any information necessary for use in calculating the special tax or special assessment (i.e. building permit, land use classification). CONSULTANT shall also maintain a computer database of development and land use information for all Special District parcels where development and land use information is necessary for use in calculation of said special tax or special assessment and for use in the Continuing Disclosure Report.
- B. Debt Service Component. CONSULTANT will coordinate with COUNTY or with the fiscal agent of each district as necessary to review current debt service schedules and determine the amount needed to pay principal of and interest on the outstanding bonds.
- C. Administrative Expense. CONSULTANT will determine with COUNTY the amount needed to meet the anticipated administrative expenses for each Special District for the current fiscal year.

- D. Reserve Fund. CONSULTANT shall provide an update of the Reserve Requirement and determine any surplus or shortfall, as required for each district.
- E. Submittal of Annual Levy. Each fiscal year CONSULTANT shall prepare the annual levy for each Special District in a format and media acceptable for direct submission to the County Auditor-Controller's office prior to the statutory deadline (August 10th of the fiscal year unless extended by the County Auditor Controller) and shall perform adjustments and corrections to the levies on the property tax rolls as necessary.
- F. Reapportionments. During the period that annual assessment installments are to be levied for each assessment district, CONSULTANT is to facilitate the preparation of assessment apportionment applications. CONSULTANT is to, in a timely manner and pursuant to the applicable statutory provisions, prepare assessment apportionments, which shall include: a.) preparation of amended assessment diagrams; b.) apportioning the assessment to divided parcels; c.) preparation and delivery of the required notice to the original bond purchaser(s); d.) recordation of required notice and amended assessment diagrams, e) preparation (if necessary) of required disclosure document, as required by the Department of Real Estate (RE624 Forms). Services related to reapportionments shall be at the expense of the affected property, and will be in addition to the fixed annual fees.
- G. Direct Payments. CONSULTANT will maintain a Post Office Box for payment processing of special billings, or district prepayments, and individual installments not collected through the regular property tax bill. CONSULTANT will forward monies to the appropriate fiscal agent.

## **II. PRIMARY CONTACT WITH PUBLIC.**

CONSULTANT is to serve as the primary contact with the public regarding the levy of the special tax or special assessment. A toll free telephone number of the Consultant's designation will appear on the regular property tax billing next to the particular special tax or special assessment to facilitate contact with the public. CONSULTANT is to provide information with regard to formation of the Special District, the facilities to be constructed, the number and maturities of bonds outstanding, the purpose and use of the bond proceeds issued for each District and the method of apportionment.

### III. DELINQUENCY MANAGEMENT.

- A. Delinquency Policy. CONSULTANT will review and make recommendations to COUNTY that any policies established related to the collection of delinquent special taxes or special assessments are consistent with the foreclosure covenant and/or with the requirements of the bond issue for each district.
- B. Delinquency History. CONSULTANT will maintain a database that includes a regularly updated delinquency history of the parcels located in each district, as derived from the County property tax system. Delinquency history shall include delinquent amounts for each parcel including penalties and interest due, reference to those parcels that have been referred to Foreclosure Counsel.
- C. Delinquency Tracking and Reporting. CONSULTANT will research the records of the County Tax Collector for payment information to determine which parcels are delinquent after the December 10 and April 10 property tax installment due dates, and prior to the date in which the COUNTY is obligated to initiate foreclosure proceedings under the foreclosure covenant. Delinquency reports will include parcel lists showing the APN, property owner, and delinquent amount for each parcel. Reports will be prepared in February and May to reflect the delinquency status of parcels after each installment due date, and prior to the date foreclosure is required by the foreclosure covenant.
- D. Removal from Rolls. CONSULTANT will prepare correspondence to the Auditor-Controller's Office for removal of special taxes or assessments from the tax rolls in the event these amounts are paid directly to the particular district.
- E. Foreclosure Coordination. CONSULTANT will assist in preparing documents submitted to the Board of Supervisors requesting authorization of foreclosure action. This includes preparation and recordation of the Notice of Intent to Commence Foreclosure (if necessary), preparation of Exhibits for the Resolution to commencing foreclosure, and coordination of the removal of the Special Taxes approved for foreclosure from the tax roll. CONSULTANT will provide delinquent amounts (including penalty and interest) to Foreclosure Counsel after foreclosure proceedings are initiated. CONSULTANT will prepare case files of delinquency data for Special Counsel and provide technical support or act as an expert witness, on behalf of the County and Special Counsel as required in the preparation and litigation of foreclosure cases.

#### **IV. ADMINISTRATIVE SERVICES**

A. Bond Calls. CONSULTANT will analyze bond funds to determine the availability of funds that may be used to redeem bonds prior to their stated maturities. If the COUNTY elects to call bonds, CONSULTANT will determine the par amount of the bonds to be called, calculate any applicable premium, and determine which maturities to call. CONSULTANT will coordinate the bond call with the Fiscal Agent to ensure that bonds are called according to the redemption provisions of the bond issue. CONSULTANT shall act on behalf of the County Public Finance Authority as an Independent Consultant that prepares and signs the appropriate certificates certifying that the principal and interest component of the bond call will not jeopardize the timely payment of the outstanding bonds.

#### **V. DISCLOSURE**

CONSULTANT will provide municipal disclosure services within the following categories:

- A. Regulatory Disclosure. CONSULTANT will review the required enhanced disclosure agreements for district formed subsequent to July 1, 1995 to determine the requirement of continuing disclosure. Consultant will prepare informational updates that comply with Securities and Exchange Commission Rule 15c2-12(b)(5) and report to the California Debt and Investment Advisory Commission as required annually for bonds issued after January 1, 1993, and for cases in which the County utilizes a Reserve Fund to meet a debt service obligation. This information will be made available via the Internet at [www.webbassociates.com](http://www.webbassociates.com).
- B. Annual Disclosure. CONSULTANT will prepare annual reports to meet the requirements of continuing disclosure outlined in the covenant with the bondholders. Reports may contain information about district status including development and improvement status, assessed property tax values, tax rate, overlapping bonded debt obligations, bond fund balances, portfolio details, delinquency status, absorption updates, and significant events report. This information will be made available via the Internet at [www.webbassociates.com](http://www.webbassociates.com).
- C. Enhanced Disclosure – Mello-Roos Districts. At the request of a seller of taxable property within a community facilities district, CONSULTANT will prepare the Notice of Special Tax, as required by the Mello-Roos Community Facilities Act of 1982, as amended, and the Civil Code. Services related to request for disclosure documents from parties other

than the City or property owner (e.g. real estate agents and title companies) shall be at the expense of the requesting party pursuant to Article 4, Section 53340.2 of the Government Code.

- D. Enhanced Disclosure - Assessment Districts. During the reapportionment process, CONSULTANT will prepare the required disclosure document (RE624 form), as required by the Department of Real Estate.

## VI. MISCELLANEOUS

- A. Annual Reports. CONSULTANT will prepare annual reports for Districts not required by covenants with bondholders to provide annual disclosure, that include information about district status including development and improvement status, assessed property tax value, tax rate, and other characteristics of property that are valuable when determining the security of land-secured bonds.
- B. Notification to Delinquent Property Owners. At the request of COUNTY, CONSULTANT will prepare and mail letters (on COUNTY letterhead), via first-class mail to property owners at the times and in the format determined by the delinquency provisions for each District. CONSULTANT will respond to public requests regarding delinquent notices and shall prepare, as necessary, statements to the requesting party of all amounts delinquent including penalties, interest, and roll removal fees.
- C. Bond Payoffs. At the request of any landowner, CONSULTANT will calculate the bond payoff amount for a parcel(s) and provide any additional information as requested related thereto. Services related to requests for bond payoff information from parties other than COUNTY or property owner (e.g., title companies) shall be at the expense of the requesting party.
- D. Tax Increment. CONSULTANT will prepare tax increment calculations required for Community Facilities District Nos. 87-1 and 88-8 in a manner consistent with the operative documents, as requested by the COUNTY.
- E. Letters of Credit. 60 days prior to renewal of any existing letter of credit, CONSULTANT shall prepare a letter for review and signature by COUNTY notifying the responsible party regarding the approaching expiration date and the need to affect such renewal. CONSULTANT will calculate the amount of the annual renewal based on the criteria outlined in the bond documents.

- F. Payment History. CONSULTANT will maintain a database of all special tax or special assessment information on each parcel, in each district, including amounts levied and payment history, as derived from the County property tax system.
- G. Special Tax Appeals Board. CONSULTANT shall review any appeal filed with the County's Community Facilities Special Tax Review Board, prepare any analysis or make any presentation to the Board as deemed necessary by COUNTY to respond to such an appeal, and carry out the direction of the Board.

## **VII. OPTIONAL SERVICES**

- A. Credit Enhancements. CONSULTANT will calculate the initial amount of letter of credit or other credit enhancement that may be required of a particular district.
- B. Boundary Map. CONSULTANT will, at the request of the COUNTY, file the boundary map of a community facilities district with the State Board of Equalization.
- C. District Retirement. CONSULTANT will, provide technical support related to retirement or abandonment of proceedings related to existing or proposed special districts.
- D. District Refunding's. CONSULTANT will prepare/update tables for the offering statement with respect to current property ownership and development status, estimated value-to-lien ratios, direct and overlapping debt, delinquency history, and estimated annual special tax/assessment levies. In addition, for Assessment District Refunding's, CONSULTANT will prepare the required Engineer's Report which includes schedules of principal and interest on Original and Refunding Bonds in total and per reassessment, a reassessment diagram, and the proposed maximum annual assessment to pay for the annual administrative costs incurred by the COUNTY.
- E. Special Studies. At the request of the COUNTY, the CONSULTANT will prepare other studies or services not otherwise addressed by this agreement.
- F. Prior to proceeding with any of the Optional Services set forth in Section A through E above, CONSULTANT shall give the COUNTY a written response to the COUNTY'S request detailing the estimated cost of such Optional Services. The COUNTY, if it elects to proceed with the

Optional Services, shall notify the CONSULTANT in writing that it accepts the CONSULTANT'S cost and will direct the CONSULTANT to proceed with the Optional Services. CONSULTANT will be bound to complete the Optional Services in a timely manner, within budget and subject to the terms and conditions of indemnification stated in Section 5 of the Agreement.

CONSULTANT shall provide up to \$25,000 in Optional Services per year from the date of execution at no additional cost. Services in excess of the \$25,000 limit shall be paid in accordance with the approved proposal for optional services. For each Optional Service provided, COUNTY shall provide CONSULTANT with written notifications as to whether the Optional Service will be provided under the \$25,000 limit.

#### **VIII. TIME SCHEDULE**

Attached hereto and incorporated herein as Exhibit "I" is an estimated time line for the completion of those tasks summarized in this Scope of Services. CONSULTANT will reasonably maintain this schedule where dates related to specific tasks are advisory in nature and meet the date where tasks are required to be completed. County and Consultant shall review the timeline annually to ensure that all parties are in compliance with it and, if necessary, to modify it should any of the relevant code sections be changed.

**EXHIBIT "I"**  
**Timeline**

	<u>Due Date</u>	<u>Party In Charge</u>	<u>Task Area</u>	<u>Description of Key Tasks</u>
1	7/01/XX	WEBB	Determine levy	Categorize and classify all Property, Taxable Property or Exempt Property; and categorize according to the appropriate methodology.
2	7/01/XX	WEBB	Determine levy	Determine for inclusion in the calculation of the total annual levy, the scheduled annual debt service (i.e. principal and interest) on the bonds; the budget amount of Administrative Expenses for the current Bond Year (i.e., September 1, 20XX - August 30, 20X1); the amount of interest earnings from funds and accounts on deposit through June 30, 20XX; the amount needed to replenish the Reserve Account to satisfy the Reserve Requirement, the amount needed to replenish the Administrative Expense Account to satisfy the Administrative Expense Account Requirement; prepare preliminary budget for approval by CEO.  <i>(Note: Interest earnings needed to satisfy the Reserve Requirement or interest earnings needed to be rebated to the United States government should be excluded from the calculation of the annual Special Tax levy.)</i>
3	7/1/XX	CEO	Transfer	Cause the Fiscal Agent to make appropriate adjustments to the balances as necessary.
4	7/15/XX	Auditor/ Controller	Determine levy	3rd Apportionment report arrives; final determination of 9/1 position is made; assessment for next year is calculated.
5	7/15/XX	CEO	Determine levy	CEO to approve final Budget establishing the total requirement for each district.
6	7/15/XX	WEBB/ Fiscal Agent	Optional/ Mandatory Redemption	Provide notice to Fiscal Agent of any optional or mandatory redemption to be made 9/1/XX.
7	8/01/XX	CEO	Determine Levy	Prepare resolutions authorizing annual levy for Board approval.

<u>Due Date</u>	<u>Party In Charge</u>	<u>Task Area</u>	<u>Description of Key Tasks</u>
27 1/26/X1	Auditor/ Controller	1st Apportionment	1st Apportionment is made by Auditor/Controller; the application to be made of these moneys is identified in the Bond Indenture of each district.
28 2/01/X1	WEBB	Delinquency Reporting	Delinquency Management consultant to prepare 1st quarterly report of outstanding delinquencies for current fiscal year.
29 2/01/X1	Fiscal Agent	Bond Payment	Determine Bondowners of record to whom March 1 bond payments are to be made.
30 2/28/X1	EDA/ WEBB	Tax Increment Calculations	Calculate tax increment credits for CFD 87-1 and CFD 88-8.
31 2/15/X1	WEBB	Letters of Credit	Calculate Letters of Credit.
32 2/15/X1	CEO/ Fiscal Agent	Transfer Funds	Prior to performing task numbers 32 thru 35 below, transfer, from the Special Tax Fund to the Administrative Expense Account, an amount necessary to pay all Administrative Expenses due or anticipated to be due prior to August 30, 19X1.
33 2/24/X1	Fiscal Agent	Transfer Funds	If amount in the Special Tax Fund is insufficient to pay debt service on the bonds, transfer moneys from the Reserve Account and the Special Reserve Fund to the Special Tax Fund.
34 2/24/X1	Fiscal Agent	Transfer Funds	At least one Business Day prior to March 1, transfer sufficient funds from the Special Tax Fund to the Interest Account for scheduled debt service payment on March 1.
35 2/24/X1	Fiscal Agent	Transfer Funds	At least one Business Day prior to March 1 transfer sufficient funds from the Special Tax Fund to the Redemption Account to pay the principal and premium, if any, on the bonds called for optional redemption.
36 3/01/X1	CEO	Transfer Funds	After task numbers 32 thru 35 are performed, if the balance in the Reserve Account:  - exceeds the Reserve Requirement, transfer the excess moneys from the Reserve Account to the Interest Account.

<u>Due Date</u>	<u>Party In Charge</u>	<u>Task Area</u>	<u>Description of Key Tasks</u>
			- is less than the Reserve Requirement, transfer available moneys from the Special Reserve Fund to the Reserve Account to satisfy the Reserve Requirement (if available).
37 3/01/X1	Fiscal Agent	Bond Payment	On March 1 commencing March 1, 19X1, pay scheduled semi-annual interest payment.
38 4/1/XX	WEBB	Disclosure Report	All Disclosure Reports final and on Website.
39 5/01/X1	WEBB	Delinquency Reporting	Prepare 2nd quarterly report of outstanding delinquencies for current fiscal year.
40 5/15/X1	WEBB	Determine Delinquencies	Determination is made as to the parcels that are delinquent.
41 5/25/X1	Auditor/Controller	2nd Apportionment	2nd Apportionment from Auditor/Controller is made; the application to be made of these moneys is set forth in the Bond Indenture of each district.
42 6/01/X1	WEBB/CEO	Foreclosure	Determine parcels delinquent in the prior Fiscal Year Special Tax payment and consider proceeding to commence judicial foreclosure on such parcels.
43 6/01/X1	WEBB/CEO	Resolution to Strip	Appropriate resolutions are prepared to cause the delinquencies to be removed from the tax rolls and referred for judicial foreclosure.
44 6/01/X1	WEBB	Determine levy	Determine the Assessor's Parcel Numbers ("APNs") subject to the Special Tax and/or Assessment for the Fiscal Year beginning July 1, 20X1.

**ATTACHMENT "B"**  
**Cost Of Services**

- I. GENERAL ADMINISTRATIVE SERVICES are to be based on a fixed fee amount of \$300,000 and the estimated billings for each district is attached hereto as Table I, which may be adjusted annually to reflect changes to the work effort within each district. The aggregate amount of \$300,000, payable in quarterly amounts of \$75,000, is valid each year through June 30, 2011, and includes all services outlined in the scope of services, which is Attachment "A" of this Agreement and by this reference incorporated herein. Billings are to be submitted on a quarterly basis representing one quarter of the fixed amount of each district and paid within thirty days of receipt.
- II. OPTIONAL SERVICES are to be billed on a time and materials basis consistent with Table II, which is attached hereto and by this reference incorporated herein, and the billings are to be submitted on a quarterly basis and paid within thirty days of receipt.

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**TABLE I**  
**Initial Fixed Fee Schedule By District**  
**Commencing January 1, 2007**

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<u>District</u>	<u>Annual Fixed Cost</u>
CFD 85-2 (California Oaks)	\$ 8,500.00
CFD 86-1 (Monifee Village)	\$ 10,500.00
CFD 87-1 ("A" Street South)	\$ 8,500.00
CFD 87-5 (Wild Rose Ranch)	\$ 8,500.00
CFD 88-4 (Winchester Ranch)	\$ 15,000.00
CFD 88-8 ("A" Street North)	\$ 8,500.00
CFD 89-1 (Mountain Cove)	\$ 8,500.00
CFD 89-4 (Walsh Medical Center)	\$ 8,500.00
CFD 03-1 (Newport Road)	\$ 8,500.00
CFD 04-2 (Lakehills Crest)	\$ 8,500.00
CFD 05-1 (Salt Creek) (After Issuance of Bonds - Est. 2007)	\$ 8,500.00
CFD 05-8 (Scott Road) (After Issuance of Bonds - Est. 2007)	\$ 8,500.00
AD 159 (Rancho Villages)	\$ 65,500.00
AD 159 Supplemental (Rancho Villages)	\$ 27,500.00
AD 161A (Winchester Properties) Series A	\$ 27,500.00
AD 161B (Winchester Properties) Series B	\$ 27,500.00
AD 161C (Winchester Properties) Series C	\$ 27,500.00
AD 167 (No. Palm Springs Business Center)	\$ 5,500.00
AD 168 (Rivercrest)	\$ 8,500.00
<b>Total</b>	<b>\$ 300,000.00</b>

**Quarterly Payments:**

1st Quarter	\$ 75,000.00
2nd Quarter	\$ 75,000.00
3rd Quarter	\$ 75,000.00
4th Quarter	\$ 75,000.00

**TABLE I**  
Initial Fixed Fee Schedule By District  
Commencing January 1, 2010

<u>District</u>	<u>Annual Fixed Cost</u>
CFD 86-1 (Menifee Village)	\$ 11,000.00
CFD 87-1 ("A" Street South)	\$ 9,000.00
CFD 87-5 (Wild Rose Ranch)	\$ 9,000.00
CFD 88-4 (Winchester Ranch)	\$ 16,000.00
CFD 88-8 ("A" Street North)	\$ 9,000.00
CFD 89-1 (Mountain Cove)	\$ 9,000.00
CFD 89-4 (Walsh Medical Center)	\$ 9,000.00
CFD 03-1 (Newport Road)	\$ 9,000.00
CFD 04-2 (Lakehills Crest)	\$ 8,500.00
CFD 05-1 (Salt Creek)	\$ 4,000.00
CFD 05-8 (Scott Road)	\$ 9,000.00
CFD 07-1 (Newport/I215 Interchange)	\$ 4,000.00
CFD 07-2 (Clinton Keith Road)	\$ 4,000.00
AD 159 (Rancho Villages)	\$ 35,000.00
AD 159 Supplemental (Rancho Villages)	\$ 35,000.00
AD 161A (Winchester Properties) Series A	\$ 35,000.00
AD 161B (Winchester Properties) Series B	\$ 35,000.00
AD 161C (Winchester Properties) Series C	\$ 35,000.00
AD 167 (No. Palm Springs Business Center)	\$ 5,500.00
AD 168 (Rivercrest)	<u>\$ 9,000.00</u>
<b>Total</b>	<b>\$ 300,000.00</b>

**Quarterly Payments:**

1st Quarter	\$ 75,000.00
2nd Quarter	\$ 75,000.00
3rd Quarter	\$ 75,000.00
4th Quarter	\$ 75,000.00

**TABLE II**  
 Optional Services Time and Materials Billing Rates  
 Commencing January 1, 2007

**RATES**  
**\$/HOUR**

**CLASSIFICATION**

Engineers/Project Manager/Planners/Scientist/  
 Assessment/Special Tax Specialists/Designers

Principal II.....	170.00
Principal I.....	164.00
Senior III.....	152.00
Senior II.....	150.00
Senior I.....	142.00
Associate III.....	134.00
Associate II.....	120.00
Associate I.....	115.00
Assistant V.....	98.00
Assistant IV.....	94.00
Assistant III.....	86.00
Assistant II.....	74.00
Assistant I.....	60.00

Survey Services

3-Person Survey Party.....	242.00
2-Person Survey Party.....	212.00
1-Person Survey Party.....	130.00
Director of Survey.....	150.00
Manager of Field Operations.....	120.00
Survey Technician II.....	104.00
Survey Technician I.....	86.00

Inspection Services

Construction Manager.....	150.00
Inspector II.....	97.00
Inspector I.....	92.00

Administrative Services

Analyst.....	96.00
Assistant Analyst.....	86.00
Project Coordinator.....	86.00
Administrative Assistant III.....	72.00
Administrative Assistant II.....	62.00
Administrative Assistant I.....	44.00

Other Direct Expenses

Incidental Charges.....	Cost
Postage and Telephone.....	Cost
In-house Prints, Copies and Delivery.....	Cost
Travel and Subsistence.....	Cost
Expert Witness Testimony and Preparation.....	375.00/Hour
Consultant Time Relative to Legal Action.....	300.00/Hour
GIS License Fee.....	37.00/Hour
Subcontracted Services.....	Cost + 15%
Survey/Inspector Vehicle.....	0.77/Mile
Mileage.....	0.66/Mile

NOTE: All rates are subject to change based on annual inflation and cost of living adjustments.

\*A FINANCE CHARGE of one and one half percent (1-1/2%) per month (18% per year) will be added to any unpaid amount commencing thirty (30) days from date of invoice. A mechanic's lien may be filed for any invoice remaining unpaid after thirty (30) days from date of invoice.