

ADDENDUM TO MUNICIPAL ADVISORY AGREEMENT

Addendum 1

1. Purpose

This Addendum 1 to the Municipal Advisory Agreement dated June 1, 2020 between the City of Coalinga (hereafter, "CLIENT") and Wulff, Hansen & Co. (hereafter, "Municipal Advisor") specifies and describes specific municipal advisory services to be performed by Municipal Advisor under that Agreement.

2. Services

2.1 Scope of Services

Municipal Advisor will provide the following services to CLIENT pursuant to this Addendum:

Municipal Advisor will advise and assist the CLIENT in developing a plan of financing for capital improvement projects, including energy efficiency improvements, to the water and sewer enterprises utilizing any available financing sources, in the approximate amount of \$16,000,000. Services to be provided are as follows:

- a) Attendance at public meetings of the CLIENT at which matters relating to the Services are considered, except routine matters, including informational and educational meetings with the public;
- b) Attendance at CLIENT's staff meetings, Council meetings, or meetings with members of the public or others on matters relating to the Services, upon the request of the CLIENT after reasonable notice;
- c) Work with members of the public, other public agencies, CLIENT staff, and City Council members to address matters relating to the Services and develop and coordinate recommendations acceptable to interested parties;
- d) If requested, assist the CLIENT in its selection of any needed outside professionals (e.g., Bond Counsel, consultants, accountants, Trustee, Escrow Agent and others as appropriate);
- e) Prepare a Distribution List with contact information on all relevant participants in the project and the refinancing and Schedule indicating timing for significant steps in the process;
- f) Assist any of the CLIENT's staff and/or special consultants in developing specific terms and conditions affecting the project and the financing so as to best reflect the CLIENT's priorities and interests;
- g) Preparation of cash flow analysis and other schedules per CLIENT's direction and related consultation, including completion of an analysis of initial debt capacity based on currently available revenue sources and anticipated revenues from future water rates;
- h) Telephone consultation with staff members to answer questions about the project, the financing and related matters;
- i) Assist in preparing and arranging for any issuance of securities to be sold to a private investor through a placement agent (Private Placement) or alternatively through an underwriter (Public Offering);
- j) If requested, assist CLIENT in analyzing, reviewing, preparing and processing documents or applications for other possible sources of funds, including but not limited to state and federal subsidies, low interest government loan programs and grants, if possible, and considering the impact of such funding on the Project's overall financial needs. Because CLIENT's needs require that it undertake the Project as expeditiously as possible, the timeliness of possible receipt of such alternative sources of funds will be evaluated and given significant consideration along with any associated financial terms.
- k) Assist the CLIENT in transmitting to the Bond Counsel and Disclosure Counsel requested information to be used in the creation of the Bond and Offering Documents;
- l) Assist the CLIENT and the Placement Agent/Underwriter, Bond Counsel and other members of the financing team in closing the transaction;
- m) Assist the CLIENT in efforts to maintain or improve the CLIENT's credit rating, including preparation of materials, presentation and conference calls in the process of application for rating from the various credit rating agencies, if applicable;

- n) Assist the CLIENT in the preparation of materials and presentation in the application process for bond insurance and a surety bond for the Debt Service Reserve requirement from the various Bond Insurers, if applicable;
- o) Provide ongoing follow up consultation relating to the Financing, as necessary;

2.2 Limitations on Scope of Services

The services to be provided by Municipal Advisor to CLIENT pursuant to this Addendum are subject to the following limitations in addition to those described in the Agreement.

Municipal Advisor does not represent itself to possess special expertise in the obtaining of grants, subsidies, and similar financings as referred to Paragraph (j) above. Advisor understands that CLIENT expects to retain a professional grant writer or similar expert, should a grant or subsidy be considered, and that Advisor's role will be to review any financial terms and advise CLIENT as to how such funding sources would affect and interact with CLIENT's contemplated debt financing.

Municipal Advisor will accept the conclusions of the anticipated CLIENT's rate study at face value, will use those conclusions in formulating its advice to CLIENT, and will not be reviewing or otherwise rendering an opinion on the rate study's conclusions.

3. Termination

The provisions of this Addendum 1 shall terminate and thereafter be null and void upon completion and closing of the financing, or on December 31, 2022 whichever occurs first. This Addendum 1 may only be extended by a written agreement between CLIENT and Wulff, Hansen & Co.

4. Fees

With regard to Services to be provided by Municipal Adviser under this Addendum 1, Municipal Advisor shall be compensated as follows:

The fee due to Municipal Advisor Under this Addendum 1 shall be paid out of the proceeds of the related financing and will be contingent upon a successful sale of placement and the completion and funding of the specific financing. Compensation related to a specific transaction, outlined below, shall not be due to the Advisor for services rendered under this Addendum 1 if the specified financing is not completed.

Advisor's fee for the services described above in connection with a financing (estimated not to exceed a par amount of \$16,000,000) will be \$52,500. CLIENT acknowledges the fact that, should CLIENT employ funding sources in addition to the issuance of municipal securities, Municipal Advisor's fee would remain unchanged in recognition of its role in reviewing the financial terms and effects of such non-securities funding mechanism(s) on the overall financing plan.

5. Conflicts of Interest

Municipal Advisor is not aware of any additional material conflicts of interest to which it is subject in the context of this Addendum 1 other than those previously disclosed to CLIENT in connection with the Agreement.

Approved:
City of Coalinga

/s/ _____

Print Name and Title

Date: _____

Approved:
Wulff, Hansen & Co.

/s/ Chris Charles

Chris Charles, President

Date: August 11, 2020