

CITY OF BELL

FIRST AMENDMENT TO CONTRACT SERVICES AGREEMENT FOR FINANCIAL ADVISOR SERVICES

This First Amendment to Contract Services Agreement for Financial Advisor Services ("First Amendment ") is made and entered into this 6th day of March, 2012, by and between the City of Bell, a municipal corporation ("City" or "Agency"), and KNN Public Finance, a division of Zions First National Bank ("Consultant").

RECITALS

A. On September 28 2011, City and Consultant entered into the Contract Services Agreement for Financial Advisor Services ("Agreement"), pursuant to which Consultant agreed to perform certain services in connection with the City's evaluation of a work-out proposal related to its \$15,000,000 City of Bell General Obligation Bonds (Election of 2003), Series 2004 and its \$35,000,000 City of Bell General Obligation Bonds (Election of 2003), Series 2007 ("General Obligation Bonds").

B. City and Consultant now desire to amend the Agreement pursuant to Section 6.6 of the Agreement in order to expand the scope to implement the work-out of its General Obligation Bonds.

AGREEMENT

The recitals contained above are incorporated herein by reference and the Agreement is hereby amended as follows:

1. Section 1.0 of the Agreement is hereby deleted in its entirety and replaced as set forth below.

1.0 SERVICES OF CONSULTANT

"Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by reference and as expanded in the First Amendment to Consultant Services Agreement, by and between the City and Consultant (the "First Amendment"), including Exhibit A thereto which First Amendment and Exhibit A thereto is incorporated herein by this reference. The Consultant's Proposal for Financial Advisory Services, City of Bell, General Obligation Bond Work-Out Plan, dated September 21, 2011. is attached to *Exhibit "A"* and incorporated herein by this reference ("Proposal"). Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that Consultant is a provider of first class work and services and Consultant is experienced in performing the work and services contemplated herein and, in light of such status and experience, Consultant covenants that it shall

follow the highest professional standards in performing the work and services required hereunder.

The City recognizes that Consultant is not qualified to provide legal or accounting advice, and the City will rely on other professionals as appropriate for such services.

1.1 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the City and any federal, state or local governmental agency of competent jurisdiction.

1.2 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 including, but not limited to, registration as a financial advisor with the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB)."

2. Section 3.1 of the Agreement is hereby deleted in its entirety and replaced as set forth below.

"3.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the rates and amounts set forth in the Proposal, but not exceeding the maximum contract amount of \$15,000.00 with respect to the initial valuation of the workout pursuant to the Agreement and \$15,000.00 with respect to implementation of the workout pursuant to the Agreement, as amended by the First Amendment ("Contract Sum")."

3. For the purposes of the Agreement, as amended hereby, the term "Agency" means the "City."

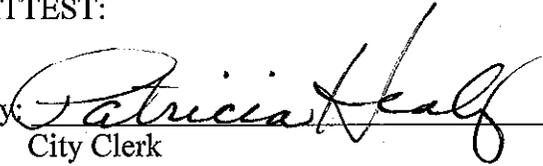
4. Exhibit A hereto sets forth the Additional Scope of Services to be included in the Agreement and is included herein by this reference.

4. Consultant represents, agrees and warrants that all provisions of the Agreement shall apply to the additional scope of services contemplated hereby.

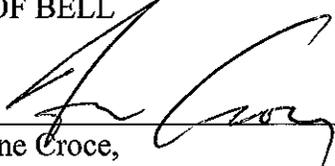
5. Except as expressly provided herein, all other terms and conditions of the Agreement shall remain in full force and effect. From and after the date hereof, any references to the Agreement, shall mean the Agreement, as amended hereby.

IN WITNESS WHEREOF, the parties have executed and entered into this First Amendment as of the date first written above.

ATTEST:

By: 
City Clerk

"CITY"
CITY OF BELL

By: 
Arne Croce,
Interim Chief Administrative Officer

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP


City Attorney

"CONSULTANT"
KNN Public Finance, a Division of Zions First
National Bank

By: 
Signature

David Brodsky, Managing Director

Print Name and Title

Date: 3-6-12

Designee: David Brodsky,
Managing Director
KNN Public Finance
1333 Broadway, Ste 1000
Oakland, California 94612

EXHIBIT "A"

SCOPE OF SERVICES: IMPLEMENTATION OF WORKOUT

1. Review the documentation related to the City's two general obligation bond issues.
2. Identify and evaluate financing options related to implementation of the workout.
3. Provide the quantitative analysis related to the financing options in connection with implementation of the purchase of outstanding bonds and defeasance proposals.
4. Coordinate with Bondholder Communications Group, related to the proposed tender of Bonds.
5. Evaluate the appropriate bonds to defease and/or tender and remaining debt service options related to the general obligation bonds.
5. Evaluate the participate in discussions, as appropriate, with the various parties to each transaction and others, including banks or other lenders, bond Insurance providers, attorneys, underwriting firms, bondholders, among others in connection with the proposed workout plan.
5. Help develop reports and presentations and participate in discussions with the city's governing bodies and senior management, as appropriate.
6. Participate in other tasks and discussions as may be requested or prudent to accomplish the goal of analyzing and implementing the proposed work-out plan.
7. Participate and lead meetings related to the work-out with bond counsel, city staff, consultants and other parties, as applicable.