

CONSULTING AGREEMENT
Anaheim Union High School District
Financial Advisory Services

EXHIBIT F

THIS AGREEMENT is made and entered into this 9th day of October, 2008, by and between **Anaheim Union High School District**, a public school district organization organized under the laws of the State of California with its principal place of business at 501 Crescent Way, Anaheim, CA 92803-3520 hereinafter referred to as "District" and **Government Financial Strategies, Inc.**, with its principal place of business at **1228 N Street, Suite 13, Sacramento, California, 95814-5609**, hereinafter referred to as "Consultant," and District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

WHEREAS, District is in need of special services and advice in financial, economic, facilities, or administrative matters; and,

WHEREAS, such services and advice are not available at no cost to public agencies; and

WHEREAS, Consultant is specially trained, experienced and competent to provide the special services and advice required; and,

WHEREAS, such services are needed on a limited basis;

NOW, THEREFORE, Consultant and District agree as follows:

1. Consultant will provide the special services and advice to District as described in the Scope of Work attached hereto as Exhibit A.
2. Consultant will perform said services as an independent contractor and not as an employee of District. Consultant shall be under the control of District as to the result to be accomplished and not as to the means or manner by which such result is to be accomplished.
3. District will prepare and furnish to Consultant upon request such information as is reasonably necessary for the performance of Consultant under this Agreement.
4. District shall pay Consultant for services rendered to District pursuant to this Agreement in accordance with the Budget, attached hereto as Exhibit B. Hourly billing rates will not exceed the hourly amounts shown in Exhibit B.

In addition to payment of fees, District shall reimburse Consultant at cost within the final Budget for reasonable out-of-pocket expenses, including, but not limited to, photocopying, courier services, database services or materials, and other reasonable out-of-pocket expenses as approved by District.

Consultant shall submit invoices to District on a monthly basis showing a detailed break-out of all services provided and expenses incurred, including time and hourly rates charged for each individual doing the work. Such invoices are due and payable upon receipt.

Except for services (if any) for which a fixed fee has been identified, all services shall be subject to application of the hourly fee schedule set forth in Exhibit B, unless

such schedule has been superseded by another fee schedule acceptable to District which modifies such hourly rates.

5. This Agreement will continue in effect for services provided by Consultant through October 9, 2009, unless otherwise terminated by either party.

District may at any time, for any reason terminate this Agreement and compensate Consultant only for services rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Consultant. The notice shall be deemed given when received in writing by Consultant. Notwithstanding the above, Consultant shall also be compensated for time subsequently spent on District's behalf in court appearances, testimony, deposition, or discovery proceedings.

6. Insurance and Safety:

(i) Time for Compliance. Consultant shall not commence services under this Agreement until it has provided evidence satisfactory to District that it has secured all insurance required under this Section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to District that the subcontractor has secured all insurance required under this Section.

(ii) Minimum Requirements and Limits. Consultant shall, at its expense, procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(1) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Workers' Compensation and Employers' Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; and (3) *Professional Liability*: Coverage which is appropriate to the Consultant's profession, or that of its consultants or subcontractors.

(2) Minimum Limits of Insurance. Consultant shall maintain limits no less than:

a. *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit;

b. Workers' Compensation and Employer's Liability: Workers' compensation limits as required by the Labor Code of the State of California. Employers Liability limits of \$1,000,000 per accident for bodily injury or disease; and

c. Professional Liability: Not less than \$1,000,000 per claim/\$1,000,000 aggregate.

(3) Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the District to add the following provisions to the insurance policies:

a. General Liability. The general liability policy shall be endorsed to state that: (1) the District, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insured with respect to the Services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

b. Workers' Compensation and Employers Liability Coverage. The insurer waives all rights of subrogation against the District, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

c. Professional Liability. Consultant and its sub-consultants and subcontractors shall procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance with limits discussed in this Section. This insurance shall be endorsed to include contractual liability.

(4) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to District; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to District, its directors, officials, officers, employees, agents and volunteers.

(iii) Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its directors, officials, officers, employees, agents and volunteers.

(iv) Acceptability of Insurers. With the exception of Workers' Compensation Insurance, all insurance required hereunder is to be placed with insurers with a current A.M. Best's rating no less than A-: VII, which are licensed to do business in California, and which maintain an agent for process within the state. Workers' Compensation insurance required under this Agreement must be offered by an insurer meeting the above standards with the exception that the A.M. Best's rating condition is waived at the discretion of the District.

(v) Verification of Coverage. Consultant shall furnish District with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by District if requested. District reserves the right to require complete, certified copies of all required insurance policies, at any time.

(vi) Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of its employees and subcontractors appropriate to the nature of the Services and the conditions under which the Services are to be performed. Safety precautions as applicable shall include, but shall not be limited to: (1) adequate life protection and life saving equipment and procedures; (2) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (3) adequate facilities for the proper inspection and maintenance of all safety measures.

7. Consultant agrees to and shall hold harmless, defend and indemnify District, its officers, agents, and employees from every claim or demand and every liability or loss, damage or expense which may be incurred by reason of Consultant's negligent performance pursuant to this Agreement except for liability for damages referred to above which result from negligent or willful misconduct of District, its officers, employees or agents. Except to the extent covered by insurance, the liability of Consultant for any and all claims related to this Agreement, including any cause of action in contract, tort, or strict liability, and including an obligation to indemnify District, shall not exceed the total amount of payments made to Consultant under this Agreement.

8. Consultant shall comply with all applicable federal, state and local laws, rules, regulations, and ordinances including workers' compensation.

9. District acknowledges that Consultant may at various times perform services for other public agencies with jurisdiction over the same territory as District and for certain private parties interested in development projects within the boundaries of District. Consultant agrees to make appropriate disclosure of such relationships and the parties agree that nothing in this Agreement is intended to imply that Consultant is a "public official," "participating in a governmental decision" or has a "financial interest" as such terms are used in

Consulting Agreement
Anaheim Union High School District
Government Financial Strategies (Financial Advisory Services)

California Government Code Section 87100.

10. This Agreement is not assignable without written consent of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed:

Dated: Sept. 23, 2008

Government Financial Strategies Inc.

1228 N. Street, Suite 13,

Sacramento, California 95814-5609

By: Lori Raineri

Lori Raineri

President

Dated: _____

Anaheim Union High School District

By: _____

Timothy D. Holcomb

Deputy Superintendent

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit A

SCOPE OF SERVICES

Government Financial Strategies (GFS) provides comprehensive financial advisory services, beginning with financial planning prior to the issuance of debt, which includes considering whether debt should be issued at all, through to the implementation, sale and closing of each debt issue.

The primary assignment with the Anaheim Union High School District will be to assist the district with all issues related to the capitalization of Community Redevelopment Agency (CRA) funds. This would include, but not be limited to, coordinating and exchanging information with district's consultants, legal counsel, staff, and other appropriate parties. GFS will verify that the allocations from all applicable local redevelopment agencies are appropriate. GFS will work closely with district staff to make certain that future allocations are calculated correctly and that other revenue sources are identified and analyzed to maximize the capitalization of future revenues.

Task 1 - Planning

Initial Meeting –GFS will conduct an initial meeting(s) with the District to develop a preliminary work-plan and schedule. This plan will be updated and circulated regularly.

Regular Reports – At the request of the District, GFS will prepare and present status reports before elected officials, community groups, and management.

Public Communication – At the request of the District, GFS will field queries from the public through each step of the planning process.

Disclosure - GFS will begin collecting information needed for good disclosure as early in the process as possible. This will allow the District to make better decisions, provides legal protection, and provides lower-costs because investors look for and appreciate sound disclosure practices.

Coordination with Others - Once the initial plan is agreed upon, GFS will coordinate all of the parties to implement the plan. This step helps to relieve staff of the burden of coordinating key consultants.

Task 2 – Implementing the Plan

Cost of Issuance – First, GFS will strive to be efficient with its own costs and will bring the same fiscal discipline to managing the other costs of issuance (e.g. legal services, rating fee, paying agent fee, etc.) by bidding out work where appropriate, completing certain work in-house, and using economies of scale. Second, GFS will ensure that clients purchase money at the lowest possible cost by utilizing a competitive bidding process to sell the District's financing.

Bidding - Almost all of the services related to a borrowing will be conducted through a competitive bid process. GFS will solicit bids for paying agent services, bond counsel, bond insurance, and any other cost or service which is feasible. This approach is consistent with the traditional public policy of bidding public work.

Competitive Interview Process – At the request of the District, GFS will coordinate and conduct a competitive interview processes to select and contract with other consultants and service providers.

Subcontracting – GFS will minimize costs by doing as much of the work as possible in-house. At the request of the District, GFS will produce the preliminary official statement, the cost of which is included in

its fee. This is more efficient as GFS have ready access to, and first-hand knowledge of, the financial information that must be included.

Printing and Other Costs - GFS will coordinate and manage the printing and binding of the preliminary official statement at a reduced cost to the District by using a local copy store. Before the document is printed, GFS will determine exactly how many official statements will be needed so that the number of copies made, and the resulting printing costs are not higher than necessary.

Credit Rating – GFS will manage the costs associated with securing a credit rating by providing exactly the information the rating analyst needs in a format with which the rating analyst is familiar. If appropriate, GFS will conduct the crucial rating meeting with our clients over the telephone, thus eliminating the need for any travel.

Management of Interest Rates - GFS will actively solicit, and receive the interest cost bids from many lenders, so the District is assured that the interest cost on the bonds is the lowest available.

Bidders participate in the sale of the bonds, certificates or notes over the Internet and do not require a bid check. We will follow up and work on developing interest from bond traders. In addition, we will make many follow up phone calls to the bidders to make sure they are fully informed about the issue and answer any questions that they may have.

GFS will incorporate maximum flexibility in structuring features of the issue to best serve the District and to provide features appealing to particular types of investors, such as mutual funds or individuals, depending on the type of financing.

Task 3 – Post-Sale Services

Administration Services and Legal Requirements - After the sale, GFS will provide a number of on-going debt administration services to improve the District's financial opportunities and to satisfy legal requirements, including Continuing Disclosure, Refinance Monitoring, Arbitrage and Compliance Strategies

All on-going administrative services are based on an hourly rate and will be conducted upon approval by the District.

Exhibit B

FEE SCHEDULE

GFS will provide the following services, on an as needed basis, at an hourly rate of **\$170 / hour**. Travel time fee will be **\$85 / hour**.

- Financial Analysis & Planning for Financial Transactions (e.g. Certificates of Participation, Lease-Purchases, etc.)
- Capitalization of Redevelopment and Other Revenues
- Parcel Tax Analysis & Election Planning
- Mello-Roos and Assessment District Formation & Election Planning
- Financial & Computer Modeling & Tax Base Demographic Analysis
- Public Employee Housing & Solar Energy Projects
- Property Purchase & Sale Negotiations & Design Build Project Delivery Guidance
- Arbitrage and Rebate Compliance Services
- Continuing Disclosure
- Refinancing Monitoring
- Certificates of Participation (COPs) & Lease-Purchase Financing
- Special Tax Bonds (e.g. Mello-Roos Bonds)
- Tax & Revenue Anticipation Notes (TRANS)
- Qualified Zone Academy Bonds (QZABs)
- Assessment Bonds, Limited Obligation Bonds & Pension Obligation Bonds
- Tax Allocation Bonds

Financial Transactions

The proposed fixed fee to provide financial advisory services in connection with the issuance of **each public financing is \$46,750 plus out-of-pocket expenses not to exceed \$5,500**. This fee includes the preparation of the official statement (OS). If disclosure counsel prepares the OS, then our fee for **each public financing is \$38,250 plus out-of-pocket expenses not to exceed \$5,500**.

The fee for a real property lease purchase is substantially lower and will be provided at the request of the District.

