

## AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES (the "Agreement") is made and entered into as of March 18, 2025, by and between the CITY OF IRVINE, a municipal corporation ("City"), and WILLDAN FINANCIAL SERVICES, a California corporation ("Consultant").

### PART I

#### FUNDAMENTAL TERMS

- A. Location of Project:** The City of Irvine location(s) as set forth in PART IV, Scope of Services, included herein.
- B. Description of Services/Goods to be Provided:** Special Tax Consulting Services in accordance with PART IV, Scope of Services, included herein (25-3430).
- C. Term:** Unless terminated earlier as set forth in this Agreement, the services shall commence on March 20, 2025 ("Commencement Date") and shall continue through February 28, 2028. The City reserves the right to extend this Agreement for up to two (2) additional one (1) year periods. Such extension shall only be valid if effectuated in writing by the City.
- D. Party Representatives:**

- D.1. The City designates the following person/officer to act on City's behalf:  
Janice Reyes, email: JReyes@cityofirvine.org
- D.2. The Consultant designates the following person to act on Consultant's behalf:  
Gladys Ceballos, email: GMedina@willdan.com

#### **Consultant Information**

Address for Notices and Payments:

27368 Via Industria, Suite 200  
Temecula, CA 92590

**Attn:** Gladys Ceballos  
**Telephone:** (951) 587-3500  
**Email:** GMedina@willdan.com

- E. Notices:** Consultant shall deliver all notices and other writings required to be delivered under this Agreement to City at the address set forth in Part II ("General Provisions"). The City shall deliver all notices and other writings required to be delivered to Consultant at the address set forth above.
- F. Attachments:** This Agreement incorporates by reference the following Attachments to this Agreement:
- F.1. Part I: Fundamental Terms

F.2. Part II: General Provisions

F.3. Part III: Special Provisions

F.4. Part IV: Scope of Services


F.5. Part V: Budget

**G. Integration:** This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with regard to those matters covered by this Agreement. This Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between the parties, and none shall be used to interpret this Agreement.

{Signatures follow on next page}

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first set forth above.

**CITY OF IRVINE**

DocuSigned by:  
By:   
CDE05529708C42B...  
Dahle Bulosan

Its: Director of Administrative Services

Signed by:  
By:   
7809AA719A2B4C7...  
Oliver C. Chi

Its: City Manager

**WILLDAN FINANCIAL SERVICES**


Signed by:  
By:   
199B48ED59044D7...  
Gladys Ceballos

Its: Vice President

Signed by:  
By:   
D4B7824AEB164E8...  
Rebekah Smith

Its: Assistant Secretary

Attest:

DocuSigned by:  
By:   
0FCAD91F02E547D...  
Carl Petersen

Its: City Clerk

APPROVED AS TO FORM:  
RUTAN & TUCKER, LLP

DocuSigned by:  
By:   
DABE8686180C4BB...  
Jeffrey Melching

## PART II

### GENERAL PROVISIONS

#### SECTION ONE: SERVICES OF CONSULTANT

**1.1 Scope of Services.** In compliance with all terms and conditions of this Agreement, Consultant shall provide the goods and/or services shown on Part IV hereto ("Scope of Services"), which may be referred to herein as the "services" or the "work." If this Agreement is for the provision of goods, supplies, equipment or personal property, the terms "services" and "work" shall include the provision (and, if designated in the Scope of Services, the installation) of such goods, supplies, equipment or personal property.

**1.2 Changes and Additions to Scope of Services.** City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to, or deducting from said work. No such work shall be undertaken unless a written order is first given by City to Consultant, incorporating therein any adjustment in (i) the Budget, and/or (ii) the time to perform this Agreement, which adjustments are subject to the written approval of the Consultant. City approval and/or payment for work claimed by Consultant as changed or additional shall not act to prevent City at any time to claim such work is covered by the Scope of Work and should be performed by Consultant without additional consideration due. It is expressly understood by Consultant that the provisions of this Section 1.2 shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor.

**1.3 Standard of Performance.** Consultant agrees that all services shall be performed in a competent, professional, and satisfactory manner in accordance with the standards prevalent in the industry, and that all goods, materials, equipment or personal property included within the services herein shall be of good quality, fit for the purpose intended.

**1.4 Performance to Satisfaction of City.** Notwithstanding any other provision herein, Consultant agrees to perform all work to the satisfaction of City within the time specified. If City reasonably determines that the work is not satisfactory, City shall have the right to take appropriate action, including but not limited to: (i) meeting with Consultant to review the quality of the work and resolve matters of concern; (ii) requiring Consultant to repeat unsatisfactory work at no additional charge until it is satisfactory; (iii) suspending the delivery of work to Consultant for an indefinite time; (iv) withholding payment; and (v) terminating this Agreement as hereinafter set forth.

**1.5 Instructions from City.** In the performance of this Agreement, Consultant shall report to and receive instructions from the City's Representative designated in Paragraph D.1 of Part I ("Fundamental Terms") of this Agreement. Tasks or services other than those specifically described in the Scope of Services shall not be performed without the prior written approval of the City's Representative.

**1.6 Familiarity with Work.** By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the

facilities, difficulties, and restrictions attending performance of the services under the Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any conditions, including any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact in writing and shall not proceed except at Consultant's risk until written instructions are received from the City's Representative.

**1.7 Identity of Persons Performing Work.**

- A. Consultant represents that it employs or will employ at its own expense all personnel required for the satisfactory performance of any and all tasks and services required hereunder. Any personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of services under this Agreement and as required by law.
- B. Consultant represents that the tasks and services required hereunder will be performed by Consultant or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable State and local law to perform such tasks and services. Consultant will exclusively determine the means, methods and details of performing the services subject to the requirements of this Agreement.
- C. This Agreement contemplates the personal services of Consultant and Consultant's employees, and it is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of Consultant. Neither this Agreement nor any interest therein may be assigned by Consultant, except upon written consent of City.

**1.8 Prohibition Against Subcontracting or Assignment.** Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of City. In addition, neither the Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. In the event of any unapproved transfer, including any bankruptcy proceeding, City may void the Agreement at City's option in its sole and absolute discretion. No approved transfer shall release any surety of Consultant of any liability hereunder without the express written consent of City.

**SECTION TWO: INSURANCE AND INDEMNIFICATION**

**2.1 Insurance.** Without limiting Consultant's indemnification obligations, Consultant shall procure and maintain, at its sole cost and for the duration of this Agreement, insurance coverage as provided below, against all claims for injuries against persons or damages to property which may arise from or in connection with the performance of the work hereunder by Consultant, its agents, representatives, employees, and/or subconsultants. In the event that Consultant subcontracts any portion of the work in compliance with Section 1.8 of this Agreement, the contract between the Consultant and such subconsultant shall require the subconsultant to maintain the same policies of insurance that the consultant is required to maintain pursuant to this Section 2.1.

**2.1.1 Insurance Coverage Required.** The Insurance obligations under this agreement shall be (1) all the Insurance coverage and/or limits carried by or available to the Consultant; or (2) the minimum Insurance coverage requirements and/or limits shown in this agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to the City. No representation is made that the minimum insurance requirements of this agreement are sufficient to cover the obligations of the Consultant under this agreement.

The policies and minimum amounts of insurance required hereunder shall be as follows:

**A. Comprehensive General Liability Insurance** which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01 including completed operations and contractual liability, with limits of liability of not less than \$2,000,000 per occurrence and \$4,000,000 annual aggregate for liability arising out of Consultant's performance of this Agreement. The limits shall be provided by either a single primary policy or combination of policies. If limits are provided with excess and/or umbrella coverage the limits combined with the primary will equal the minimum limits set forth above. If written with an aggregate, the aggregate shall be double the each occurrence limit. Such insurance shall be endorsed to:

- (1) Name the City of Irvine and the Great Park Corporation and their Officers, employees, agents, volunteers and representatives (collectively hereinafter "City and City Personnel") as additional insured for claims arising out of Consultant's performance of this Agreement.
- (2) Provide that the insurance is primary and non-contributing with any other valid and collectible insurance or self-insurance available to City.

***A statement on an insurance certificate will not be accepted in lieu of the actual endorsement.***

**B. Automobile Liability Insurance** with a limit of liability of not less than \$1,000,000 each occurrence and \$1,000,000 annual aggregate. The limits shall be provided by either a single primary policy or combination of policies. If limits are provided with excess and/or umbrella coverage the limits combined with the primary will equal the minimum limits set above. Such insurance shall include coverage for all "owned," "hired" and "non-owned" vehicles, or coverage for "any auto." Such insurance shall be endorsed to:

- (1) Name the City of Irvine and the Great Park Corporation and their Officers, employees, agents, volunteers and representatives (collectively hereinafter "City and City Personnel") as additional insured for claims arising out of Consultant's performance of this Agreement.
- (2) Provide that the insurance is primary and non-contributing with any other valid and collectible insurance or self-insurance available to City.

***A statement on an insurance certificate will not be accepted in lieu of the actual endorsement.***

**C. Workers' Compensation Insurance** in accordance with the Labor Code of California and covering all employees of the Consultant providing any service in the performance of this Agreement. Such insurance shall be endorsed to:

- (1) Waive the insurer's right of Subrogation against the City and City Personnel.

***A statement on an insurance certificate will not be accepted in lieu of the actual endorsement unless your insurance carrier is the State of California Insurance Fund (SCIF) and the endorsement numbers 2570 and 2065 are referenced on the certificate of insurance.***

In the performance of the work under this Agreement, if Consultant does not employ any person in any manner so as to become subject to the workers' compensation laws of California, Consultant agrees to indemnify, defend, and hold harmless the City of Irvine and all of its officials, employees, and agents from and against any and all claims, liabilities, and losses relating to personal injury or death, economic losses, and property damage arising out of Consultants failure to provide such worker's compensation insurance. Consultant agrees that, if firm should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, firm shall forthwith comply with those provisions, immediately furnish insurance certificates evidencing such coverage as set forth herein, and notify the City of the change in status.

**D. Professional Liability Insurance** with minimum limits of \$1,000,000 each claim. Covered professional services shall include all work performed under this Agreement and delete any exclusion that may potentially affect the work to be performed.

If the consultant maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the consultant.

**E. Evidence of Insurance:** Consultant shall provide to City a Certificate(s) of Insurance evidencing such coverage together with copies of the required policy endorsements no later than five (5) business days prior to commencement of service and at least fifteen (15) business days prior to the expiration of any policy. Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, non-renewed, or materially changed for any reason, without thirty (30) days prior written notice thereof given by the insurer to City by U.S. mail, or by personal delivery, except for nonpayment of premiums, in which case ten (10) days prior notice shall be provided. The City project title or description MUST be included in the "Description of Operations" box on the certificate.

The City's insurance certificate tracking services provider, Exigis, LLC, will send Consultant an email message providing instructions for submitting insurance certificates and endorsements.

**Certificate Holder:** City of Irvine, California  
c/o: Exigis LLC  
PO Box 4668 ECM #35050

New York, NY 10168-4668

**F. Endorsements:** A statement on an insurance certificate will not be accepted in lieu of the actual endorsement. Insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for approval.

Additional Insured Endorsements **shall not:**

1. Be limited to "Ongoing Operations"
2. Exclude "Contractual Liability"
3. Restrict coverage to the "Sole" liability of Consultant
4. Contain any other exclusion contrary to the Agreement.

**G. Any Deductible in Excess of \$100,000 and/or Self-Insured Retentions** must be approved in writing by the City.

**H. Acceptability of Insurers.** Each policy shall be from a company with current A.M. Best's rating of A- VII or higher and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus lines brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by the City.

**I. Insurance of Subconsultants.** Consultant shall be responsible for causing Subconsultants to maintain the same types and limits of coverage in compliance with this Agreement, including naming the City as an additional insured to the Subconsultant's policies.

**2.2 Indemnification.** Consultant shall indemnify, defend, and hold City and City Personnel harmless from and against any and all actions, suits, claims, demands, judgments, attorney's fees, costs, damages to persons or property, losses, penalties, obligations, expenses or liabilities (herein "claims" or "liabilities") that may be asserted or claimed by any person or entity arising out of the willful or negligent acts, errors or omissions of Consultant, its employees, agents, representatives or subconsultants which directly or indirectly relate to the work being performed or services being provided under this Agreement, whether or not there is concurrent active or passive negligence on the part of City and/or City Personnel, but excluding such claims or liabilities arising from the sole active negligence or willful misconduct of City or City Personnel in connection therewith:

**2.2.1** Consultant shall defend any action or actions filed in connection with any such claims or liabilities, and shall pay all costs and expenses, including attorney's fees incurred in connection therewith.

**2.2.2** Consultant shall promptly pay any judgment rendered against City or any City Personnel for any such claims or liabilities.

**2.2.3** In the event City and/or any City Personnel is made a party to any action or proceeding filed or prosecuted for any such damages or other claims arising out of or in connection with the work being performed or services being provided under this Agreement, Consultant shall pay to City any and all costs and expenses incurred by City or City Personnel

in such action or proceeding, together with reasonable attorney's fees and expert witness fees.

These Indemnification provisions are independent of, and shall not in any way be limited by, the Insurance Requirements of this Agreement. City approval of the insurance contracts required by this Agreement does not in any way relieve the Consultant from liability under this section.

### **SECTION THREE: LEGAL RELATIONS AND RESPONSIBILITIES**

**3.1 Compliance with Laws.** Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect those employed by it or in any way affect the performance of services pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws, ordinances, and regulations and shall be responsible for the compliance of all work and services performed by or on behalf of Consultant. When applicable, Consultant shall not pay less than the prevailing wage, which rate is determined by the Director of Industrial Relations of the State of California.

**3.2 Licenses, Permits, Fees and Assessments.** Consultant shall obtain at its sole cost and expense all licenses, permits, and approvals that may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for Consultant's performance of the services required by this Agreement, and shall indemnify, defend, and hold harmless City against any such fees, assessments, taxes, penalties, or interest levied, assessed, or imposed against City thereunder.

**3.3 Covenant against Discrimination.** Consultant covenants for itself, its heirs, executors, assigns, and all persons claiming under or through it, that there shall be no discrimination against any person on account of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status of any person, in the performance of this Agreement. Consultant further covenants and agrees to comply with the terms of the Americans with Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) as the same may be amended from time to time.

**3.4 Nondiscrimination in City Contracts.** Any business that enters into a contract for goods or services with the City of Irvine or any of its boards, agencies, or departments shall:

- (a) Implement an employment nondiscrimination policy prohibiting discrimination in hiring, discharging, promoting or demoting, matters of compensation, or any other employment-related decision or benefit on account of actual or perceived race, color, religion, national origin, gender, physical or mental disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status.
- (b) Not discriminate in the performance of the contract on account of actual or perceived race, color, religion, national origin, gender, physical or mental disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status.
- (c) Incorporate the foregoing provisions in all subcontracts hereunder.

**3.5 Independent Consultant.** Consultant shall perform all services required herein as an independent consultant of City and shall remain at all times as to City a wholly independent consultant. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise, or a joint venturer, or a member of any joint enterprise with Consultant. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. Neither Consultant nor any of Consultant's employees shall, at any time, or in any way, be entitled to any sick leave, vacation, retirement, or other fringe benefits from the City; and neither Consultant nor any of its employees shall be paid by City time and one-half for working in excess of forty (40) hours in any one week. City is under no obligation to withhold State and Federal tax deductions from Consultant's compensation. Neither Consultant nor any of Consultant's employees shall be included in the competitive service, have any property right to any position, or any of the rights an employee may have in the event of termination of this Agreement.

**3.6 Covenant against Contingent Fees.** Consultant warrants that it has not employed or retained any company or person other than a bona fide employee working for Consultant, to solicit or secure this Agreement and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

**3.7 Use of Patented Materials.** Consultant shall assume all costs arising from the use of patented or copyrighted materials, including but not limited to equipment, devices, processes, and software programs, used or incorporated in the services or work performed by Consultant under this Agreement. Consultant shall indemnify, defend, and save the City harmless from any and all suits, actions or proceedings of every nature for or on account of the use of any patented or copyrighted materials consistent with Section 2.2 herein.

**3.8 Proprietary Information.** All proprietary information developed specifically for City by Consultant in connection with, or resulting from, this Agreement, including but not limited to inventions, discoveries, improvements, copyrights, patents, maps, reports, textual material, or software programs, but not including Consultant's underlying materials, software, or know-how, shall be the sole and exclusive property of City, and are confidential and shall not be made available to any person or entity without the prior written approval of City. Consultant agrees that the compensation to be paid pursuant to this Agreement includes adequate and sufficient compensation for any proprietary information developed in connection with or resulting from the performance of Consultant's services under this Agreement. Consultant further understands and agrees that full disclosure of all proprietary information developed in connection with, or resulting from, the performance of services by Consultant under this Agreement shall be made to City, and that Consultant shall do all things necessary and proper to perfect and maintain ownership of such proprietary information by City.

**3.9 Retention of Funds.** Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether arising out of this Agreement or otherwise) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and all amounts for which City may be liable to third parties, by reason of Consultant's negligent acts, errors, or omissions, or willful misconduct, in performing or failing to perform Consultant's obligations under this Agreement. City in its sole and absolute discretion, may withhold from any payment due Consultant, without liability for interest, an amount sufficient to cover such claim or any resulting lien. The failure of City to exercise such right

to deduct or withhold shall not act as a waiver of Consultant's obligation to pay City any sums Consultant owes City.

**3.10 Termination by City.** City reserves the right to terminate this Agreement at any time, with or without cause, upon written notice to Consultant. Upon receipt of any notice of termination from City, Consultant shall immediately cease all services hereunder except such as may be specifically approved in writing by City. Consultant shall be entitled to compensation for all services rendered prior to receipt of City's notice of termination and for any services authorized in writing by City thereafter. If termination is due to the failure of Consultant to fulfill its obligations under this Agreement, City may take over the work and prosecute the same to completion by contract or otherwise, and Consultant shall be liable to the extent that the total cost for completion of the services required hereunder, including costs incurred by City in retaining a replacement consultant and similar expenses, exceeds the Budget.

**3.11 Right to Stop Work; Termination by Consultant.** Consultant shall have the right to stop work and terminate only if City fails to timely make a payment required under the terms of the Budget. Consultant shall provide City thirty (30) day prior written notice of such claimed payment owed and City shall have an opportunity to remedy any such claimed breach during such time with no legal consequence to City. Consultant shall immediately cease all services hereunder following the thirty (30) day notice, except such services as may be specifically approved in writing by City. Consultant shall be entitled to compensation for all services rendered prior to termination and for any services authorized in writing by City thereafter. If Consultant terminates this Agreement because of an error, omission, or a fault of Consultant, or Consultant's willful misconduct, the terms of Section 3.10 relating to City's right to take over and finish the work and Consultant's liability shall apply.

**3.12 Waiver.** No delay or omission in the exercise of any right or remedy by a nondefaulting party with respect to any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent act. A waiver by either party of any default must be in writing.

**3.13 Legal Actions.** Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted and maintained in the Superior Courts of the State of California in the County of Orange, or in any other appropriate court with jurisdiction in such County, and Consultant agrees to submit to the personal jurisdiction of such court.

**3.14 Rights and Remedies are Cumulative.** Except as may be expressly set forth in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies or other rights or remedies as may be permitted by law or in equity shall not preclude the exercise by such party, at the same or different times, of any other rights or remedies to which such party may be entitled.

**3.15 Attorneys' Fees.** In any action between the parties hereto seeking enforcement of any of the terms or provisions of this Agreement or in connection with the performance of the work hereunder, the party prevailing in the final judgment in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to have and recover from the other party its reasonable costs and expenses, including, but not limited to, reasonable attorney's fees, expert witness fees, and courts costs. If either party to this Agreement is required to initiate or defend litigation with a third party because of the violation of any term or provision of this Agreement by the other party, then the party so litigating shall be entitled to its reasonable attorney's fees and costs from the other party to this Agreement.

**3.16 Force Majeure.** The time period specified in this Agreement for performance of services shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of City or Consultant, including, but not restricted to, acts of nature or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including City, if the delaying party shall within ten (10) days of the commencement of such delay notify the other party in writing of the causes of the delay. If Consultant is the delaying party, City shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of City such delay is justified. City's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against City for any delay in the performance of this Agreement, however caused. Consultant's sole remedy shall be extension of this Agreement pursuant to this Section 3.14.

**3.17 Non-liability of City Officers and Employees.** No officer, official, employee, agent, representative, or volunteer of City shall be personally liable to Consultant, or any successor in interest, in the event of any default or breach by City, or for any amount which may become due to Consultant or its successor, or for breach of any obligation of the terms of this Agreement.

**3.18 Conflicts of Interest.**

- A.** No officer, official, employee, agent, representative or volunteer of City shall have any financial interest, direct or indirect, in this Agreement, or participate in any decision relating to this Agreement that affects his or her financial interest or the financial interest of any corporation, partnership, association or other entity in which he or she is interested, in violation of any federal, state or city statute, ordinance or regulation. Consultant shall not employ, contract for, or receive consulting services from any such person, whether for compensation or not, while this Agreement is in effect.
- B.** Consultant represents, warrants and covenants that he, she or it presently has no interest, direct or indirect, which would interfere with or impair in any manner or degree the performance of Consultant's obligations and responsibilities under this Agreement. Consultant further agrees that while this Agreement is in effect, Consultant shall not acquire or otherwise obtain any interest, direct or indirect, that would interfere with or impair in any manner or degree the performance of Consultant's obligations and responsibilities under this Agreement.
- C.** Consultant acknowledges that pursuant to the provisions of the Political Reform Act (Government Code section 87100 *et seq.*), City may determine Consultant to be a "Consultant" as that term is defined by the Act. In the event City makes such a determination, Consultant agrees to complete and file a "Statement of Economic Interest" with the City Clerk to disclose such financial interests as required by City. In such event, Consultant further agrees to require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" to disclose such other person's financial interests as required by City.

**3.19 Consultant Ethics.** Consultant represents and warrants that it has not provided or promised to provide any gift or other consideration, directly or indirectly, to any officer, employee, or agent of City to obtain City's approval of this Agreement. Consultant shall not, at any time, have any financial interest in this Agreement or the project that is the subject of this Agreement other than the compensation to be paid to Consultant as set forth in this Agreement.

In the event the work and/or services to be performed hereunder relate to a project and/or application under consideration by or on file with the City, (i) Consultant shall not possess or maintain any business relationship with the applicant or any other person or entity which Consultant knows to have a personal stake in said project and/or application, (ii) other than performing its work and/or services to City in accordance with this Agreement Consultant shall not advocate either for or against said project and/or application, and (iii) Consultant shall immediately notify City in the event Consultant determines that Consultant has or acquires any such business relationship with the applicant or other person or entity which has a personal stake in said project and/or application. The provisions in this Section shall be applicable to all of Consultant's officers, directors, employees, and agents, and shall survive the termination of this Agreement.

**3.20 Compliance with California Unemployment Insurance Code Section 1088.8.**

If Consultant is a Sole Proprietor, then prior to signing the Agreement, Consultant shall provide to the City a completed and signed Form W-9, Request for Taxpayer Identification Number and Certification. Consultant understands that pursuant to California Unemployment Insurance Code Section 1088.8, the City will report the information from Form W-9 to the State of California Employment Development Department, and that the information may be used for the purposes of establishing, modifying, or enforcing child support obligations, including collections, or reported to the Franchise Tax Board for tax enforcement purposes.

**3.21 CalPERS Annuitants.** If Consultant is a California Public Employees' Retirement System ("CalPERS") annuitant, Consultant must provide the City with written notification of such fact a minimum of 14 calendar days prior to commencement of services under this Agreement. Failure to provide such notification may result in termination of the Agreement, and any penalties or other costs relating thereto shall be borne by Consultant. If this Agreement remains in place, Consultant shall execute any amendment(s) to this Agreement requested by the City in order to comply with all laws and regulations applicable to CalPERS annuitants.

**3.22 Levine Act.** California Government Code section 84308, commonly referred to as the Levine Act, precludes an Irvine City Councilmember from participating in the award of a contract if he or she receives any political contributions totaling more than \$250 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Councilmember, or received by the officer on behalf of any other Councilmember, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires a Councilmember that has received such a contribution to disclose the contribution on the record of the proceeding. Review California Government Code section 84308 for more information.

**SECTION FOUR: MISCELLANEOUS PROVISIONS**

**4.1 Records and Reports.** The City Manager of the City of Irvine or his/her designee reserves the right to perform such audits, performance reviews, and other evaluations (collectively 'audit') that relate to or concern this Agreement at any time. Consultant agrees to participate and cooperate in up to five (5) hours of meetings and interviews (at no additional cost to City), if the same are requested by the City in connection with such an audit. Further, provided that the City pays Consultant's commercially reasonable hourly rate for services, Consultant agrees to participate and cooperate in such additional meetings and interviews (in excess of five (5) hours), if the same are requested by the City in connection with such an audit. Upon request by City, Consultant shall prepare and submit to City any reports concerning Consultant's performance of the services rendered under this Agreement. City shall have access, with 72 hours advance written notice delivered to Consultant, to the books and records of Consultant related to Consultant's

performance of this Agreement in the event any audit is required. All drawings, documents, and other materials prepared by Consultant in the performance of this Agreement (i) shall be the property of City and shall be delivered at no cost to City upon request of City or upon the termination of this Agreement, and (ii) shall not be made available to any individual or entity without prior written approval of City. The obligations of this Section 4.1 shall survive the expiration (or earlier termination) of this Agreement for a period of three (3) years. During said three (3) year period, Consultant shall keep and maintain all records and reports related to this Agreement, and City shall have access to such records in the event any audit is required.

**4.2 Notices.** Unless otherwise provided herein, all notices required to be delivered under this Agreement or under applicable law shall be personally delivered, or delivered by United States mail, prepaid, certified, return receipt requested, or by reputable document delivery service that provides a receipt showing date and time of delivery. Notices personally delivered or delivered by a document delivery service shall be effective upon receipt. Notices delivered by mail shall be effective at 5:00 p.m. on the second calendar day following dispatch. Notices to the City shall be delivered to the following address, to the attention of the City Representative set forth in Paragraph D.1 of the Fundamental Terms of this Agreement:

To City: City of Irvine  
One Civic Center Plaza (92606) (Hand Deliveries)  
P. O. Box 19575  
Irvine, CA 92623-9575

Notices to Consultant shall be delivered to the address set forth below Consultant's signature on Part I of this Agreement, to the attention of Consultant's Representative set forth in Paragraph D.2 of the Fundamental Terms of this Agreement. Changes in the address to be used for receipt of notices shall be effected in accordance with this Section 4.2.

**4.3 Construction and Amendment.** The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The headings of sections and paragraphs of this Agreement are for convenience or reference only, and shall not be construed to limit or extend the meaning of the terms, covenants and conditions of this Agreement. This Agreement may only be amended by the mutual consent of the parties by an instrument in writing.

**4.4 Severability.** Each provision of this Agreement shall be severable from the whole. If any provision of this Agreement shall be found contrary to law, the remainder of this Agreement shall continue in full force.

**4.5 Authority.** The person(s) 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.

**4.6 Special Provisions.** Any additional or supplementary provisions or modifications or alterations of these General Provisions shall be set forth in Part III of this Agreement ("Special Provisions").

**4.7 Precedence.** In the event of any discrepancy between Part I ("Fundamental Terms"), Part II ("General Provisions"), Part III ("Special Provisions"), Part IV ("Scope of Services"), and/or Part V ("Budget") of this Agreement, the order of precedence shall be as follows:

Part III

Part II

Part IV

Part V

Part I

### **PART III**

#### **SPECIAL PROVISIONS**

1. **Business License Requirement.** Contractors who provide services for the City of Irvine within the city limits of Irvine shall obtain, within five (5) days of executing this Agreement and prior to commencing any work herein, a City of Irvine business license and shall maintain a current business license throughout the term of this Agreement.
2. **Insurance Requirements.** PART II GENERAL PROVISIONS, Section 2.1.1 – B. Automobile Liability Insurance, is deleted in its entirety.

**PART IV**  
**SCOPE OF SERVICES**

**Consultant shall perform services as set forth below and in accordance with ATTACHMENT I.**

The City of Irvine currently administers 3 Community Facilities Districts (CFD):

- CFD No. 2004-1 (Central Park)
- CFD No. 2005-2 (Columbus Grove)
- CFD No. 2013-3 (Great Park)

The Annual Reports for each CFD are available on the City's website at: <https://www.cityofirvine.org/administrative-services-department/community-facilities-district-and-19131915-act-assessment>

Formation of a Community Facilities District (CDF):

1. Preliminary Tax Spread: Prepare initial spread of special taxes. Calculate special taxes to support proposed financing. Estimate annual special and total property taxes as a percentage of anticipated improved property values. Special Tax Consultant shall present Tax Spreads at meetings attended by City staff (e.g., City Council Meetings, etc.), City's Financing Team, the Corporation's staff, and Project Landowners; and shall recommend alternative techniques to apportion special taxes to enhance project feasibility.
2. Tax Spreads for additional Improvement Areas or Zones: Should the City decide to include more than one property owner in any CFD, and should it be necessary to establish separate improvement areas or zones for any additional property owners, the Special Tax Consultant shall prepare tax spreads and undertake the activities required for each additional improvement area or zone.
3. Tax Spread Revisions: Based on input at previous meetings, prepare revisions to tax spread requested by City, City's Financing Team, and Project landowners; and present revised tax spreads at subsequent meetings. Make any further necessary revisions and present to City and City's Financing Team. Special Tax Consultant shall prepare tax spreads utilizing various absorption costs and bond assumptions.
4. Prepare Rate and Method of Apportionment and CFD Report: Prepare the Rate and Method of Apportionment of special tax, which describes the methodology used to calculate the annual special tax levy for the CFD. Prepare the CFD report, containing descriptions of the proposed public facilities, their estimated costs, projected bonded indebtedness, the anticipated issuance date and projected annual special tax rates.
5. Document Review and Preparation: Assist the City and the City's Financing Team with the

preparation of required documents, including the Resolution of Intention, Resolution of Formation, and related items.

6. Protest Hearing: Testify on behalf of the City at a Protest Hearing or other public meeting if required.

#### Bond Issuance of a CFD

7. Bond Sizing: Assist the City and City's Financing Team in sizing of the bond issue (e.g., use of increasing debt service, capitalized interest, etc.) to establish an optimal schedule of bond sales to maximize funding capacity and alleviate cash flow constraints.
8. Document Review and Preparation: Assist the City and the City's Financing Team with the preparation of required documents, including Official Statement and related items. Specifically, the Special Tax Consultant will prepare a Statement of Overlapping Debt and Value-to-Lien Ratios and a Sample Tax Bill for the Official Statement.
9. Special Tax Certificate: Special Tax Consultant shall prepare and execute a Special Tax Certificate confirming the adequacy of special taxes to meet debt service requirements for the bond issue.
10. Preparation and Recordation of Boundary Map: Special Tax Consultant shall prepare the CFD boundary map and record the map with the County Recorder's Office pursuant to the Streets & Highway Code §3111.
11. Preparation and Recordation of Notice of Special Tax Lien: Special Tax Consultant shall record the Special Tax Lien with the County Recorder pursuant to the Streets & Highway Code §3114.5.
12. Certification of non-registered voters: Special Tax Consultant shall request from the County Registrar of Voters confirmation of registered voters status residing in the boundaries of the CFD (Government Code Section §53322).
13. Meeting attendance: Special Tax Consultant shall attend public meetings to present and discuss various related financing issues. Attend "working" meetings with City staff as necessary in performing related tasks.

#### Special District Administration

14. Annual Administration of a CFD: Annually calculate and apportion the Special Taxes as specified in the Rate and Method of Apportionment ("RMA") for the specified CFD(s).
15. Provide special tax levies for each parcel by Assessor's Parcel Number to the County Auditor/Controller's Office in the media, format and configuration required by the County for placement on the annual property tax roll on or before the deadline for inclusion on the property tax bill for each Fiscal Year.

16. If necessary, prepare an annual resolution to be adopted by the City Council to be submitted to the County in conjunction with the special tax levy.
17. Maintain a database of parcel data and annual special tax levy amounts by Assessor's Parcel Number.
18. Research parcel exceptions provided by the County and, if possible, resubmit installment amounts that are unapplied by the County Auditor/Controller's Office.
19. Manually invoice any Special Tax installments that cannot be collected on the County property tax roll on behalf of the City.
20. Monitor delinquent installment payments and coordinate collection and foreclosure activity when needed.
21. Collect and review development information on an annual basis until the build-out of a Communities Facilities District project or buildout of the improvement area is complete. Calculate the Special Tax Buydown that may result from a change in development. Issue Certificates of Satisfaction of Special Tax Buydown and Letters of Compliance (as defined in the RMAs), as needed.
22. Establish a website, approved by City staff, to provide information to taxpayers and annually update it as needed.
23. Provide a toll-free number to field inquiries from City staff, property owners, title companies and other interested parties regarding Special Tax installments and related information.
24. Calculate and provide written prepayment quotes for individual Special Tax liens, as described in the Rate and Method of Apportionment of Special Tax. When applicable, fees for this service are paid by the requesting party.
25. Perform required bond call spreads and coordinate the early redemption of outstanding bonds.
26. Monitor compliance with the fiscal agent/trust agreement.
27. Provide annual continuing disclosure reports and periodic reporting of any significant events for the City, including the timely dissemination thereof to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access, and allow for electronic posting of them through the City's website. Provide a receipt of submittal to the City.
28. Attend public meetings to present and discuss various related financing issues. Attend "working" meetings with City staff as necessary in performing related tasks.

29. Complete all reports for CFDs required by the State of California or its agencies, including, but not limited to:
- a. An Annual Special Tax report for each CFD summarizing the information used to calculate the annual installment amount for each parcel for City Council approval.
  - b. An annual report to the California Debt and Investment Advisory Commission by October 30 each year, as required by California Government Code, Section 53359.5 (b).
  - c. A "Notice of Special Tax" as required by California Government Code, Sections 53340.2 (b) and 53341.5, as amended.
  - d. An annual report pursuant to California Government Code Section 50075.3.
  - e. An Annual Report as required by Government Code Section 53343.1. If requested by a CFD property owner, the City may charge the requesting party a fee for the actual cost of preparing the Report.
  - f. An annual report pursuant to California Government Code Section 6599.1 (b) and any reporting requirements if necessary under California Government Code Section 6599.1 (c).
  - g. An annual debt transparency report to the California Debt and Investment Advisory Commission by January 31 each year, as required by California Government Code Section 8855.
30. Other CFD administrative tasks as required or requested by City staff.

## PART V

### BUDGET

**Pricing shall be as set forth below and in accordance with ATTACHMENT II.**

Included in the total compensation are all ordinary and overhead expenses incurred by Contractor and its agents and employees, including meetings with City representatives, and incidental costs incurred in performing under this Agreement. The total compensation for the Scope of Services set forth herein **shall not exceed \$200,000.00 annually**, including all amounts payable to Contractor for its overhead, payroll, profit, and all costs of whatever nature, including without limitation all costs for subcontracts, materials, equipment, supplies, and costs arising from or due to termination of this Agreement.

**No work shall be performed in connection with this Agreement until the receipt of a signed City of Irvine Purchase Order; and no work shall be performed with a value in excess of the Purchase Order amount as the City has not authorized nor is it obligated to pay Consultant any such excess amount.**

In the event Consultant anticipates the potential need to perform services beyond those set forth herein where additional funding may be needed, Consultant shall notify City in writing allowing sufficient time for City to consider further action.

Payment for services will be made monthly on invoices deemed satisfactory to the City, with payment terms of net 30 days upon receipt of invoice. Consultant shall submit invoices within fifteen (15) days from the end of each month in which services have been provided. Consultant shall provide invoices with sufficient detail to ensure compliance with pricing as set forth in this Agreement. The information required may include: date(s) of work, hours of work, hourly rate(s), and material costs.

**The Purchase Order number must be included on all invoices, along with the City Representative's name. Failure to include this information on the invoice shall result in the return of the unpaid invoice.**

Consultants should submit invoices electronically to: **isubmittal@cityofirvine.org**

Payment by City under this Agreement shall not be deemed as a waiver of the City's right to claim at a later point that such payment was not due under the terms of this Agreement.

Pricing shall remain firm for the entire first term of the Agreement. Thereafter, any proposed pricing adjustment for follow-on renewal periods shall be submitted to the City Representative in writing at least ninety (90) days prior to the new Agreement term. The City reserves the right to negotiate any proposed pricing adjustment not to exceed the Bureau of Labor Statistics Consumer Price Index (CPI) data as follows: Los Angeles-Long Beach-Anaheim, CA; All Urban Consumers; Not Seasonally Adjusted; annualized change comparing the most recent month's reported data to the same month of the prior year. (This information may be found on the U.S. Department of Labor's website at [www.bls.gov](http://www.bls.gov).)

## Project Approach / Methodology

The following section outlines Willdan's project approach and scope of services for: 1) the annual administration of Community Facilities Districts (CFD); and 2) the formation of future CFDs.

Willdan will rely on the validity and accuracy of the City's data and documentation to complete the services described herein. We will rely on the data as being accurate without performing an independent verification of accuracy, and that we will not be responsible for any errors that result from inaccurate data provided by the client or a third party.

### CFD Annual Administration

#### Administration Project Approach

Willdan views this project as a collaborative effort between the City of Irvine and our team. Our broad range of professional expertise, as well as our years of experience working with the City, makes Willdan uniquely equipped to help address the following key project aspects:

- Adherence to proposed timelines and effective communication with City staff;
- Required database storage and management to correctly calculate levy amounts for County tax roll submission;
- The review, preparation, and presentation of required documents to City Council for approval;
- The availability of experienced personnel to serve as an extension of City staff in resolving any requested issues; and
- The capacity to keep abreast of legislative changes for all services, including district formation and administration.

In order to address these items, our team will work with the City's staff to deliver our services in the following manner:

1. Meet with City staff to accurately identify specialized needs, requirements, establish timelines, communication channels, project due dates and other project specifics. Our staff takes responsibility to facilitate this communication, to provide written timelines, project deadlines, and to summarize meetings in writing. Our goal is to function as an extension of your staff, to utilize our extensive experience to help anticipate potential problems and pitfalls, and to implement procedures and policies both internally and in our coordination with the City, as well as with other interested parties to help ensure accuracy, timeliness, and service.
2. Utilize Willdan's proprietary MuniMagic+ software to create and maintain computerized databases of all districts. We will utilize our technological expertise to present the special tax information required by the City on an Internet Website. Parcel data can be accessed 24/7 by the City through this menu-driven format; thus allowing a seamless delivery of quality and timely data to ensure effective communication with City staff. Our software program administers taxes, assessments, standby charges and fees, including the calculation of complex formulas for CFDs and Assessment Districts applied to the County tax roll. The MuniMagic+ software has been designed to ensure full integration of all parcel information in a single software program, which ensures that our work is accurate. Furthermore, this software provides exceptional flexibility that enables our analysts to generate appropriate standard and customized reports throughout each phase of our work.
3. Update and maintain parcel databases for each district, calculate due dates of special tax installments, and coordinate the timely delivery of the parcel data to the County of Orange for each affected property owner. Our staff has a great deal of experience working with the Orange County Auditor / Controller's and Assessor's Offices and is extremely familiar with their procedures and practices. Our strong working relationship with the County has proven to be beneficial for our clients.
4. Carefully pass work products through a review system requiring peer, project manager and quality assurance manager approval prior to County levy submittal. Whether submitting levies to the County or disseminating reports to EMMA, this system of assurance pertains to all work product performed by Willdan.
5. Serve as an extension of City staff by keeping abreast of City policies, as well as with other state and federal regulations. As regular attendees and speakers at municipal conferences like the California Municipal Treasurers Association (CMTA), the California Society of Municipal Finance Officers (CSMFO), the League of California Cities (LOCC), the Association of California Water Agencies (ACWA), and the California Special Districts Association (CSDA), our staff is actively involved with current events transforming legislation that affects governmental agencies throughout the state.

To further elaborate on Willdan's approach to special district administration, we present a detailed work plan (scope of services) below. To ensure that our scope provides quality and clarity and is responsive to the City's needs and specific local circumstances, we will work in concert with City staff to adjust our scope (as needed) during the course of the administration project.

## Administration Scope of Services

All costs associated with annual administration are fully recoverable either through the special tax levy or through payment by requestor for special services. Willdan proposes to perform the following tasks.

1. Maintain and update annually an electronic database containing parcel data and annual special tax levy amounts by Assessor's Parcel Number (APN). This includes researching final tract and/or parcel map recordation information and gathering building permits, along with the appropriate building and parcel information, and certificate of compliance information for properties located within the boundaries of the CFDs.
2. Annually calculate and apportion the special taxes, as specified in the Rate and Method of Apportionment of Special Tax (RMA). This includes the assignment of special tax classes per each RMA, and the setting of annual special tax rates that are necessary to satisfy the Special Tax Requirement.
3. Use, if applicable, the listing of any approved exemptions provided by the City; identify each parcel, and modify the proposed special tax, accordingly.
4. Prepare, if necessary, an annual resolution that establishes the budget for the fiscal year and application of the special tax to be submitted to the County, including the special tax summary for the fiscal year.
5. Provide special tax levies for each parcel by APN to the County Auditor/Controller's Office in the media, format, and configuration required by the County for placement on the annual property tax roll.
6. Research parcel exceptions provided by the County and, if possible, resubmit installment amounts that are unapplied by the County Auditor/Controller's Office. Willdan will manually invoice special tax installments that cannot be collected on the County property tax roll on behalf of the City.
7. Provide a toll-free number to field inquiries from City staff, property owners and other interested parties regarding special tax installments and related information.
8. **Create an electronic mechanism to provide information and public reports to taxpayers.** All of the special tax reports we complete for our clients are published on our Internet site ([www.willdan.com/financial/](http://www.willdan.com/financial/)). To access these reports, we can set up a fast and straightforward link between the City's and Willdan's website. In so doing, property owners can obtain the latest tax information at no charge. Immediate and free access can help serve to reassure taxpayers that they are our clients, too.
9. Monitor delinquencies each February and May and submit periodic delinquency reports to the City.
10. Prepare an annual special tax report. This report will include:
  - The identification of CFD administrative cost items eligible for recovery by the City;
  - The requirements for debt service;
  - The delinquency summaries; and
  - Charge Detail Report listing all parcels and their annual charge amount.
11. Provide, as applicable, an annual report to the California Debt and Investment Advisory Commission (CDIAC) by October 30, as required by the California Government Code, Section 53359.5(b), as amended.
12. Prepare "Notice of Special Tax" as required by the California Government Code, Sections 53340.2(b) and 53341.5, as amended. The fee for this service is \$15 per notice and *is to be paid by the requestor*.
13. Assist the City in the filing of a report with its governing body each year to comply with legislation approved in 2001 that enforces additional reporting requirements. This annual filing shall meet with regulations imposed by the California Government Code, Section 50075.3 (a) & (b) and/or Section 53411 (a) & (b), as amended (Senate Bill 165).

14. Prepare an Annual Report, as required by California Government Code Section 53343.1, and as requested by the CFD property owner. The fee for this service will be invoiced at our then-current hourly rates (see Pricing Proposal section of this submittal), which *is to be paid by the requestor*.
15. Provide an annual report pursuant to California Government Code Section 6599.1 (b) & (c), if necessary.
16. Be available to attend meetings in person up to twice a year. Conference calls are unlimited.
17. Calculate written prepayment quotes for individual special tax liens, as described in the RMA or by resolution. For parcels prepaying the special tax, Willdan will coordinate the removal of the lien. The fee for this service is \$500 per calculation, to be paid by the requestor.
18. Perform, as applicable, required bond call spreads and coordinate the early redemption of outstanding bonds. Additional efforts needed to complete bond calls, such as cash flow certificates, special analyses and/or atypical spread calculations, shall be charged hourly using our then-current hourly rates (see Pricing Proposal section of this submittal). However, Willdan will not begin any additional work without prior approval from City staff.

### Continuing Disclosure

The following outlines the step as required to provide annual disclosure services for the CFD as part of the annual administration.

1. Review pertinent documents and data related to debt issuance.
2. Collect requisite information from trustee, fiscal agent, state and county agencies, and others, as applicable.
3. Prepare a draft Annual Financial Information Statement for the City's review.
4. Finalize and disseminate disclosure reports to EMMA, the Willdan website, the appropriate State Information Depository, and other parties as required.
5. Prepare, upon notification by the City and/or if Willdan becomes aware of such an occurrence, Notices of Occurrence of Listed Events.

### Delinquency Management Services

Willdan proposes to perform the following tasks, as the request and approval of the City

1. Monitor delinquent tax bill payments in February and May of each year, or as soon thereafter as feasibly possible.
2. Provide periodic delinquency reports to the City, including a detailed listing of current and prior year unpaid tax installments and recommendations for collections.
3. Send (upon approval by City staff) a delinquency reminder letter after the first installment of the tax bill becomes delinquent.
4. Send (upon approval by City staff) a delinquency demand letter after the second installment of the tax bill becomes delinquent. Each demand letter will include a brochure providing answers to commonly asked questions concerning delinquencies. If the property owner pays the City directly, coordinate the removal of the paid installments with the County.
5. Remove the delinquent installments of special taxes for the current and/or prior tax year(s) from the County tax roll. Such removal will comply with SB 1471.
6. Send a final 21-day delinquency foreclosure letter to each delinquent property owner after confirmation from the County for the removal of the delinquent special taxes. Foreclosure letters shall contain a brochure providing answers to frequently asked questions regarding delinquencies and judicial foreclosures.
7. Send those parcels, whose special taxes continue to remain delinquent after 21 days from the mailing of foreclosure letters, to the foreclosure attorney for collection of the delinquent special taxes, applicable penalties, interest, fees, and other authorized costs. The City retained foreclosure counsel will collect these fees.
8. Provide a toll free telephone number at Willdan to field inquiries from staff, parcel owners, lenders, and other interested parties concerning annual installments and delinquencies throughout the entire delinquency management/foreclosure process.

9. Assist foreclosure counsel to initiate judicial foreclosure proceedings; and in accordance with bond foreclosure covenants, prosecute those parcels sent to foreclosure.
10. Provide, upon request, payoff quotes for all interested parties for stripped delinquent assessment installments. Fees for this service are paid by the requesting party and may be charged to a credit card; there is no charge to the City.
11. Negotiate (if requested) a repayment schedule (payment plan) with property owner(s) to cure the delinquency and avoid initiation of judicial foreclosure.

### Subsequent Foreclosure Services

Once the delinquent taxes have been forwarded to judicial foreclosure counsel, Willdan will (upon request) provide the following services.

1. Prepare and forward a detailed report of the parcels to be foreclosed to foreclosure counsel.
2. Provide foreclosure counsel with the necessary resolutions and other documents to proceed with the judicial foreclosure process.
3. Keep the City and foreclosure counsel apprised of special arising situations of which we become aware, such as bankruptcies of parcel owners, tax foreclosure sales, Deed of Trust "Trustee" foreclosure sales, and so forth.
4. Provide foreclosure counsel with "subsequent year" delinquency information consisting of any installments/years that become delinquent on parcels already in foreclosure.
5. Generally respond to inquiries from City staff and foreclosure counsel regarding the status of a foreclosure action and other relevant information.

### Special Tax Buydown

After the sale of bonds, Willdan will work with the City to collect and review development information on an annual basis until project buildout is complete. To assist the City in providing the necessary special tax buydowns, Willdan will perform the following tasks:

1. Follow the procedures outlined in the RMA (upon receipt of property owner request for a Letter of Compliance) to determine whether or not a special tax buydown is required. If not, Willdan will submit the Letter of Compliance to the City for the subject building permits.
2. Follow steps outlined in the RMA to calculate the amount of the special tax buydown if a special tax buydown calculation is necessary; and issue a bill to the property owner for said amount.
3. Issue, in a timely manner, a Letter of Compliance and Certificate of Satisfaction of Special Tax Buydown for the subject property upon City notification that payment has been received.

### Optional: MuniMagic+<sup>SM</sup> Read-Only Access to Data

Upon return of a valid MuniMagic+ licensing agreement, Willdan will provide the following services:

1. Allow City staff to access City data for the term of both the contract and MuniMagic+ licensing agreement by using MuniMagic+'s Graphical User Interface. This access will allow three staff members to view the screens and data maintained for Irvine in MuniMagic+ and will allow these staff members to print up to 15 reports already contained within MuniMagic+. This option does not allow City staff to manipulate, edit, or modify the data contained in MuniMagic+ in any way.
2. Provide password for access to the City-specific Web pages.

## CFD Formation Services

### Formation Project Approach

Our approach to a CFD or Improvement Area (IA) formation begins with a consultation with the City, the property owner(s)/developer(s) and the Financing Team to fully understand the background and objectives of the proposed formation. We then gather data and information related to the property to be included within the proposed boundary, projected development types and timelines, facilities and improvements to be financed, and financing assumptions to be incorporated into the Special Tax Analysis. From that point we proceed with the development of the Special Tax Analysis, creation of documents and execution of the required steps to establish the proposed CFD or Improvement Area. Given our experience with the City, we will confirm that the proposed CFD or CFD IA complies with the existing Goals and Policies specific to the formation of CFDs. The formation will be driven by the Special Tax Analysis (Tax Spread) that will take into account the types of property proposed for inclusion in the CFD/IA, the timing of development, an analysis of the level of special tax burden properties can bear, and the ability of the proposed special taxes to meet the funding objectives of the CFD/IA. We will gather necessary data for this analysis directly from developers and property owners (as appropriate) as well as from the City, County, and other sources, as necessary. By identifying the level to which properties can be fairly and equitably taxed, we can construct a special tax model that will accurately forecast the aggregate special tax revenue to be generated.

The special tax analysis will be presented to and discussed with City staff, and feedback will be incorporated into the final document as required. Once the analysis is finalized, we will use this as the foundation for the development of the special tax methodology and ultimately the Rate and Method of Apportionment of Special Tax.

### Formation Scope of Services

The following outlines the steps associated with the formation of a CFD/IA for the funding of public facilities, which could necessitate the issuance of bonds.

#### Task 1: Project Kick-off Meeting

Following receipt of an authorization to proceed, we will discuss the process with the City and identify additional documents or information that may be needed. At the City's discretion, this discussion may include developers/landowners and/or their representatives. As needed throughout the project, we will coordinate with City staff and directly with the developer(s), their consultants, and other outside agencies involved in the project to gather required information for the proceedings.

Specifically, the kickoff discussion will include the following:

- Confirmation of the objectives of the CFD formation;
- Confirmation of the facilities to be funded by the CFD;
- Discussion of necessary data, its sources and availability;
- Outlining the process and steps necessary for the formation;
- Development of a draft timeline of events and milestones;
- Identification of key participants and areas of responsibility; and
- A general discussion of potential challenges or obstacles, whether practical (lack of data), political, public (perception or acceptance) or other.

#### Task 2: Goals and Policies

Based on the results of the kick-off meeting, Willdan will review the existing CFD Goals and Policies to ensure that the proposed formation is in compliance with those adopted policies. For instance: any specific guidelines related to the cumulative effective tax rates for properties within the district, value-to-lien requirements, and other aspects of the CFD formation process.

#### Task 3: Background Research

Willdan will work with City staff to identify and develop a full listing of public improvements to be funded by the CFD, and a narrative description to be included in the Community Facilities District Public Report will be prepared. If requested, a map of improvements can also be prepared to allow for ease of public presentation. Improvement areas are typically established to accommodate disparate development timelines and/or to address differences in the benefit one area receives over another.

Willdan will research property ownership and/or development plans. In addition, prior to beginning formation proceedings, Willdan will contact the County Registrar's Office to confirm that the number of registered voters within the proposed district boundaries is less than twelve (12), which will allow for a landowner election.

A cost estimate of the improvement items, incidentals, and issuance costs related to the CFD will be prepared, and the bond issuance costs will be discussed with the finance team to ensure that appropriate costs have been included correctly, such as:

- Capitalized interest,
- Official Statement printing,
- Reserve fund level,
- Any required bond security, and
- The costs for the various professionals involved in the financing.

#### Task 4: Preliminary Tax Spread Analysis and Development of Tax Methodology

A preliminary pro forma of the CFD's revenues and estimated expenses (based upon preliminary estimates, as available) will be presented to the financing team for evaluation and discussion. We will construct a special tax analysis (tax spread) that will be designed to identify the special tax revenue that can be generated from the various land use types proposed for the CFD to support the proposed financing. To the extent possible, we will utilize assessed value, pricing and/or market data to determine estimated tax burdens, with and without the CFD in place. The analysis will be based on available product mix data, market research, tax bills, title reports, and discussions with property owners, developers, and the City.

As necessary, Willdan will prepare separate Tax Spreads for Improvement Areas and/or Zones within a CFD. We will also prepare revisions to the Tax Spread(s) to incorporate changes requested by City Staff, the Financing Team, and landowners/developers, and present them during subsequent meetings. Further revisions will be made as necessary to incorporate changes in input assumptions such as construction schedules, absorption and bond structuring assumptions. Once we complete the special tax revenue projection, we will use this to create the special tax methodology to be included in the Rate and Method of Apportionment (RMA). The proposed maximum special taxes will be designed to generate sufficient revenue to meet CFD objectives and tax properties consistent with established development requirements and policies.

Based on gathered information, Willdan will begin to prepare a preliminary special tax evaluation to accompany the pro forma. This study may include an overlapping tax analysis and maximum special tax coverage computations. If required, the analysis will incorporate multiple improvement areas. As necessary, we will prepare calculations from our database, including:

- Special tax runs identifying maximum expected special tax coverage and comparing special tax revenues to projected operations and maintenance costs for improvements. If appropriate, this will include scenarios for both levels and escalating special taxes.
- Value-to-lien computations for each parcel, each property owner, and (if necessary) differentiating between developed and undeveloped property by using appraiser data.
- An overlapping debt table indicating property value, as compared to new district debt, as well as other Assessment District or Community Facilities District outstanding parcel debt.
- Effective tax rate schedules denoting the projected total property tax burden including the new special tax.

Willdan will develop special tax categories for property types within the CFD. Special considerations will be identified for discussion with the financing team, such as prepayment provisions.

The special tax structure for the RMA will be developed based on CFD boundaries and Improvement Areas (and/or "zones"), improvements to be funded, proposed development, and effective tax rate limitations. An analysis will be required to determine an equitable spread of the overall burden, while taking into account the nature of public facilities to be constructed, as well as the area they will serve. The method will be discussed with the financing team to ensure that considerations have been addressed, and then included in both the Resolution of Intention and the Community Facilities District Public Report.

The method will consider practical annual administration implications; the "trigger" event used to reclassify undeveloped property, to developed property; the developer's methodology acceptance; possible exemptions; and the effect, both financial and political, on the secondary property owner.

### Task 5: Rate and Method of Apportionment of Special Tax (RMA)

An RMA of Special Tax for the Resolution of Intention will be prepared. The RMA will outline the methodology, process and procedures for calculating and applying and annual Special Tax. It will include the necessary property classifications, Special Tax Rates and definitions to clearly describe the methodology. Exceptions or special provisions will also be included as needed, along with prepayment provisions, procedures and calculation methodologies. Establishing Improvement Areas and/or tax zones may be the preferred/utilized approach to equitably apportion facilities' cost to properties within the CFD and increase security of any issued bonds. Considering possible phased approaches to construction and, therefore, bonding; this approach may be necessary to allow for the generation of sufficient project value, as development progresses.

Establishing Improvement Areas provides flexibility in the following manner:

1. Provides the ability to group similar developments together in terms of schedule and product type. In so doing, the special tax structure will be more equitable and reasonable to the individual property owners and will relate to the likely financing schedule and needs.
2. Structure the special tax to accommodate potential phasing of multiple bond issuances, brought about by development schedules. This will provide the City with the ability to bond against phases of development (Improvement Areas) that are ready to pull building permits, without impacting (or having to wait on) the rest of the proposed development.
3. Provides the City with the ability to monitor the current real estate market and re-evaluate each established Improvement Area (in that context), prior to the issuance of any additional series of bonds. One phase of the development may not have the appropriate value-to-lien ratio or taxing capacity to issue bonds or maximize bond issuance. Through the establishment of Improvement Areas, such a phase would not impact the rest of the CFD; and the City could still issue bonds for other Improvement Areas. Also, a slowing market may cause the developer(s) to change their proposed plan of development. If so, the establishment of Improvement Areas will capture any such changes.

In most CFDs that are formed to finance facilities, Willdan typically proposes that special taxes not only be levied for debt service; but also finance the acquisition of authorized improvements, and the construction of authorized future facilities. This will provide the City the ability to levy the full amount of special tax on property, regardless of whether bonds have been issued.

Finally, Willdan endeavors to provide a simple and practical means of prepaying special taxes. A description of various alternatives for structuring the special tax will be provided to the City and financing team; and then based on received comments, incorporated into the RMA.

### Task 6: Community Facilities District Report

Willdan will prepare a preliminary CFD Report that includes a description of the public improvements to be funded, cost estimates, projected bonded indebtedness, incidental expenses, the RMA, boundary map, and other information. If requested, Willdan will present the CFD Report to Council and field questions received at the Public Hearing. The CFD Report will include the following components:

- A description of the proposed public facilities to be funded;
- Costs and estimated construction dates of proposed facilities;
- Estimates of bond issuance and other incidental costs;
- Projected bonded indebtedness and anticipated issuance dates; and
- A projection and explanation of annual special tax rates (by special tax classification) for each year bonds are outstanding or services funded.

### Task 7: Document Review and Preparation

Willdan will prepare for City review and comment; drafts of the required petitions, Consent and Waiver documents, and notices/ballots. We will prepare a draft Special Tax Certificate for each CFD formed, and execute it once finalized by legal counsel, confirming that Special Tax revenues are sufficient to provide for adequate debt service coverage. We will also prepare and record the Notice of Special Tax Lien. As we do not practice law, we ask that the City's attorney or other designated counsel review these documents and provide final approval before any are executed and/or recorded.

We will, however, assist legal counsel in identifying pertinent legal issues and modifications necessary before the documents are implemented.

If the City is unable to garner 100 percent consent from the affected property owners to waive the election period and a regular special tax election is required, the City's legal counsel will be responsible for preparing and coordinating the required impartial analysis and ballot arguments.

After successful formation of the CFD, Willdan will coordinate the recordation of the "Notice of Special Tax Lien."

#### Task 8: Bond Issuance Support

We will participate in the creation and review of financing documents. Typically, as the Community Facilities District Public Report is being finalized to include the best available project costs, the financing team begins preparing the Preliminary Official Statement. The Willdan Team will provide their necessary expertise on POS and OS development for the issuance of CFD bonds. Willdan will provide the necessary data analysis, support and documentation to support each of proposed bond issuance(s). As requested, Willdan will analyze overlapping debt and Value to Lien (VTL) ratios for affected properties and prepare necessary statements. It is not currently known when the bonds may be issued. Therefore, the Willdan Team will provide a more detailed work plan for these efforts once the potential of a bond issuance is realized.

#### Meeting Attendance

Willdan will attend four in-person meetings, including the two public meetings where action is required, one of which includes the Public Hearing. The Willdan Team will attend up to two "working" meetings with City staff as necessary throughout the formation project.

### Client Responsibilities

The City (or developer) will be responsible for providing the following items:

- Proposed project development information, including (as applicable):
  - Detailed development plans;
  - Data on proposed product mix (e.g., residential types, commercial types [retail, office, etc.]);
  - Estimated construction and absorption schedules; and
  - Maps and/or diagrams of the proposed project area.
- Pertinent budget information, including estimated/projected construction costs, and City overhead and/or administration;
- Publication of Council meetings/Public Hearings notices in the local newspaper;
- Developer/owner contact information for noticing and balloting purposes;
- Review of draft reports and resolutions prior to the preparation of final documents (this review is typically performed by City staff but may also include a review by the City's legal counsel); and
- Opinions (as requested) from legal counsel.

## Project Disclaimer

The City of Irvine further represents, acknowledges, and agrees that:

- (i) The City uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission (“SEC”) to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The City is not looking to Willdan to provide, and City shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);
- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the City, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and
- (v) Notwithstanding all of the foregoing, the City recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the City will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the City is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

# Pricing Proposal

## CFD Annual Administration

The following annual fees reflect application of the corresponding scope identified in the Project Approach/Methodology section. The fees are based on the time estimated that will be spent on average each year for the administration of the CFDs. Furthermore, these fees are subject to increase, which will not exceed the most recent annual change in the Consumer Price Index (CPI) within the Los Angeles-Long Beach-Anaheim, CA region, as calculated by the United States Department of Labor.

Any substantial variation in the number of districts, and/or the parcel count for each, may cause a change in our fee structure.

Annual Administration		
Category/Description	CFD	Annual Fee
<b>Built-Out CFD / Improvement Area (IA):</b> a CFD or IA in which all expected CFD bonds have been sold and all building permits have been issued	CFD No. 2005-2, Columbus Grove	\$ 6,700
	CFD No. 2004-1, Central Park	6,700
	CFD No. 2013-3, Great Park IA No. 1	6,700
	CFD No. 2013-3, Great Park IA No. 4	6,700
	CFD No. 2013-3, Great Park IA No. 5	6,700
	CFD No. 2013-3, Great Park IA No. 6	6,700
	CFD No. 2013-3, Great Park IA No. 7	6,700
	CFD No. 2013-3, Great Park IA No. 8	6,700
<b>Partially Developed CFD / Improvement Area (IA):</b> a CFD or IA in which CFD bonds have been sold but not all building permits have been issued	CFD No. 2013-3, Great Park IA No. 9	\$ 10,100
	CFD No. 2013-3, Great Park IA No. 10	10,100
	CFD No. 2013-3, Great Park IA No. 11	10,100
	CFD No. 2013-3, Great Park IA No. 12	10,100
<b>Subdivided CFD / Improvement Area (IA):</b> a CFD or IA in which final maps or large lot maps have been recorded but no bonds have been sold	CFD No. 2013-3, Great Park IA No. 13	\$ 7,000
	CFD No. 2013-3, Great Park IA No. 14	7,000

*Additional Improvement Areas formed will require an addendum for the City's review and approval.*

### General Administrative Duties

A separate fee associated with general administrative duties will not be charged by Willdan. Rather, the fee associated with this service has been included in the annual fee for the administration of the special district(s).

## Delinquency Monitoring Services

As the service is rendered, the following fees are invoiced to the City. They are ultimately paid by, or on behalf of, the delinquent property owners.

Delinquency Monitoring Services	
Services	Fees
<b>Fees Ultimately Reimbursed to Agency by Property Owner</b>	
Delinquency Reminder Letter	\$ 15
Delinquency Demand Letter	45
Foreclosure Letter	65
Effect Removal from Tax Roll and Record Subsequent Notice of Satisfaction	125
Payment Plan	200
Subsequent Foreclosure Services	150
<b>Fees Paid Directly to Willdan by Requestor</b>	
Delinquency Demand Payoff <sup>(1)</sup>	\$ 50
Zero Demand <sup>(1)</sup>	50

*<sup>(1)</sup> This fee is waived for the property owner (except for escrow purposes). This fee complies with Section 8833 of the California Streets and Highways Code and/or Section 53356.2 of the California Government Code, which requires recording of a Notice of Intent to Remove Delinquent Special Assessments and/or Special Taxes from the County tax roll. It DOES NOT include the County tax roll removal charge, or similar fee, if any.*

## CFD Payoff Quotes

CFD Payoff Quotes	
Number of Quotes Requested	Fee / Quote
Preparation of up to 5 Quotes	\$ 500
Preparation of 5 to 10 Quotes	750

## Special Tax Buydown

Special Tax Buydown	
Special Tax Buydown	Fee / Request
Less than 5 Building Permits	\$ 500
5 to 10 Building Permits	750
10 to 15 Building Permits	1,000

## Administration and Management of Bond Funds/City Funds

A separate fee associated with the administration and management of bond funds and/or City funds will not be charged by Willdan. Rather the fee associated with this service has been included in the annual fee for the administration of the special district(s).

## CFD Formation Services

Willdan proposes the **not-to-exceed fee of \$29,500** for the formation of a new Improvement Area or Community Facilities District. Out-of-pocket expenses are included in the quoted not-to-exceed amount. This fee does not include bond issuance support. The fee for this service is outlined below. These fees for bond issuance are per Improvement Area.

### Bond Issuance Support

Bond Issuance Support	
Bond Issue Size Schedule	Fee
a) Less than \$2,000,000	\$7,500
b) \$2,000,001 – \$5,000,000	\$8,500
c) \$5,000,001 – \$10,000,000	\$9,500
d) More than \$10,000,000	\$11,500

#### Notes:

- **Our fee will not be contingent on the outcome of the formation of the CFD.**
- Our fee includes all direct expenses associated with the project.
- Our fee includes attendance at up to four (4) meetings for each formation project with the City and the financing team, as described in the Project Approach/Methodology section of this submittal. We will attend two (2) Council meetings for the adoption of the Resolution of Intention and the Public Hearing.
- Telephone conference calls are not considered meetings and are not limited by our proposal.
- Additional services may be authorized by the City and will require an additional fee.

## Annexation of Property

A not-to-exceed fee will be provided when a specific CFD annexation project has been identified. For budgeting purposes a CFD annexation project can range from \$5,500 to \$12,000. In order to accurately quote the project, the information necessary is outlined below:

- The number of developers/property owners moving through the process concurrently per annexation;
- Estimated project timeline;
- Development type (i.e., residential, commercial, retail, etc.);
- The location, extent and nature of the facilities (or services) to be funded;
- Availability of cost information related to the improvements to be funded, or the extent to which Willdan will assist in developing these estimates; and
- Mix and pricing of products to be annexed to the district.

## Additional Services

Additional services may be authorized by the City and will be billed at our then-current hourly overhead consulting rates. Our current hourly rates are listed below.

Willdan Financial Services Hourly Rate Schedule	
Position	Hourly Rate
Group Director	\$250
Assistant Director	\$240
Principal Consultant	\$210
Senior Project Manager	\$185
Project Manager / Program Director	\$165
Senior Project Analyst	\$135
Senior Analyst	\$125
Analyst II	\$110
Analyst	\$100
Assistant Analyst	\$75