



AGENDA

REGULAR MEETING OF THE CARSON RECLAMATION AUTHORITY

"In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's office at 310-952-1720 at least 48 hours prior to the meeting." (Government Code Section 54954.2)

CALL TO ORDER: CARSON RECLAMATION AUTHORITY

ROLL CALL:

CLOSED SESSION: (Item 1)

ORAL COMMUNICATIONS – CLOSED SESSION ITEMS ONLY

ANNOUNCEMENT OF CLOSED SESSION ITEMS

RECESS INTO CLOSED SESSION

**Item No. 1. 2016-957 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED
LITIGATION**

Recommendation: A closed session will be held, pursuant to Government Code Section 54956.9 (d)(4) because the City is considering whether to initiate litigation in one case.

RECONVENE: OPEN SESSION

REPORT ON CLOSED SESSION ACTIONS

**ORAL COMMUNICATIONS FOR MATTERS LISTED ON THE AGENDA– MEMBERS OF THE
PUBLIC (LIMITED TO ONE HOUR)**

The public may address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority or on any items on the agenda of the Carson

Reclamation Authority, other than closed session matters, prior to any action taken on the agenda. Speakers are limited to no more than three minutes, speaking once. Oral communications will be limited to one(1) hour unless extended by order of the Chair with the approval of the Authority Board.

APPROVAL OF MINUTES:

WEDNESDAY, NOVEMBER 4, 2015 (ADJOURNED REGULAR)

TUESDAY, DECEMBER 1, 2015 (REGULAR)

TUESDAY, MAY 3, 2016 (REGULAR)

WEDNESDAY, JUNE 8, 2016 (ADJOURNED REGULAR)

TUESDAY, JULY 5, 2016 (SPECIAL)

TUESDAY, JULY 5, 2016 (REGULAR)

TUESDAY, AUGUST 2, 2016 (REGULAR)

CONSENT (Items 2-5)

These items are considered to be routine items of AUTHORITY business and have, therefore, been placed on the CONSENT CALENDAR. If AUTHORITY wishes to discuss any item or items, then such item or items should be removed from the CONSENT CALENDAR. For items remaining on the CONSENT CALENDAR, a single motion to ADOPT the recommended action is in order.

Item No. 2. 2016-954 CONSIDER RESOLUTION NO. 16-14-CRJPA APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF OF \$419,051.50

Recommendation: TAKE the following actions:

1. APPROVE Resolution No. 16-14-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$419,051.50."
2. AUTHORIZE the Chairman to execute the Resolution following approval as to form by the Authority Attorney.

Item No. 3. 2016-913 CONSIDER CARSON RECLAMATION AUTHORITY MONTHLY INVESTMENT REPORT

Recommendation: RECEIVE and FILE.

Item No. 4. 2016-925 CONSIDER APPROVAL OF AGREEMENT FOR CONSULTING SERVICES BY AND BETWEEN THE CARSON RECLAMATION AUTHORITY AND DAVID TAUSSIG AND ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED \$30,000

Recommendation: TAKE the following actions:

1. APPROVE the Agreement for Consulting Services between the Carson Reclamation Authority and David Taussig and Associates, Inc. in an amount not to exceed \$30,000.
2. AUTHORIZE the Chairman to execute the Agreement for Consulting Services, which shall be in substantially the same form as attached hereto upon approval as to form by the Authority Counsel.

Item No. 5. 2016-941 REAPPROPRIATION OF FUNDS IN FY 2016/17 FOR OPEN CONTRACTS, PURCHASE ORDERS AND PROJECTS APPROVED IN PRIOR FISCAL YEAR

Recommendation: TAKE the following actions:

1. APPROVE the reappropriation of funds in FY 2016/17 for open contracts, purchase orders and projects approved in the prior fiscal year, as detailed in Exhibit No. 1, to bring the necessary balances forward, avoid overspending the FY 2016/17 approved budget, and be in compliance with *Article II, Section 2.03, Subsection (c) of the Joint Powers Agreement*.
2. WAIVE further reading and ADOPT Resolution No. 16-15-CRJPA, A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY AMENDING THE FISCAL YEAR 2016/17 BUDGET.

SPECIAL ORDERS OF THE DAY (None)

Public testimony is restricted to three minutes per speaker, speaking once (excepting applicants who are afforded a right of rebuttal, if desired), unless extended by order of the Chair with the approval of the Authority.

DISCUSSION (Item 6)

Item No. 6. 2016-956 CONSIDERATION OF APPROVAL OF A SETTLEMENT AGREEMENT WITH CARDINAL CAVALRY LLC; CARSON HOLDINGS LLC; CARSON RECLAMATION AUTHORITY; SUCCESSOR AGENCY TO THE CARSON REDEVELOPMENT AGENCY; AND CARSON PUBLIC FINANCING AUTHORITY

Recommendation: It is recommended that the Authority take the following action:
APPROVE the Proposed Settlement Agreement by and between the City, Cardinal Cavalry, LLC; Carson Holdings, LLC; the Carson Reclamation Authority; the Successor Agency to the Carson Redevelopment Agency (“Successor Agency”); and the Carson Public Financing Authority (“Authority”).

ORDINANCE SECOND READING (None)

ORAL COMMUNICATIONS FOR MATTERS NOT LISTED ON THE AGENDA (MEMBERS OF THE PUBLIC)

The public may at this time address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority. No action may be taken on non-agendized items except as authorized by law. Speakers are requested to limit their comments to no more than three minutes each, speaking once.

ORAL COMMUNICATIONS (AUTHORITY MEMBERS)

ANNOUNCEMENT OF UNFINISHED OR CONTINUED CLOSED SESSION ITEMS (AS NECESSARY)

RECESS TO CLOSED SESSION

RECONVENE TO OPEN SESSION

ADJOURNMENT



File #: 2016-954, Version: 1

Report to Carson Reclamation Authority

Tuesday, September 06, 2016

Consent

SUBJECT:

CONSIDER RESOLUTION NO. 16-14-CRJPA APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF OF \$419,051.50

I. SUMMARY

This action approves invoices in the amount of \$419,051.50 submitted for work pursuant to contracts and agreements previously approved by the Carson Reclamation Authority (CRA) Board.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Resolution No. 16-14-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, APPROVING CLAIMS AND DEMANDS IN THE AMOUNT OF \$419,051.50."
2. AUTHORIZE the Chairman to execute the Resolution following approval as to form by the Authority Attorney.

III. ALTERNATIVES

TAKE another action the Authority deems appropriate.

IV. BACKGROUND

Since May, 2015 the CRA Board has taken a number of actions to move the remediation of the former Cal-Compact Landfill project forward and to create systems that allow the review and approval of the work undertaken by the remediation contractor, Tetra Tech, and other contractors and consultants in a fair but transparent manner.

This action includes the approval of a Claims and Demands Resolution approving several Tetra Tech invoices (payment request nos. 171-182), which have been reviewed and approved by the CRA's Project Manager (SEG Advisors) and Environmental Services Advisor (SCS Engineers), Visioning consultants Kosmont Companies and PlaceWorks prior to staff approval. It also includes a payment to the City of Carson for a share of project management expenses.

Payee Name	Payment Number	Purpose	Invoice Number	Payment Amount
Tetra Tech	178	WO28: Redesign Lenardo Depression	51067871	\$4,597.69
Tetra Tech	181	WO27: SWPPP	50168213	\$29,988.49
Tetra Tech	171	WO19: Perimeter Air Monitoring	51067576	\$44,532.22
Tetra Tech	172	WO20: Vector Control	51067577	\$4,763.41
Tetra Tech	173	WO18: Evaluate & Design	51067568	\$1,859.69
Tetra Tech	174	WO25: Project Management	51067571	\$82,902.71
Tetra Tech	175	WO22: Watering Prescriptive Cover	51067855	\$24,056.76
Tetra Tech	176	WO24: LFGETS OM&M	51067891	\$73,602.89
Tetra Tech	177	WO23: Maintain Storage Yard	51067867	\$815.33
Tetra Tech	179	WO21: Site Security & Site Maintenance	51068201	\$63,627.65
Tetra Tech	180	WO16: Import of Fill and Stockpiling	51068207	\$9583.67
Tetra Tech	182	WO29: Weed Abatement	51068210	\$18,068.86
Total Tetra Tech				\$358,399.37
Kosmont Companies		Vision Market Analysis May 2016		\$8,518.65
SCS Engineering		May 2016 Environmental Consulting		\$14,554.00
SCS Engineering		June 2016 Environmental Consulting		\$24,194.50
City of Carson		April 2016-June 2016/PJ Mgmt/Farfsing		\$8,552.35
PlaceWorks		June 2016 invoice		\$4,832.63
Total Other Invoices				\$60,652.13
TOTAL OF ALL INVOICES				\$419,051.50

V. FISCAL IMPACT

The total expenditure in this period is \$419,051.50.

VI. EXHIBITS

1. Resolution No. 16-14-CRJPA. (pgs. 4-5)

Prepared by: John Raymond, Community Development Director

RESOLUTION NO. 16-14-CRJPA

RESOLUTION NO. 16-14-CRJPA, A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$41,9051.50

THE CARSON RECLAMATION AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: The following claims and demands have been audited as required by law and are hereby ratified in the amount hereinafter set forth:

Payee Name	Payment Number	Purpose	Invoice Number	Payment Amount
Tetra Tech	178	WO28: Redesign Lenardo Depression	51067871	\$4,597.69
Tetra Tech	181	WO27: SWPPP	50168213	\$29,988.49
Tetra Tech	171	WO19: Perimeter Air Monitoring	51067576	\$44,532.22
Tetra Tech	172	WO20: Vector Control	51067577	\$4,763.41
Tetra Tech	173	WO18: Evaluate & Design	51067568	\$1,859.69
Tetra Tech	174	WO25: Project Management	51067571	\$82,902.71
Tetra Tech	175	WO22: Watering Prescriptive Cover	51067855	\$24,056.76
Tetra Tech	176	WO24: LFGETS OM&M	51067891	\$73,602.89
Tetra Tech	177	WO23: Maintain Storage Yard	51067867	\$815.33
Tetra Tech	179	WO21: Site Security & Site Maintenance	51068201	\$63,627.65
Tetra Tech	180	WO16: Import of Fill and Stockpiling	51068207	\$9583.67
Tetra Tech	182	WO29: Weed Abatement	51068210	\$18,068.86
Total Tetra Tech				\$358,399.37
Kosmont Companies	Vision Market Analysis May 2016			\$8,518.65
SCS Engineering	May 2016 Environ Consulting			\$14,554.00
SCS Engineering	June 2016 Environ Consulting			\$24,194.50
City of Carson	April 2016-June 2016/PJ Mgmt/Farfsing			\$8,552.35
PlaceWorks	June 2016 invoice			\$4,832.63
Total Other Invoices				\$60,652.13
TOTAL OF ALL INVOICES				\$419,051.50

On September 6, 2016, the Carson Reclamation Authority ratified the above Demands and the City Treasurer is hereby directed by pay, out of the funds named hereon, to each of the Claimants listed above, the amount of warrant appearing opposite their respective names, for the purpose stated on the respective demands, making a total of \$419,051.50.

PASSED, APPROVED and ADOPTED this 6th day of September, 2016.

CARSON RECLAMATION AUTHORITY, a
public body

By: _____
Chairman Albert Robles

ATTEST:

Deputy Secretary Joy Simarago

CERTIFICATION

In accordance with Section 37.202 of the California Government Code, I hereby certify that the above demands are accurate and that funds are available for payment thereof. I certify under penalty of perjury that the foregoing is true and correct.

EXECUTED THE _____ DAY OF
_____ AT CARSON, CALIFORNIA

DEPUTY SECRETARY
JOY SIMARAGO



File #: 2016-913, Version: 1

Report to Carson Reclamation Authority

Tuesday, September 06, 2016

Consent

SUBJECT:

CONSIDER CARSON RECLAMATION AUTHORITY MONTHLY INVESTMENT REPORT

I. SUMMARY

The responsibility of investing idle funds is that of the Reclamation Authority Treasurer. According to the Reclamation Authority Bond Indenture, idle funds can only be invested in specific securities as outlined, which include U.S. Government Treasury Notes, U.S. Government Agencies and Certificates of Deposit. Currently Reclamation Authority idle funds are distributed between these types of securities.

For review, the Carson Reclamation Authority Investment Portfolio detailing assets held in compliance with the Reclamation Authority Investment Policy and Bond Indenture:

As of August 31, 2016, available cash in the Reclamation Authority Demand Account is \$1,043,933.51.

Total Reclamation Authority assets including both Demand account and invested funds are \$45,621,917.45

II. RECOMMENDATION

Receive and File

III. ALTERNATIVES

None

IV. BACKGROUND

The Carson Reclamation Authority monthly investment report is provided to keep the legislative body abreast of the Reclamation Authority funds. This report is provided monthly to enhance transparency and accountability.

V. FISCAL IMPACT

None

VI. EXHIBITS

Exhibit 1(Pgs. 3-6)

Prepared by: Monica Cooper - Reclamation Authority Treasurer

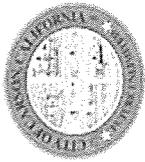


Carson Reclamation Authority Portfolio Holdings As of 8/31/2016

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
Beal Bank 0.65 12/7/2016	07370WXH4	Certificate Of Deposit	250,000.00	250,000.00	250,187.50	0.650	0.650	12/7/2016	0.56
Berkshire Bank FDIC 0.6 12/23/2016	084601FP3	Certificate Of Deposit	200,000.00	200,000.00	200,140.00	0.600	0.600	12/23/2016	0.45
BNY Cash Reserve Account Cash	MM9588	Cash	1,629,269.70	1,629,269.70	1,629,269.70	0.200	0.200	N/A	3.65
Dallas Capital Bank National 0.5 10/17/2016	234553AB1	Certificate Of Deposit	245,000.00	245,000.00	245,041.65	0.500	0.500	10/17/2016	0.55
East West Bank 1.1 4/4/2017	0178863769	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/4/2017	4.49
East/West Bank 1.1 4/14/2017	0178333070	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/14/2017	4.49
East/West Bank 1.1 4/14/2017	0178738461	Certificate Of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	1.100	1.100	4/14/2017	4.49
East/West Bank 1.1 5/25/2017	178013804	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	5/25/2017	2.24
East/West Bank 1.1 5/26/2017	178835532	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	5/26/2017	2.24
East/West Bank MM	MM8114	Money Market	1,427,668.78	1,427,668.78	1,427,668.78	0.350	0.350	N/A	3.20
FFCB 5.7 7/3/2017	31331L3B2	FFCB Bond	193,000.00	204,584.52	202,015.03	5.700	0.603	7/3/2017	0.43
FHLB 0.691 9/8/2017	31333XMC13	FHLB Bond	165,000.00	165,000.00	172,416.75	0.691	0.691	9/8/2017	0.37
FHLB 0.71 3/28/2017	3130A7LN3	FHLB Bond	300,000.00	300,016.24	300,222.00	0.710	0.654	3/28/2017	0.67
FHLB 0.71 4/20/2017	3130A7N350	FHLB Bond	1,000,000.00	1,000,000.00	1,000,000.00	0.710	0.710	4/20/2017	2.24
FHLB 0.75 8/17/2017	3130A62S5	FHLB Bond	1,000,000.00	999,960.00	1,000,370.00	0.750	0.753	8/17/2017	2.24
FHLB 0.875 3/19/2018	3130A7CX1	FHLB Bond	500,000.00	500,452.39	500,955.00	0.875	0.826	3/19/2018	1.12

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Exhibit #1



Carson Reclamation Authority Portfolio Holdings As of 8/31/2016

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
FHLB 0.9 1/26/2018	3130A7SQ9	FHLB Bond	500,000.00	500,000.00	500,185.00	0.900	0.900	1/26/2018	1.12
FHLB 1 6/21/2017	313379DD8	FHLB Bond	500,000.00	502,666.50	501,370.00	1.000	0.533	6/21/2017	1.12
FHLB 1.03 10/27/2018	3130A7VL6	FHLB Bond	1,000,000.00	1,000,000.00	1,000,340.00	1.030	1.030	10/27/2018	2.24
FHLB 1.12 12/6/2017	3130A0F21A	FHLB Bond	500,000.00	500,497.15	502,525.00	1.120	1.057	12/6/2017	1.12
FHLB 3.25 3/9/2018	313372SN5	FHLB Bond	300,000.00	310,770.47	311,520.00	3.250	1.295	3/9/2018	0.67
FHLMC 0.85 7/28/2017	3134G8HW2(B)	FHLMC Bond	1,000,000.00	999,610.00	1,000,350.00	0.850	0.876	7/28/2017	2.24
FHLMC 0.8750/27/2017	3134GC9EA1	FHLMC Bond	500,000.00	500,000.00	500,185.00	0.875	0.875	10/27/2017	1.12
FHLMC 0.875 11/17/2017	3134G9CG0	FHLMC Bond	500,000.00	499,925.00	500,027.50	0.875	0.884	11/17/2017	1.12
FHLMC 1 9/8/2017	3134G7TB7	FHLMC Bond	1,000,000.00	1,000,060.00	1,000,410.00	1.000	0.995	9/8/2017	2.24
FHLMC.1.05 4/26/2018	3134G9AF4	FHLMC Bond	2,000,000.00	1,999,500.00	2,000,020.00	1.050	1.063	4/26/2018	4.49
FHLMC 1.05 4/26/2018	3134G9AF4	FHLMC Bond	250,000.00	250,437.50	250,002.50	1.050	0.962	4/26/2018	0.56
FHLMC 1.15 5/18/2018	3134G9ES2	FHLMC Bond	1,000,000.00	1,000,000.00	1,000,150.00	1.150	1.150	5/18/2018	2.24
FHLMC 1.15 5/25/2018	3134G6Y31	FHLMC Bond	200,000.00	200,360.00	200,390.00	1.150	1.062	5/25/2018	0.45
FHLMC 5.55 8/23/2017	3137EAAAY5	FHLMC Bond	500,000.00	532,443.62	525,160.00	5.550	0.616	8/23/2017	1.12
FHLMC Step 5/25/2021-16	3134G9JP3A	FHLMC Bond	1,000,000.00	1,000,000.00	999,100.00	1.000	2.330	5/25/2021	2.24
Financing Corporation 9.8 11/30/2017	317705AC5	Financing Corporation	500,000.00	570,625.00	558,620.00	9.800	2.532	11/30/2017	1.12
FNMA 5 2/13/2017	31359M4D2	FNMA Bond	1,000,000.00	1,036,570.51	1,023,438.00	5.000	0.386	2/13/2017	2.24
GE Capital Retail Bank 1.85 4/27/2017	36157QCJ4	Certificate Of Deposit	250,000.00	250,000.00	251,712.50	1.850	1.850	4/27/2017	0.56
Mizuho Bank 0.5 30/2016	60688MSQ8	Certificate Of Deposit	200,000.00	200,000.00	199,952.00	0.500	0.500	9/30/2016	0.45

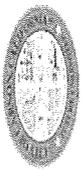




Carson Reclamation Authority Portfolio Holdings As of 8/31/2016

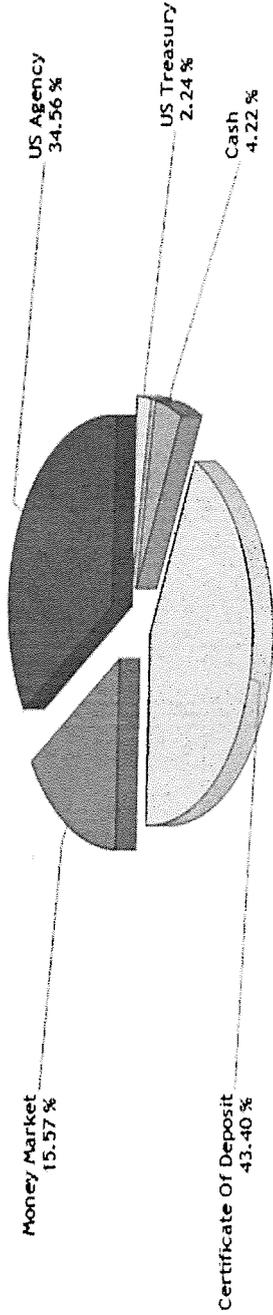
Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value	Coupon Rate	YTM @ Cost	Maturity Date	% of Portfolio
Preferred Bank 0.75 9/14/2016	306217	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.24
Preferred Bank 0.75 9/14/2016	306221	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.24
Preferred Bank 0.75 9/14/2016	306218	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.24
Preferred Bank 0.75 9/14/2016	306220	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.24
Preferred Bank 0.75 9/14/2016	306219	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.750	0.750	9/14/2016	2.24
Preferred Bank 0.8 11/12/2016	306202	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	11/12/2016	2.24
Preferred Bank 0.8 11/12/2016	306203	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	11/12/2016	2.24
Preferred Bank 0.8 8/12/2016	306170	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	0.800	0.800	8/12/2016	2.24
Preferred Bank 1.1 6/21/2017	306263	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	6/21/2017	2.24
Preferred Bank 1.1 6/21/2017	306262	Certificate Of Deposit	1,000,000.00	1,000,000.00	1,000,000.00	1.100	1.100	6/21/2017	2.24
Preferred Bank MM	MM2075	Money Market	5,515,038.10	5,515,038.10	5,515,038.10	0.500	0.500	N/A	12.37
RJ Cash Reserves Cash	CRA0212	Cash	253,007.36	253,007.36	253,007.36	0.080	0.080	N/A	0.57
Santander Bank NA 0.75 3/2/2017	80280JLW9	Certificate Of Deposit	200,000.00	200,000.00	200,262.00	0.750	0.750	3/2/2017	0.45
T-Note 2.75 5/31/2017	912828NG1	Treasury Note	1,000,000.00	1,024,690.62	1,017,890.60	2.750	1.095	5/31/2017	2.24
Total / Average			44,577,983.94	44,768,153.46	44,739,941.97	1.158	0.868		100

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Carson Reclamation Authority Investment Portfolio Composition As of August 31, 2016

Portfolio Holdings Distribution by Security Sector



Security Sector	Face Amount/Shares	% of Portfolio	Market Value	Book Value
Cash	1,882,277.06	4.22	1,882,277.06	1,882,277.06
Certificate Of Deposit	19,345,000.00	43.40	19,347,295.65	19,345,000.00
Money Market	6,942,706.88	15.57	6,942,706.88	6,942,706.88
US Agency	15,408,000.00	34.56	15,549,771.78	15,539,101.27
US Treasury	1,000,000.00	2.24	1,017,890.60	1,018,811.90
Total / Average	44,577,983.94	100	44,739,941.97	44,727,897.11



File #: 2016-925, Version: 1

Report to Carson Reclamation Authority

Tuesday, September 06, 2016

Consent

SUBJECT:

CONSIDER APPROVAL OF AGREEMENT FOR CONSULTING SERVICES BY AND BETWEEN THE CARSON RECLAMATION AUTHORITY AND DAVID TAUSSIG AND ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED \$30,000

I. SUMMARY

This is a proposed agreement for consulting services (Agreement) between the Carson Reclamation Authority (Authority) and David Taussig and Associates, Inc. (Consultant). The Consultant is a specialist in establishing assessment districts.

The contract term would be from September 6, 2016 and will continue in effect until the required work, as outlined in the scope of services, is completed, but not to exceed 12 months. The work shall be completed for a contract amount not to exceed \$30,000.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the Agreement for Consulting Services between the Carson Reclamation Authority and David Taussig and Associates, Inc. in an amount not to exceed \$30,000.
2. AUTHORIZE the Chairman to execute the Agreement for Consulting Services, which shall be in substantially the same form as attached hereto upon approval as to form by the Authority Counsel.

III. ALTERNATIVES

TAKE another action the Authority Board deems appropriate.

IV. BACKGROUND

As the development of the Carson-157 Project continues to move forward, a number of expert consulting services will be needed. At this point the Authority has entered into an Exclusive Negotiating Agreement with Macerich, a retail developer, to develop a portion of the site. The Authority has also conducted a Request for Qualifications for the balance of the site and received seven (7) proposals by the August 25, 2016 deadline.

In addition, the CRA is procuring a new Pollution Legal Liability policy for a future, more flexible, development proposal. That flexibility has precipitated a restructuring of the Cost Cap contract with Tetra Tech, which in turn requires the CRA to negotiate a new financial assurance arrangement with DTSC. The major component of the required financial assurance is the creation of a special taxing district, or community facilities district (CFD), to finance certain improvements and services on the site.

Two CFDs were approved in 2012 pursuant to the Mello-Roos Community Facilities Act. The formation of the CFD provides the needed financing for the maintenance and servicing of certain public infrastructure within the site once it is developed.

One district (CFD 2012-1) was created to provide for the ongoing maintenance and operation of the remedial systems on the site. There was an original allocation (tax spread) of the cost based on a per-square-foot cost for retail development and a per-unit cost for residential and hotel development.

The other district (CFD 2012-2) was established to reimburse the master developer (Carson Marketplace) for cost incurred in constructing the public improvements on the site. It was anticipated that the CFD would bond for those improvements to reimburse the developer and spread the debt service over the project through the CFD allocation.

There are obviously a number of changes to the project since the CFDs were established in 2012, on both the cost side (for the operation of the remedial systems) and the revenue side (the potential changes in land use and the phasing of the project). The CFD is a critical portion of the financial assurance to DTSC that the remedial systems will be continued to be maintained over the life of the project, and they need to be sufficiently capitalized from the beginning to ensure the continuous operation of the systems.

Under the Agreement (Exhibit No. 1), the Consultant will perform the following services, largely related to CFD 2012-1:

- Preparation of preliminary Tax Spread
- Preparation of tax spread for additional improvement areas or zones
- Tax Spread revisions
- Preparation of rate and method of appointment of special tax
- Assistance to bond counsel for preparation of required documents
- Attending meetings
- Preparation of boundary map
- Verbal consulting and advice

The Agreement also includes the task of dissolving CFD 2012-2, for the public improvements, if the CRA desires to do so. If the CRA desires to reforecast CFD 2012-2 in terms of tax spread and benefit area, it would require an amendment to the scope of work.

The Consultant is one of the few firms in California in this highly specialized section of the municipal financial services industry. Since they were the firm that created the original CFD and have familiarity with the Carson-157 project, the land uses, the remedial system costs and other associated factors, the CRA used the “sole source” provisions in the Carson Municipal Code to select this contractor. The work described herein would be completed for an amount not to exceed \$30,000.

V. FISCAL IMPACT

The \$30,000 is included in the FY 2016-17 Authority budget.

VI. EXHIBITS

1. Agreement for Consulting Services. (pgs. 4-28)

Prepared by: Amelia Soto

PROFESSIONAL SERVICES AGREEMENT

By and Between

CARSON RECLAMATION AUTHORITY

and

David Taussig and Associates, Inc.

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CARSON RECLAMATION AUTHORITY AND
LEIGHTON CONSULTING, INC.**

THIS AGREEMENT FOR CONTRACT SERVICES (herein“ Agreement”) is made and entered into this 5th day of September, 2016 by and between the Carson Reclamation Authority (“CRA”) and David Taussig and Associates, Inc. (“Consultant”). CRA and Consultant are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties”.

RECITALS

A. CRA has sought the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the CRA to perform those services.

C. CRA has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which services may be referred to herein as the “services” or “work” hereunder. As a material inducement to the CRA entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

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1.2 Consultant's Proposal.

The Scope of Service shall include the Consultant's scope of work in Consultant's proposal and shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City of Carson and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless CRA, its officers, employees or agents of CRA, against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against CRA hereunder.

1.5 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 this 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 latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the CRA of such fact and shall not proceed except at CRA's risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by CRA, except such losses or damages as may be caused by CRA's own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all

instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

CRA 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 extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the CRA Board. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. 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. CRA may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, CRA agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed Thirty Thousand Dollars (\$30,000) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.



2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved in writing by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the CRA. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to CRA an original invoice for all work performed and expenses incurred during the preceding month in a form approved by CRA's Executive Director. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice CRA for any duplicate services performed by more than one person.

CRA shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by CRA, or as provided in Section 7.3. CRA will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to CRA warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by CRA, the original invoice shall be returned by CRA to Consultant for correction and resubmission. Review and payment by the CRA of any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this

reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively. Any greater increases, taken either separately or cumulatively must be approved by the CRA Board.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God 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 the CRA, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer 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 the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the CRA for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D") and Section 3.2 of this Agreement.

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals' and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

_____	_____
(Name)	(Title)
_____	_____
(Name)	(Title)
_____	_____
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing Principals were a substantial inducement for CRA to enter into this Agreement. Therefore, the Principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services

hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of CRA. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify CRA of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind CRA in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against the CRA, or the City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by CRA. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of CRA. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CRA's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be such person as may be designated by the Executive Director. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by CRA to the Contract Officer. Unless otherwise specified herein, any approval of CRA required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the Executive Director, to sign all documents on behalf of the CRA required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the CRA nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. CRA shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of CRA and shall remain at all times as to CRA a wholly independent contractor with only such obligations as are consistent with that role. 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 CRA. CRA 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 venture or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the CRA to enter into this Agreement. Therefore, 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 the CRA. In addition, neither this 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 CRA. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of CRA.

ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance Coverages.

The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to CRA, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of CRA:

(a) Commercial General Liability Insurance (ISO Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Workers Compensation Insurance. A policy of workers compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Consultant against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Professional Liability. Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Consultant's services or the termination of this

Agreement. During this additional 5-year period, Consultant shall annually and upon request of the CRA submit written evidence of this continuous coverage.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements.

(f) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and the CGL and Automobile policies shall name the CRA, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by CRA or its officers, employees or agents shall apply in excess of, and not contribute with Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the CRA, its officers, employees and agents and their respective insurers. The insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the CRA. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Consultant has provided the CRA with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the CRA. CRA reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to CRA.

All certificates shall name the CRA as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]

Agent's Initials

CRA, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Consultant performs; products and completed operations of Consultant; premises

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owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to CRA, and their respective elected and appointed officers, officials, employees or volunteers. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by CRA. At the option of CRA, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CRA or its respective elected or appointed officers, officials, employees and volunteers or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Consultant agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages to any persons or property resulting from the Consultant's activities or the activities of any person or persons for which the Consultant is otherwise responsible nor shall it limit the Consultant's indemnification liabilities as provided in Section 5.3.

In the event the Consultant subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to CRA.

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the CRA, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against the CRA, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the CRA, its officers, agents, and employees harmless therefrom;

(c) In the event the CRA, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims

arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the CRA, its officers, agents or employees, any and all costs and expenses incurred by the CRA, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

Consultant shall incorporate similar, indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of CRA to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of CRA's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from CRA's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Executive Director due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the Executive Director determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Executive Director.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of CRA, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of 3 years following completion of the services hereunder, and the CRA shall have access to such records in the event any audit is required. In the event of dissolution of Consultant's business, custody of the books and records may be given to CRA, and access shall be provided by Consultant's successor in interest.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of CRA and shall be delivered to CRA upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by CRA of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the CRA's sole risk and without liability to Consultant, and Consultant's guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to CRA of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify CRA for all damages resulting therefrom.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than CRA without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the CRA Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives CRA notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then CRA shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify CRA should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. CRA retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with CRA and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by CRA to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the CRA shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the CRA may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the CRA shall hold all invoices and shall proceed with payment on the invoices only when the default is cured. In the alternative, the CRA may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the CRA may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the CRA to give notice of the Consultant's default shall not be deemed to result in a waiver of the CRA's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes CRA to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate CRA for any losses, costs, liabilities, or damages suffered by CRA, and (ii) all amounts for which CRA may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, CRA may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of CRA to exercise such right to deduct or to withhold shall not, however,



affect the obligations of the Consultant to insure, indemnify, and protect CRA as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by CRA of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive 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 shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The CRA reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to CRA, except that where termination is due to the fault of the CRA, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to

this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, CRA may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the CRA shall use reasonable efforts to mitigate such damages), and CRA may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the CRA as previously stated.

7.9 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CRA OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of CRA Officers and Employees.

No officer or employee of the CRA shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the CRA or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CRA or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CRA in the performance of this Agreement.

No officer or employee of the CRA shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any

State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against CRA for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse CRA for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by CRA.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the CRA, to the Executive Director and to the attention of the Contract Officer, Carson Reclamation Authority c/o City of Carson 701 E Carson Street, Carson, California 90745 and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

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.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and 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. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

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

CRA:
CARSON RECLAMATION AUTHORITY

Albert Robles, Chairman

ATTEST:

Joy Simarago, Authority Secretary

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Sunny K. Soltani, Authority Counsel

CONSULTANT:
DAVID TAUSSIG AND ASSOCIATES,
INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Address: _____

Two signatures are required if a corporation.

NOTE: CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, 201_ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)	
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input type="checkbox"/> GENERAL	NUMBER OF PAGES
<input type="checkbox"/> ATTORNEY-IN-FACT	
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	DATE OF DOCUMENT
<input type="checkbox"/> OTHER _____	

SIGNER IS REPRESENTING:	
(NAME OF PERSON(S) OR ENTITY(IES))	_____
_____	SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, 201_ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

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

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<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)	
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input type="checkbox"/> GENERAL	NUMBER OF PAGES
<input type="checkbox"/> ATTORNEY-IN-FACT	
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	DATE OF DOCUMENT
<input type="checkbox"/> OTHER _____	

SIGNER IS REPRESENTING:	_____
(NAME OF PERSON(S) OR ENTITY(IES))	SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"
SCOPE OF SERVICES

I. Consultant shall perform the following Services:

Provide special tax consulting services for formation of a Mello-Roos Community Facilities District (CFD) to levy annual special taxes to finance facilities as well as annual public services related to the development of the 157-acre former landfill site located at 20400 Main Street.

Task 1. Preliminary Tax Spread

Prepare initial spread of special taxes (the "Tax Spread") based on land use, building square footage, and/or acreage. Calculate special taxes to support proposed financing. DTA may recommend alternative techniques to apportion special taxes to enhance project feasibility.

Data necessary for Tax Spread shall be provided by the Client, or project consultants with the assistance of DTA. The Client is responsible for providing and verifying data describing types of projected development, improved property values, development absorption rates, net tax able acreage, estimated acres to be maintained, and the estimated cost of the public improvements proposed to be financed. DTA shall rely on such data provided by the Client, and shall not be responsible for verifying its accuracy. The Client may hire an appraiser or other outside consultants to verify this data.

Task 1A Tax Spreads for Additional Improvement Areas or Zones (OPTIONAL)

Should more than one Landowner participate in the CFD, and should it be necessary to establish separate Improvement Areas or Zones for any of these additional project Landowners, DTA shall prepare Tax Spreads and undertake the activities listed under Task 1 for each additional Improvement Area or Zone. The Client and each additional project Landowner shall have the same responsibilities as listed under Task 1.

Task 2. Tax Spread Revisions

Based on input from Client, prepare revisions to Tax Spread. DTA shall prepare up to a total of fifteen Tax Spreads, utilizing various absorption, cost and bond assumptions.

Task 3. Rate & Method of Apportionment and Public 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 Public Report, containing descriptions of the proposed public facilities and services, their estimated costs, projected bonded indebtedness, the anticipated issuance date and projected annual special tax rates.

Task 4. Document Review and Preparation

Assist Bond Counsel with the preparation of required documents, including the Resolution of Intention, Resolution of Formation, and related items. Also provide necessary data and advice to Bond Counsel regarding the implementation of the CFD, including policies which address changes in land uses which occur after district formation, parity bonds tests, integration of reimbursement programs from the State or other public districts or fee programs, and the formation of an advisory board to make decisions regarding the issuance of parity bonds and/or the enrollment of special taxes.

Task 5. Meetings

DTA shall attend up to a total of three meetings. These meetings may be used to discuss or present the Tax Spread, Rate and Method of Apportionment of Special Tax, Public Report, or other items prepared by DTA. They may also be used for the protest hearing or other public meetings. After a total of three meetings attended by DTA have been completed, additional meetings will require fees beyond the maximum established in the Fee Schedule if the budgeted amount has been completely expended based on hourly rates quoted herein.

Task 6. Preparation of Boundary Map

This task entails the preparation of the CFD boundary map pursuant to the requirements of the Mello-Roos Act and the County Recorder's Office, assuming that computerized base maps are provided by Project Landowner. Record map at the County Recorder's Office.

Task 7. Dissolve CFD Nos. 2012-1 and 2012-2

DTA shall work with Client and Bond Counsel on the dissolution of the prior CFDs formed in 2012.

Task 8. Verbal Consulting Services

Provide verbal consulting services and advice to Client regarding the financing during the period in which Tasks 1 through 7 are being completed.

Task 9. Additional Consulting Services (OPTIONAL)

For additional fees, DTA shall complete other tasks related to financing and administration of the CFD as agreed upon by DTA and the Client. Such tasks may include holding additional meetings with various participants in the formation process, preparing additional computerized Tax Spreads, a detailed value-to-lien or overlapping debt analysis, annual special tax setting, and/or construction management.

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EXHIBIT "B"

SPECIAL REQUIREMENTS

None.

A handwritten signature or mark, possibly initials, located at the bottom right of the page.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

Services will be performed on a time-and-materials basis per the schedule of fees listed below. The contract is for a not-to-exceed amount of Thirty Thousand Dollars (\$30,000).

Hourly Rates	
Managing Director	- \$225/Hour
Vice President	- \$210/Hour
Manager	- \$200/Hour
Senior Associate	- \$180/Hour
Associate	- \$150/Hour
Senior Analyst	- \$130/Hour
Analyst	- \$120/Hour
Research Assistant	- \$100/Hour

In addition to fees for services, Client shall reimburse DTA for travel, photocopying, courier, facsimile, clerical, telephone expenses, and administrative charges.

Limitations

Any additional tasks assigned by Client if the total fee listed above has been exceeded shall be charged at the hourly rates listed above. An excessive number of meetings (more than three) or tax spread computer runs (more than fifteen) may also require additional fees if the total fee has been exceeded. For Task 7, if adequate base map data is not available, completion of the Boundary Map may be considered Additional Work. Such additional fees shall be added to the "Total Fee" amounts listed above.

Additional fees may also be required if the formation/dissolution process takes more than 12 months to complete.

Consulting services related to the annual collection of special taxes or the preparation of tables, certifications or tax spreads for any bonds issued by the CFD(s) shall be covered under a separate Agreement.

The hourly fees listed above apply for a twelve month period, and are subject to a cost-of-living increase after that period, and on an annual basis thereafter.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

- I. Consultant shall make reasonable efforts to perform the following Services in accordance with the following schedule:**

	<u>Time to Perform</u>	<u>Deadline</u> <u>Date</u>
Special Tax Consulting Services	1 YEAR	09/05/17

- II. Consultant shall deliver the following tangible work products to the City by the following dates.**

A. Refer to Scope of Work in Exhibit "A."

- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**



File #: 2016-941, Version: 1

Report to Carson Reclamation Authority

Tuesday, September 06, 2016

Consent

SUBJECT:

REAPPROPRIATION OF FUNDS IN FY 2016/17 FOR OPEN CONTRACTS, PURCHASE ORDERS AND PROJECTS APPROVED IN PRIOR FISCAL YEAR.

I. SUMMARY

The Carson Reclamation Authority Board is being requested to approve the reappropriation of funds in FY 2016/17 for open contracts, purchase orders and projects approved and budgeted in FY 2015/16 but were not completed as of June 30, 2016.

II. RECOMMENDATION

1. APPROVE the reappropriation of funds in FY 2016/17 for open contracts, purchase orders and projects approved in the prior fiscal year, as detailed in Exhibit No. 1, to bring the necessary balances forward, avoid overspending the FY 2016/17 approved budget, and be in compliance with Article II, Section 2.03, Subsection (c) of the Joint Powers Agreement.
2. WAIVE further reading and ADOPT Resolution No. 16-15-CRJPA, A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY AMENDING THE FISCAL YEAR 2016/17 BUDGET.

III. ALTERNATIVES

None. If funds are not reappropriated in FY 2016/17, the amounts to be paid for the open contracts, purchase orders and projects not completed as of June 30, 2016 will be charged to the current year's budget which will result to expenditures in the fund in excess of appropriations.

IV. BACKGROUND

There are certain open contracts, purchase orders and projects that were approved in the FY 2015/16 budget but were not completed as of June 30, 2016. The funds for these items will need to be reappropriated in FY 2016/17. Without the reappropriation, the purchases and projects approved in FY 2015/16 will be paid for in the current fiscal year with monies budgeted in FY 2016/17 which will result to overspending the budget. The reappropriation of funds is a standard annual accounting procedure to bring the balances forward so there will be no expenditures in excess of the approved budget, and is necessary for the Authority's financial record to be accurate. Further, it is required under Article II, Section 2.03, Subsection (c) of the Joint Powers Agreement dated February 17, 2015, which governed the formation of the Carson Reclamation Authority, that no expenditures in excess of those budgeted shall be made without the prior approval of an amended annual budget by the Board by not less than a majority vote of the total Board membership.

V. FISCAL IMPACT

Approval of the reappropriation will increase the FY 2016/17 budget of the Authority by \$592,729.50, as detailed in the attached Exhibit No. 1, Resolution No. 15-16-CRJPA.

VI. EXHIBITS

1. Resolution No. 15-16-CRJPA, a Resolution of the Carson Reclamation Authority Amending the FY 2015/16 Budget. (pgs. 3-4)

Prepared by: Trini H. Catbagan, Controller

RESOLUTION NO. 16-15-CRJPA

A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY
AMENDING THE FISCAL YEAR 2016/17 BUDGET

WHEREAS, the Carson Reclamation Authority adopted the Authority's budget for Fiscal Year 2016/17 on June 8, 2016 via Resolution no. 16-09-CRJPA; and

WHEREAS, certain payments to contracts, purchase orders and projects were budgeted in FY 2015/16 and not completed on June 30, 2016; and

WHEREAS, Staff requested to reappropriate budgeted funds for those payments to FY 2016/17; and

WHEREAS, the Carson Reclamation Board has determined it necessary to increase the FY 2016/17 budget corresponding to the reappropriated funds; and

WHEREAS, Article II, Section 2.03, Subsection (c) of the Joint Power Agreement which governed the formation of the Carson Reclamation Authority provides that no expenditures in excess of those budgeted shall be made without the prior approval of an amended annual budget by the Board by not less than a majority vote of the total Board membership; and

WHEREAS, the Carson Reclamation Authority desires to amend FY 2016/17 budget.

NOW, THEREFORE, THE CARSON RECLAMATION AUTHORITY DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The following amendments will be made to the Authority's FY 2016/17 budget:

<u>Account Number</u>	<u>Contract/PO No./Vendor/Description</u>	<u>Amount Increase/(Decrease)</u>
78-70-782-965-7806	J00029Y-Tetra Tech-Storm Water Pollution Prevention Plan WO 27	\$ 132,991.76
78-70-782-965-7815	J00029Y-Tetra Tech-Lenardo Depression Redesign WO 28	\$ 90,739.95
78-70-781-965-6004	TBD- Michael Baker International-Civil Engineering	\$ 160,000.00
78-70-781-965-6004	J00037- Greenberg Traurig-PARLL Insurance Special Counsel	\$ 106,344.63
78-70-782-965-6004	J00031- Department of Toxic Substances Control-Oversight services	\$ 102,653.16
	TOTAL INCREASE IN THE BUDGET	\$ 592,729.50

Section 2. The Authority Secretary shall certify to the adoption of this resolution and shall keep a copy of this resolution attached to the FY 2016/17 budget on file, the same shall be in force and effect as of July 1st, 2016.

[MORE]

PASSED, APPROVED, and ADOPTED this 6th day of September 2016.

Authority Chairman

ATTEST:

Authority Secretary

APPROVED AS TO FORM:

Authority Attorney



File #: 2016-956, Version: 1

Report to Carson Reclamation Authority

Tuesday, September 06, 2016

Discussion

SUBJECT:

**CONSIDERATION OF APPROVAL OF A SETTLEMENT AGREEMENT WITH
CARDINAL CAVALRY LLC; CARSON HOLDINGS LLC; CARSON RECLAMATION
AUTHORITY; SUCCESSOR AGENCY TO THE CARSON REDEVELOPMENT AGENCY;
AND CARSON PUBLIC FINANCING AUTHORITY**

I. SUMMARY

The Carson Reclamation Authority (“Authority”) is asked to consider a Proposed Settlement Agreement with Cardinal Cavalry, LLC (“Cardinal”), Carson Holdings, LLC (“Carson Holdings”), the Successor Agency to the Carson Redevelopment Agency (“Successor Agency”), the Carson Public Financing Authority (“PFA”) and the City of Carson (“City”).

The settlement brings to a close the consideration of the NFL stadium in Carson and guarantees that the Chargers and Raiders paid for all City, Authority and Successor Agency costs associated with their project. A payment of \$1,823,953 will result in no costs to the City, the Successor Agency and the Authority and fully reimburses the City for all staff, City Attorney and other costs related to the project.

- The settlement results in \$250,000 of excess funds to be devoted to future planning of the site.
- The settlement also pays \$5,179,504 to the Authority which covers all of the costs incurred by the Authority during the stadium application period, including six months after the NFL decision was made to locate in Inglewood.
- The City, Authority, and Successor Agency agree to allow Carson Holdings to sell its interest in the 11-Acre Property to a prospective buyer.

The City, Authority, and Successor Agency also agree to cooperate with the prospective buyer and Carson Holdings in the successful development of the site. The Authority agrees to deliver to Carson Holdings a full and unconditional reconveyance of the Deed of Trust to Carson Holdings that the Authority was holding as security. The Authority will retain the

157-acre Property.

Carson Holdings has been a very generous partner with the City. Throughout the proposed NFL Stadium project, Carson Holdings has consistent covered all of the costs relating to the holding and maintaining the 157-acre Property and the negotiations regarding a National Football League Stadium. Carson Holdings consistently replenished their planning, legal and carry cost deposit accounts such that the City and the Authority were kept financially whole.

The funding provide by Carson Holdings permitted the City to move ahead with planning on the site after the NFL's decision. The City recently entered into an Exclusive Negotiation Agreement with the Maserich Company to develop a high fashion outlet mall on a large portion of the site. Funding from Carson Holdings also allowed the Authority to continue to install the environmental improvements on the 157-acre site, while Carson Holdings funded the operational costs of the project.

II. RECOMMENDATION

It is recommended that the Authority take the following action:

APPROVE the Proposed Settlement Agreement by and between the City, Cardinal Cavalry, LLC; Carson Holdings, LLC; the Carson Reclamation Authority; the Successor Agency to the Carson Redevelopment Agency ("Successor Agency"); and the Carson Public Financing Authority ("Authority").

1.

III. ALTERNATIVES

None.

IV. BACKGROUND

On May 18, 2015, the Carson Reclamation Authority ("Authority"), Successor Agency and Carson Marketplace, LLC ("CM") entered into a "Settlement, Release and Indemnity Agreement" ("SRIA"). The Authority agreed to acquire and acquired the former Carson Marketplace ("157-Acre Property").

In March 2015, the City and Carson Holdings entered into a "Deposit and Reimbursement Agreement" ("Reimbursement Agreement") in which Carson Holdings was required to reimburse the City for its costs related to the review, processing, preparation and approval of entitlements for the proposed development of 11 acres of land located in the City of Carson ("11-Acre Property) and the proposed development and use of the surface lot of the 157-Acre Property.

The Spanos family then purchased the 11-Acre Property across Del Amo Blvd to hold for parking for the stadium project. On May 18, 2015, CM made and entered a "Declaration of

Covenants, Conditions and Restrictions" ("CC&Rs") that sets forth covenants, conditions and restrictions on the 11-Acre Property, and on May 18, 2015 Carson Holdings acquired the 11-Acre Property from CM.

On May 18, 2015, Cardinal Cavalry LLC ("Cardinal") and Authority entered into a "Designation, Transfer and Option Agreement" ("DTO"). Cardinal designated the Authority as its designee to take title to the 157-Acre Property and assume the agreements set forth in the SRIA. Cardinal agreed to pay the Authority "Carry Costs" as defined in the DTO. As security for the payment of the Carry Costs, Carson Holdings recorded a deed of trust against the 11-Acre Property for the benefit of Authority in the amount of \$ 7.5 million ("Deed of Trust"); and the Authority granted to Cardinal an exclusive option to lease the surface lot of the 157-Acre Property ("Option") solely for development of an NFL Stadium and other permitted uses.

On May 18, 2015, the Authority, Carson Holdings and Tetra Tech, Inc. entered into a letter agreement ("Tetra Tech Letter Agreement"). Carson Holdings agreed to pay certain Tetra Tech costs related to the 157-Acre Property from April 1, 2015 to May 18, 2015, the Authority agreed to pay certain Tetra Tech costs related to the 157-Acre Property after May 18, 2015 and to deposit certain funds in the Design and Construction Environmental Assurance Agreement Trust Account. On October 5 and October 19, 2015, Carson Holdings paid to Tetra Tech the required costs as provided for by the Tetra Tech Letter Agreement;

On May 18, 2015, CM and Carson Holdings entered into a "Partial Assignment and Assumption Agreement." CM assigned and Carson Holdings assumed the rights, title, interests, burdens and obligations of CM pursuant to a Development Agreement by and between City and CM, dated March 21, 2006 ("Development Agreement"), as amended, to the extent, but only to the extent, the Development Agreement and the assumed rights, title, interests, burdens and obligations applied to the 11-Acre Property as set forth in the Partial Assignment and Assumption Agreement.

Pursuant to the OPA, the Carson RDA undertook an obligation to provide a total of \$120 million of financial assistance for remediation work on the 157-Acre Property and development of certain public improvements, and pursuant to the obligation, \$12.165 million in Series 2009 Bonds were issued on a tax exempt basis by the Carson PFA ("2009 Carson PFA Bonds"). Pursuant to the OPA, the Carson RDA also issued \$22.810 million in Project Area No. 1 Tax Allocation Bonds, Series 2009A on a tax-exempt basis (the "2009 Carson RDA Bonds");

The 2009 Carson PFA Bonds are payable from, and secured by, payments made by Carson RDA under an Installment Payment Contract ("Installment Payment Contract") between the City, the Carson RDA and the Carson PFA, and lease revenue paid by City. If the Carson RDA's payments are insufficient; under the Installment Payment Contract, the Carson RDA agreed to pay the City an amount equal to the interest rate savings that resulted from Carson PFA's issuance of bonds ("Additional Payments").

In 2015, pursuant to the OPA, the Successor Agency provided an additional \$50.5 million in financial assistance to the remediation of the 157-Acre Property. Pursuant to the OPA

and SRIA, on May 18, 2015 the Successor Agency issued the Series 2015A Tax Allocation Bonds and on August 20, 2015 the Successor Agency issued the Series 2015B Tax Allocation Bonds as a publicly offered refunding bond issue for the Series 2015A bonds (collectively, "2015 Bonds"). In addition, in 2016, the Carson PFA sought to refinance the 2009 Carson PFA Bonds and 2009 Carson RDA Bonds on a taxable basis; however, the California Department of Finance ("DOF") rejected the refinancing of the Installment Payment Contract.

On January 21, 2016, Cardinal issued a Determination Notice pursuant to the DTO, notifying Authority that in light of the action taken by the National Football League with respect to the proposed development of a NFL football stadium in Carson, Cardinal elected not to proceed with the development of an NFL Stadium in Carson and relinquished their option.

On March 4, 2016, Carson Holdings transmitted a notice of termination of the Reimbursement Agreement to the City.

Throughout this time period, a dispute arose between the DOF and the City, Successor Agency and the Carson PFA concerning the 2009 Carson PFA Bonds and the denial by DOF of the enforceability of certain obligations relating to the 2009 Carson PFA Bonds, including the enforceability of the Installment Payment Contract and payment of the Additional Payments.

On or about May 27, 2016, City, Successor Agency, and the Carson PFA filed a Petition for Writ of Mandate and Complaint for Declaratory Relief and Injunctive Relief entitled *City of Carson; et al. v. Cohen; et al.*, Sacramento County Superior Court Case No. 34 2016 80002359, against the DOF and other parties, challenging DOF's denial of the enforceability of the Installment Payment Contract and the payment of the Additional Payments ("Litigation").

The City, Successor Agency, and the Carson PFA entered into a settlement agreement on August 4, 2016 with DOF whereby the parties to the Litigation agreed to settle all outstanding claims related to the issues raised in the Litigation. Carson Holdings in turn agreed to pay the entire amount of making the City whole as a result of this settlement with DOF which was calculated to present value at \$1.4 Million.

Throughout this entire process, Carson Holdings has fully cooperated with the City in all respects and has made the City and the Authority financially whole. The City has received reimbursements for all costs, including City Attorney fees over this entire time period.

Analysis

All pending matters, including the lawsuits mentioned above, have now successfully concluded. The City Council, Successor Agency and PFA is asked to consider and approve a Proposed Settlement Agreement to be entered into between the City, Cardinal, Carson Holdings, LLC ("Carson Holdings"), the Authority, the Successor Agency, and the Carson PFA ("Proposed Settlement Agreement"). The agreement would terminate the City's partnership with these entities. Under the Proposed Settlement Agreement, as full

and final settlement, Carson Holdings will be required to:

1. Pay the City \$1,823,952.00 for final accounting of the Reimbursement Agreement and the DOF settlement.
2. Pay the Authority \$5,179,504.00 for the carry-cost of the 157 acre property.

As a term of the Settlement Agreement, the City, Authority, and Successor Agency agree to allow Carson Holdings to sell its interest in the 11-Acre Property to a prospective buyer. The City, Authority, and Successor Agency agree to cooperate with the prospective buyer and Carson Holdings in that transaction. The Authority also agrees to deliver to Carson Holdings a full and unconditional reconveyance of the Deed of Trust to Carson Holdings. The City and Authority would retain the 157-acre Property.

Finally, all parties agree to release all claims that each may have against the other in relation to the above-mentioned agreements.

In addition to the above, Carson Holdings provided the City with an additional \$250,000 for the any purpose, including concurrently exploring options for the property in case the NFL Stadium proposal was unsuccessful.

1. V. FISCAL IMPACT

There is no fiscal impact to the City, the Successor Agency, the PFA or the Carson Reclamation Authority.

VI. EXHIBITS

1. Settlement Agreement

- 1.

Prepared by: City Attorney's Office

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“**Agreement**”) is made and entered into as of this ___ day of August, 2016 (the “**Effective Date**”) by and among Cardinal Cavalry LLC, a Delaware limited liability company (“**Cardinal**”), Carson Holdings, LLC, a Delaware limited liability company (“**Carson Holdings**”), the Carson Reclamation Authority, a California Joint Powers Authority created pursuant to California Government Code Section 6500 *et seq.* (“**Authority**”), the City of Carson, a California municipal corporation (“**City**”), the Successor Agency to the Carson Redevelopment Agency (“**Successor Agency**”) and the Carson Public Financing Authority, a public entity (“**Carson PFA**”). Cardinal, Carson Holdings, Authority, City, Successor Agency and Carson PFA are collectively referred to herein as the “**Parties**”. Authority, City, Successor Agency and Carson PFA are collectively referred to herein as the “**Governmental Parties**”.

RECITALS

A. On May 18, 2015, the Authority, Successor Agency and Carson Marketplace, LLC, a Delaware limited liability company (“**CM**”), entered into that certain Settlement, Release and Indemnity Agreement (“**SRIA**”), pursuant to which, among other things, the Authority agreed to acquire and acquired that certain property consisting of approximately 157 acres of land located in the City of Carson, as more particularly described on Exhibit “A” attached hereto and incorporated herein (“**157-Acre Property**”);

B. Pursuant to the SRIA, the Authority assumed certain agreements and obligations related to the 157-Acre Property, including without limitation the implementation of the remediation plan for the 157-Acre Property, the assumption of the obligations pursuant to the California Recycle Underutilized Sites (**CALReUse**) grant of \$5 million for remediation activities at the 157-Acre Property and the Owner Participation Agreement (“**OPA**”) between CM and the Carson Redevelopment Agency (“**Carson RDA**”) (predecessor in interest to the Successor Agency) dated July 25, 2006, as amended;

C. In March 2015, the City and Carson Holdings entered into that certain Deposit and Reimbursement Agreement (“**Reimbursement Agreement**”) pursuant to which Carson Holdings was required to reimburse the City for certain costs related to the review, processing, preparation and approval of entitlements for Carson Holding’s proposed development of 11 acres of land located in the City of Carson, as more particularly described on Exhibit “B” attached hereto and incorporated herein (“**11-Acre Property**”) and the proposed development and use of the surface lot of the 157-Acre Property, as more particularly set forth in the Reimbursement Agreement;

D. On May 18, 2015, CM made and entered that certain Declaration of Covenants, Conditions and Restrictions (“**CC&Rs**”) that sets forth certain covenants, conditions and restrictions on the 11-Acre Property, and on May 18, 2015 Carson Holdings acquired from CM the 11-Acre Property;

E. On May 18, 2015, Cardinal and Authority entered into that certain Designation, Transfer and Option Agreement (“**DTO**”), pursuant to which, among other things: Cardinal

E. On May 18, 2015, Cardinal and Authority entered into that certain Designation, Transfer and Option Agreement (“**DTO**”), pursuant to which, among other things: Cardinal designated Authority as its designee to, and Authority agreed to, take title to the 157-Acre Property and assume the agreements set forth in the SRIA; Cardinal agreed to pay the Authority certain “Carry Costs” as defined and set forth in the DTO; as security for the payment of the Carry Costs, Carson Holdings recorded a deed of trust against the 11-Acre Property for the benefit of Authority in the amount of \$ 7.5 million (“**Deed of Trust**”); and Authority granted to Cardinal an exclusive option to lease the surface lot of the 157-Acre Property (“**Option**”) solely for development of an NFL Stadium and other permitted uses;

F. On May 18, 2015, the Authority, Carson Holdings and Tetra Tech, Inc. entered into that certain letter agreement (“**Tetra Tech Letter Agreement**”) pursuant to which, among other things, Carson Holdings agreed to pay certain Tetra Tech costs related to the 157-Acre Property from April 1, 2015 to May 18, 2015, the Authority agreed to pay certain Tetra Tech costs related to the 157-Acre Property after May 18, 2015 and to deposit certain funds in the Design and Construction Environmental Assurance Agreement Trust Account. On October 5 and October 19, 2015, Carson Holdings paid to Tetra Tech the required costs as provided for by the Tetra Tech Letter Agreement;

G. On May 18, 2015, CM and Carson Holdings entered into that certain Partial Assignment and Assumption Agreement pursuant to which CM assigned and Carson Holdings assumed the rights, title, interests, burdens and obligations of CM pursuant to that certain Development Agreement by and between City and CM, dated March 21, 2006 (“**Development Agreement**”), as amended, to the extent, but only to the extent, the Development Agreement and the assumed rights, title, interests, burdens and obligations therein apply to the 11-Acre Property as more particularly set forth in the Partial Assignment and Assumption Agreement;

H. Pursuant to the OPA, the Carson RDA undertook an obligation to provide a total of \$120 million of financial assistance for remediation work on the 157-Acre Property and development of certain public improvements, and pursuant to such obligation \$12.165 million in Series 2009 Bonds were issued on a tax exempt basis by the Carson PFA (“**2009 Carson PFA Bonds**”). Pursuant to the OPA, the Carson RDA also issued \$22.810 million in Project Area No. 1 Tax Allocation Bonds, Series 2009A on a tax-exempt bases (the “**2009 Carson RDA Bonds**”);

I. The 2009 Carson PFA Bonds are payable from, and secured by, payments made by Carson RDA under an Installment Payment Contract (“**Installment Payment Contract**”) between the City, the Carson RDA and the Carson PFA, and lease revenue paid by City if the Carson RDA’s payments are insufficient; under the Installment Payment Contract, among other things, the Carson RDA agreed to pay City an amount equal to the interest rate savings that resulted from Carson PFA’s issuance of bonds (“**Additional Payments**”).

J. In 2015, pursuant to the OPA, the Successor Agency provided an additional \$50.5 million in financial assistance to the remediation of the 157-Acre Property. Pursuant to the OPA and SRIA, on May 18, 2015 the Successor Agency issued the Series 2015A Tax Allocation Bonds and on August 20, 2015 the Successor Agency issued the Series 2015B Tax Allocation Bonds as a publicly offered refunding bond issue for the Series 2015A bonds (collectively, “**2015 Bonds**”). In addition, in 2016, the Carson PFA sought to refinance the 2009 Carson PFA

Bonds and 2009 Carson RDA Bonds on a taxable basis, however, the California Department of Finance (“**DOF**”) rejected the refinancing of the Installment Payment Contract;

K. On January 21, 2016, Cardinal issued a Determination Notice pursuant to the DTO, notifying Authority that in light of the action taken by the National Football League with respect to the proposed development of a NFL football stadium in Carson, Cardinal elected not to proceed with the development of an NFL Stadium in Carson and relinquished the Option;

L. On March 4, 2016, Carson Holdings transmitted a notice of termination of the Reimbursement Agreement to the City;

M. A dispute arose between the DOF and the City, Successor Agency and the Carson PFA concerning the 2009 Carson PFA Bonds and the denial by DOF of the enforceability of certain obligations relating to the 2009 Carson PFA Bonds, including the enforceability of the Installment Payment Contract and payment of the Additional Payments.

N. On or about May 27, 2016, City, Successor Agency, and the Carson PFA filed a Petition for Writ of Mandate and Complaint for Declaratory Relief and Injunctive Relief entitled *City of Carson; et al. v. Cohen; et al.*, Sacramento County Superior Court Case No. 34-2016-80002359, against the DOF and other parties, challenging DOF’s denial of the enforceability of the Installment Payment Contract and the payment of the Additional Payments (“**Litigation**”); and

O. On ____, 2016, City, Successor Agency, and the Carson PFA entered into a settlement agreement with DOF whereby the parties to the Litigation agreed to settle all outstanding claims related to the issues raised in the Litigation.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Settlement. As provided for by this Agreement, the Parties desire to fully settle all outstanding claims, burdens, obligations, liabilities, costs and expenses associated with the various agreements and issues involving the Parties. Within five (5) business days of mutual execution and delivery of this Agreement and concurrent with the reconveyance of the Deed of Trust as provided for in Section 3, Carson Holdings shall pay to the Governmental Parties the following:

(a) pay to City as full and final settlement of the Claims (as defined in Section 4) released herein the amount of \$1,823,952.00; provided, however, that in the event that the City receives, directly or indirectly, any Additional Payments during a period of ten (10) years following the Effective Date, the City shall pay to Carson Holdings a refund in the



amount(s) received by the City up to \$1,400,000 within thirty (30) days of City's receipt of the funds;

(b) pay to Authority \$ 5,179,504.00 as full and final settlement of the Claims released herein; and

(c) pay to Successor Agency and Carson PFA \$1,000.00 each as full and final settlement of the Claims released herein.

2. Cooperation with Buyer of 11-Acre Property. City, Authority and Successor Agency understand that Carson Holdings may sell its interests in the 11-Acre Property to a prospective buyer ("**Buyer**"). City, Authority and Successor Agency agree to cooperate with Buyer and Carson Holdings in Buyer's review and proposed development of the 11-Acre Property and to execute any further documents, including without limitation any estoppel certificates or certificates of compliance, as may be requested by Buyer and/or Carson Holdings to effectuate the transfer to Buyer of Carson Holdings' rights, title, interest, burdens and obligations related to the 11-Acre Property, and the Development Agreement applicable to the 11-Acre Property. Further, City acknowledges and agrees that the 11-Acre Property is located within The Boulevards at South Bay Specific Plan ("**Specific Plan**") and that, pursuant to the Specific Plan, apartments, townhomes and condominiums that are to be developed more than 300 feet from the freeway pavement edge are automatically Permitted Uses, as set forth in the Specific Plan, without any special limitations, and do not require any approval of the planning manager, conditional use permit or City Council approval, and that non-residential structures, such as, for example, ancillary uses and commercial uses, and parking developed within 300 feet of the freeway pavement edge do not require a conditional use permit. The City agrees that development of the project reflected on the conceptual plans attached as Exhibit "C" does not require a conditional use permit. Carson Holdings understands that applications for the proposed construction of structures and site improvements on the 11-Acre Property are subject to site plan and design review as set forth in the Specific Plan. The Parties further agree that pursuant to the Specific Plan, the mitigation measures attached thereto, and the Development Agreement, the fees and Project Public Improvements requirements to which development of the 11-Acre Property is subject are set forth on Exhibit "D". Carson Holdings shall provide Buyer a copy of Exhibit D during the period for Buyer's evaluation of the 11-Acre Property prior to the close of escrow for the transfer of the 11-Acre Property to Buyer.

3. Reconveyance of Deed of Trust. Within five (5) business days of mutual execution and delivery of this Agreement and concurrent with the payment of the amounts provided by Section 1, Authority shall deliver to Carson Holdings a full and unconditional reconveyance of the Deed of Trust in a form acceptable to Carson Holdings and in form suitable for recording, including full execution and notary acknowledgement. Authority agrees to execute any further documents as may be requested by Carson Holdings to effectuate the recording of the reconveyance of the Deed of Trust and release of the Deed of Trust and to cooperate with Carson Holdings in effectuating the reconveyance of the Deed of Trust.

4. Release of Claims by City, Authority, Successor Agency and Carson PFA. City, Authority, Successor Agency and Carson PFA on behalf of themselves and their successors, assigns, agents, and employees hereby waive, release, discharge and relinquish Cardinal and

Carson Holdings and their respective predecessors, successors, affiliates, assigns, officers, directors, shareholders, members, managers, agents, employees, parent and subsidiary organizations, attorneys and partners (collectively, the “**Released Parties**”) from any and all suits or controversies, claims, causes of action, burdens, obligations, liabilities, damages, losses, judgments, awards, settlements, fines, penalties, costs and expenses (including, without limitation, attorneys’ fees and costs and expenses of investigation) whatsoever, whether or not founded in fact or in law (collectively, “**Claims**”), to the extent concerning, arising out of, or relating to the 157-Acre Property, the 11-Acre Property, the Reimbursement Agreement, the Development Agreement, the CC&Rs, the DTO, the Tetra Tech Letter Agreement, the Option, the CALReUse grant, the OPA and the bonds issued pursuant thereto, including without limitation the 2009 Carson PFA Bonds, the 2009 Carson RDA Bonds, the 2015 Bonds, the refinancing or attempted refinancing of any of the foregoing bonds, and any and all related and ancillary agreements (collectively, the “**Released Matters**”).

5. Waiver of Civil Code Section 1542. CITY, AUTHORITY, SUCCESSOR AGENCY AND CARSON PFA, EACH ON ITS OWN BEHALF AND ON BEHALF OF ITS SUCCESSORS, ASSIGNS, AGENTS AND EMPLOYEES, EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542 WITH RESPECT TO THE FOREGOING RELEASED MATTERS, WHICH PROVIDES THAT:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

Initials: City: _____ Authority: _____
Successor Agency: _____ Carson PFA: _____

City, Authority, Successor Agency and Carson PFA each warrant and represent that it has executed this Agreement with full knowledge of any and all rights which it may have by reason of any of the matters described herein. City, Authority, Successor Agency and Carson PFA each hereby further assumes the risk of mistake of fact in connection with the true facts involved in connection with the matters described herein, and with respect to any facts which are now unknown to them relating thereto. City, Authority, Successor Agency and Carson PFA each warrants and represents that in executing this release each has relied on legal advice from its attorney that the terms of this release and its consequences have been completely read and explained to each party by its attorney, and that each of City, Authority, Successor Agency and Carson PFA fully understands the terms of this release.

6. Indemnity. The City, Authority, Successor Agency and Carson PFA shall each protect, indemnify, defend and hold harmless the Released Parties from and against any and all claims, liabilities, damages, losses, fines, penalties, judgments, awards, settlements, costs and expenses (including, without limitation, attorneys’ fees and costs and expenses of investigation) which arise out of or relate directly or indirectly in any way to the OPA, the 2009 Carson PFA Bonds, the 2009 Carson RDA Bonds, the 2015 Bonds, and any ancillary agreements related thereto, or work performed or funds due or paid to any parties pursuant to the Reimbursement Agreement, the DTO, or the Tetra Tech Agreement.

7. Attorneys’ Fees. In the event of any action or proceeding between the Parties hereto arising from or in any way connected with this Agreement, the prevailing Party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover its reasonable attorney’s fees from the losing Party. Attorney’s fees shall include attorney’s fees on any appeal, and in addition a Party entitled to recover its attorney’s fees shall be entitled to recover all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs which are incurred in such litigation. All such fees and costs shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

8. Counterparts. This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic mail transmission shall be as effective as delivery of a manually executed original counterpart.

9. Authority. Each person executing this Agreement on behalf of a Party hereto warrants that (i) such Party is duly organized and existing, (ii) such person is 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) entering into this Agreement does not violate any provision of any other agreement to which said Party is bound.

10. Integrated Agreement. This Agreement, including exhibits, constitutes the entire agreement between the Parties respecting the matters set forth herein, and expressly supersedes and revokes all previous or contemporaneous agreements, representations, warranties, statements, promises, and understandings, whether oral or written, between the Parties as to the subject matter hereof.

11. Further Instruments. In addition to the acts, deeds, and instruments recited herein and contemplated to be performed, executed, acknowledged, or delivered by either or both of the Parties, whenever requested to do so by the other Party, each Party shall perform, execute, acknowledge, and deliver or cause to be performed, executed, acknowledged, or delivered any and all further acts, deeds, conveyances, assignments, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, and all further instruments and documents as may be necessary, expedient, or reasonably required, in order to complete all conveyances, transfers, sales, and assignments under this Agreement, and to do all other acts and to execute, acknowledge, and deliver all documents as requested in order to carry out the intent and purpose of this Agreement.

12. Choice of Law. This Agreement shall be construed and interpreted both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and the Parties covenant and agree to submit to the personal jurisdiction of such court in the event of such action.

13. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, certified or registered mail, postage prepaid, return receipt required, or electronic mail, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

City: City of Carson
701 E. Carson Street
Carson, CA 90745
Attn: Mayor and Mayor Pro-Tem
Email:

copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, CA 92612
Attn: Sunny Soltani, Esq.
Email: ssoltani@awattorneys.com

Authority: Carson Reclamation Authority
701 E. Carson Street
Carson, California 90745
Attn: Executive Director
Email:

copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, CA 92612
Attn: Sunny Soltani, Esq.
Email: ssoltani@awattorneys.com

Successor Agency: Successor Agency to Carson Redevelopment Agency
701 E. Carson Street
Carson, California 90745
Attn: Chair
Email:

copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, CA 92612
Attn: David Aleshire, Esq.
Email: daleshire@awattorneys.com

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Carson PFA: Carson Public Financing Authority
Carson, California 90745
Attn:
Email:

copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, CA 92612
Attn:
Email:

Cardinal Cavalry: Cardinal Cavalry LLC
4020 Murphy Canyon Road
San Diego, California 92123
Attention: Jeanne Bonk
Email: jeanne.bonk@chargers.nfl.com

copy to: Latham & Watkins LLP
355 South Grand Avenue
Los Angeles, California 90071-1560
Attn: George J. Muhlsten, Esq.
Email: george.muhlsten@lw.com

Carson Holdings: Carson Holdings, LLC
c/o Cardinal Cavalry LLC
4020 Murphy Canyon Road
San Diego, California 92123
Attention: Jeanne Bonk
Email: jeanne.bonk@chargers.nfl.com

copy to: LA XVIII Stadium Company, LLC
1220 Harbor Bay Parkway
Alameda, California 94502
Attn: Dan Ventrelle
Email: dventrelle@raiders.com
Latham & Watkins LLP
355 South Grand Avenue
Los Angeles, California 90071-1560
Attn: George J. Muhlsten, Esq.
Email: george.muhlsten@lw.com

14. Waiver. No waiver of any provision of this Agreement nor consent to any deviation by any Party shall in any event be effective unless the same shall be in writing and signed by the Party against whom enforcement is sought and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

15. Successors and Assigns: This Agreement shall be binding upon the Parties' respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, departments, divisions, sections, successors and assigns.

16. Modifications. This Agreement may be amended or modified only by an instrument in writing that by its express terms refers to this Agreement and which is duly executed by the Parties hereto.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY OF CARSON:

By: _____
Name: _____
Title: _____
Date: _____

AUTHORITY:

CARSON RECLAMATION AUTHORITY,
a California Joint Powers Authority created
pursuant to California Government Code Section
6500 *et seq.*

By: _____
Name: _____
Title: _____
Date: _____

**SUCCESSOR AGENCY TO THE CARSON
REDEVELOPMENT AGENCY:**

By: _____
Name: _____
Title: _____
Date: _____

[Signatures continued on next page]

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CARSON PUBLIC FINANCING AUTHORITY:

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

By: _____

Its: City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____

Its: General Counsel

CARDINAL CAVALRY LLC:

By: _____

Name: _____

Title: _____

Date: _____

[Signatures continued on next page]

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CARSON HOLDINGS, LLC:

By: CARDINAL CAVALRY LLC
Its: Member

By: _____

Name: _____

Title: _____

Date: _____

By: LA XVIII STADIUM COMPANY, LLC
Its: Member

By: _____

Name: _____

Title: _____

Date: _____

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