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Via Electronic Mail

December 11, 2020

Jasmine Bains, Financial Services Director
CITY OF COALINGA
COALINGA SUCCESSOR AGENCY
155 W. Durian Avenue
Coalinga CA 93210

PROPOSAL FOR CONTINUING DISCLOSURE AND DISSEMINATION AGENT SERVICES

Dear Ms. Bains:

RSG, Inc. ("RSG") is pleased to present this proposal to the Successor Agency to the Coalinga Redevelopment Agency ("Successor Agency") to continue to implement the requirements of the Indenture of Trust ("Indenture") for the 2018 Tax Allocation Refunding Bonds ("2018 TARB"). This proposal covers the remaining reports due on the 2018 TARBs based on the following schedule:

ROPS Period	Reporting Year	Report Due Dates
ROPS 2021-22	FY 2020-21	10/31/2021 & 3/31/2022
ROPS 2022-23	FY 2021-22	10/31/2022 & 3/31/2023
ROPS 2023-24	FY 2022-23	10/31/2023 & 3/31/2024
ROPS 2024-25	FY 2023-24	10/31/2024 & 3/31/2025
ROPS 2025-26	FY 2024-25	10/31/2025 & 3/31/2026
ROPS 2026-27 ¹	FY 2025-26	10/31/2026 & 3/31/2027

RSG's primary role would be to prepare the Annual Continuing Disclosure Report and assist the Successor Agency with reporting significant events relating to the bonds. RSG would also act as Dissemination Agent and post the Annual Report and significant event notices, as required by the Indenture of Trust.

¹ It may be conceivable that final debt service payment is requested on ROPS 2025-26 in order to completely wind down Successor Agency by June 30, 2025, therefore the final report may not be necessary. As we get closer to this date and depending on the circumstances at the time, RSG and staff may wish to consult with their financial advisor to explore this opportunity for modest cost savings for all parties.

SCOPE OF SERVICES

Annual Continuing Disclosure Report

RSG will prepare six (6) Annual Reports that meet the requirements of the Indenture of Trust approved with the 2018 TARB closing. The Annual Reports will include, or incorporate by reference:

- Comprehensive Annual Financial Report of the City and Successor Agency for each Fiscal Year
- Updated financial and operating data substantially in the format presented in the Official Statement for the 2018 TARB relating to:
 - Top Ten Taxpayers
 - Five-Year Historical Assessed Valuation and Property Tax / Redevelopment Property Tax Trust Fund ("RPTTF") Revenues, including details on pass-throughs
 - Assessed Value Appeals
- A debt service coverage table including coverage ratios, any outstanding bonds, other obligations, and residual RPTTF
- RPTTF distributions received by the Successor Agency and the remaining tax increment distributed to public agencies for each ROPS period in the most recent fiscal year
- Department of Finance ("DOF") approved ROPS filing or determination letter

As Dissemination Agent, RSG will distribute the Annual Reports directly to the bondholder by the due dates of October 31 and March 31st of each year. RSG will send the Successor Agency proof of the submission, including the submission date.

Reporting of Significant Events

RSG will assist the Successor Agency with reporting the following significant events as identified in the Indenture of Trust:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond owners, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
13. The consummation of a merger, consolidation, or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

By execution of this letter, RSG hereby requests Successor Agency staff to notify us of Significant Events in a timely manner as identified in the final Indenture of Trust (within one business day of the event, if possible). We are available to advise on identifying whether a Significant Event has occurred, such as if there is an unscheduled draw on debt service. As Dissemination Agent, RSG will file a notice of significant events with the bondholder as soon as possible. RSG shall not be liable for failing to file notices of significant events that it was not informed of by the Successor Agency. The Indenture of Trust describes additional "Duties, Immunities and Liabilities of the Dissemination Agent".

FEE QUOTE & STAFFING

RSG estimates a **budget of \$5,000** for each report for the six reporting periods of 2020-21 through 2025-26 (a total of \$30,000 for all six reports), each to be billed on a time and materials basis.

This includes reimbursable fees for third party data, including the equalized assessment roll, up to the contract amount. If the cost of third party data plus RSG's fees billed on a time and materials basis causes RSG to exceed the contract amount upon project completion, the City will be charged for third party data. We will bill only those hours actually worked and will not undertake any work outside the scope without a direct request and authorization from City staff. Invoices will be billed at the following hourly rates, subject to inflation:

Principal/Director	\$235
Senior Associate	\$180
Associate	\$160
Senior Analyst	\$135
Analyst	\$125
Research Assistant	\$110
Technician	\$ 75
Clerical	\$ 60
Reimbursable Expenses	Cost plus 10%

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. Any third party data required in excess of RSG's annual contract

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amount may also be charged to the client, such as the equalized assessment roll and other County data fees. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

This engagement will be completed by Jim Simon, Principal and Wesley Smith, Analyst. Other staff may be assigned as needed.

RSG's continuing disclosure fees should be listed on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") to be paid as an enforceable obligation (not as an administrative cost). RSG's fees for preparing the Annual Reports are to be paid in the ROPS B periods covering January through June. As noted in the Indenture of Trust, the Successor Agency may replace the Dissemination Agent with or without cause, and RSG may resign as Dissemination Agent by providing 30 days written notice to the Successor Agency and the Trustee.

Should you have any questions or concerns please do not hesitate to contact me. RSG can also execute a contract in a format provided by the City if desired.

Sincerely,
ROSENOW SPEVACEK GROUP, INC.



Jim Simon
Principal

Authorized to Proceed by:

Signature

Date

Name & Title