

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of March 1, 2024 by and between the KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT, a public agency organized and operating under the laws of the State of California ("District"), and Ridgeline Municipal Strategies, LLC, a California Limited Liability Company with its principal place of business at 2213 Plaza Drive, Rocklin, CA 95765 (hereinafter referred to as "Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. District is a public agency of the State of California and is in need of professional services for the following project:

Fiscal Analysis Evaluating Reorganization of Kensington Special Districts (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for District to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

a. Consultant shall provide the District with the services described in the Project Approach / Scope of Services attached hereto as Exhibit "A."

b. The District shall reasonably cooperate with Consultant and furnish all information, data, records, and reports existing and available to the Client to reasonably enable Consultant to carry out work, as outlined in the Scope of Services. Consultant shall be entitled to reasonably rely on information, data, records, and reports furnished by the District.

2. Compensation.

a. Subject to paragraph 2(b) below, the District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$49,620. This amount does not cover any printing and related costs. All Project deliverables will be provided electronically in the PDF format. The District will be responsible for all reasonable printing and reproduction expenses so long as Consultant gives District reasonable advance notice opportunity to decline where the cumulative expense exceeds \$1,000. Periodic payments shall be made within 30 days of receipt of an invoice which

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includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the District, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the District by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the District and executed by both Parties before performance of such services, or the District will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by District.

5. Term.

The term of this Agreement shall be from the date of its full execution to June 30, 2025, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the District to proceed ("Notice to Proceed"). The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; pandemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the District, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care; Performance of Employees

a. Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

b. Consultant's employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Consultant shall perform, at its own cost and expense and without reimbursement from the District, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the District, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

9. Assignment and Subcontracting

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the District, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates and subcontractors as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of District. No employee or agent of Consultant shall become an employee of District. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from District as herein provided.

11. Insurance. Consultant shall not commence work for the District until it has provided evidence satisfactory to the District 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 secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Contractors Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give District, its officials, officers, employees, agents and District designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the District, and provided that such deductibles shall not apply to the District as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give District, its officials, officers, employees, agents and District designated volunteers additional insured status.

(iv) Subject to written approval by the District, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the District as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 combined single limit
Employer's Liability	\$1,000,000 per accident or disease
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits except with respect to professional liability.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the District or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the District, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the District, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may cancel this Agreement.

(iii) The District may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the District nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the District that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the District as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

To the fullest extent permitted by law, Consultant shall defend (with counsel of District's choosing), indemnify and hold the District, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall be restricted to insurance proceeds, if any, received by Consultant, the District, its officials, officers, employees, agents, or volunteers.

13. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

14. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in the Superior Court of California for the County of Contra Costa.

15. Termination or Abandonment

a. District has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, District shall be immediately given title and possession to all written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. District shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by District and Consultant of the portion of such task completed but not paid prior to said termination. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to District only in the event of substantial failure by District to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Ownership of Documents and Confidential Information.

a. All deliverables and other documents generated by Consultant in the performance of the Services, including all work papers, work-in-progress, documents, data,

computations, specifications, studies and reports prepared by Consultant as a part of the Services or authorized Additional Services (“Consultant Work Product”) shall belong to and be subject to the sole ownership and use of District.

b. Except as otherwise provided in “Termination or Abandonment,” above, all written reports and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the District. All Project deliverables will be provided in PDF format only.

c. During the course of the performance of this Agreement, Consultant may receive written or verbal information from District, its representatives or agents, not in the public domain. Such information may include District’s know-how, trade secrets, and other proprietary and confidential information and Consultant agrees to treat such information as confidential information belonging to District. Consultant agrees that neither it, nor its officers, employees, representatives, agents, successors, or assigns, will disclose such information to any third party or use the same in any manner without the prior written consent of District. Moreover, Consultant agrees to safeguard such proprietary and confidential information from unauthorized disclosure and/or use using the same degree of care it uses to protect its own proprietary and confidential information, but not less than a reasonable standard of care. In the event that disclosure of such information is sought pursuant to any law or regulation, Consultant shall promptly notify District of such fact to allow District to assert whatever exclusions or exemptions may be available to it under applicable law or regulation.

17. Organization

Consultant shall assign Dmitry Semenov as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the District.

18. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

19. Registered Municipal Advisor; Required Disclosures.

a. Consultant is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. This Agreement designates Consultant as the District’s independent registered municipal advisor (“IRMA”) with regard to the attached Scope of Services for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA Exemption”). Consultant shall not be responsible for, or have any liability in connection with, verifying that Consultant is independent from any other party seeking to rely on the IRMA Exemption (as such independent status is required pursuant to the IRMA Exemption, as interpreted from time to time by the SEC). The District acknowledges and agrees that any reference to Consultant, its personnel, and its role as IRMA, including in the written representation of the District required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by Consultant. The District further agrees not to represent that Consultant is the District’s IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the attached Scope of Services or without Consultant’s prior written consent.

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b. MSRB Rule G-42 requires that municipal advisors make written disclosures to its clients of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in Consultant's Disclosure Statement delivered to the District together with this Agreement as Exhibit C.

20. Information to be Furnished to and by Consultant.

a. All information, data, reports, and records ("Data") in the possession of the District or any third party agent to the District reasonably necessary for carrying out any services to be performed under this Agreement shall be furnished to Consultant, and the District shall cause its agent(s) to reasonably cooperate with Consultant in its conduct of reasonable due diligence in performing the services.

b. Unless otherwise provided for herein, all documents, materials, data, computer data files, basis for calculations, and reports originated and prepared by Consultant under this Agreement shall be and remain the property of the District for its use in any manner it deems appropriate. Consultant agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in the District and waives and relinquishes all claims to copyright or intellectual property rights in favor of the District. Consultant shall deliver the work product to the District in the PDF format electronically. Consultant shall use all reasonable efforts to ensure that any electronic files provided to the District will be compatible with the District's current computer hardware and software. Consultant makes no representation as to long-term compatibility, usability or readability of the format resulting from the use of software application packages, operating systems or computer hardware differing from those in use by the District at the commencement of this Agreement. Consultant shall be permitted to maintain copies of all such data for its files. The District acknowledges that its use of the work product is limited to the purposes contemplated by the Scope of Services and, should the District use these products or data in connection with additions to the work required under this Agreement or for new work without consultation with and without additional compensation to Consultant, Consultant makes no representation as to the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Services and shall have no liability or responsibility whatsoever in connection with such use which shall be at the District's sole risk. Any and all liability arising out of changes made by the District to Consultant's deliverables is waived against Consultant unless the District has given Consultant prior written notice of the changes and has received Consultant's written consent to such changes.

c. To the extent the District requests that Consultant provide advice with regard to any recommendation made by a third party, the District will provide to Consultant written direction to do so as well as any Data it has received from such third party relating to its recommendation. The District acknowledges and agrees that while Consultant is relying on the Data in connection with its provision of the services under this Agreement, Consultant makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:

KENSINGTON POLICE PROTECTION AND
COMMUNITY SERVICES DISTRICT

10940 San Pablo Ave.

El Cerrito, CA 94530

Attn: General Manager

CONSULTANT:

RIDGELINE MUNICIPAL STRATEGIES, LLC

2213 Plaza Drive

Rocklin, CA 95765

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of District and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However,

Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of District. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. District's Right to Employ Other Consultants

District reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES
DISTRICT
AND RIDGELINE MUNICIPAL STRATEGIES, LLC**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

By: DocuSigned by:
David Aranda
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Its: Interim General Manager

Printed Name: David Aranda

RIDGELINE MUNICIPAL STRATEGIES, LLC

By: DocuSigned by:
Dmitry Semenov
80D06C8E0D4E6... _____
DMITRY SEMENOV
PRINCIPAL

ATTEST:

By: DocuSigned by:
Ann Siprelle
0B509E1D055848E... _____
Ann Siprelle
KPPCSD General Counsel

EXHIBIT A

Project Approach and Scope of Services

PROJECT APPROACH

To ensure quality and efficiency of the Fiscal Study process, we propose the following Project approach:

- **Research Stage:**
 - Gather and review Project-related information, including but not limited to:
 - audited financial statements.
 - budgets and financial forecasts.
 - El Cerrito Fire Services contract.
 - board meeting packets.
 - strategic plans.
 - alternative governance models report.
 - loan agreements.
 - CalPERS and OPEB actuarial valuation reports.
 - capital project and equipment programs.
 - anticipated grant revenue information.
 - reserve policies.
 - information pertaining to permanent police station location and costs.
 - data on property tax base and growth projection scenarios.
 - information on past and proposed tax measures.
 - any other relevant information available from the Districts.

A kick-off meeting will be held with the Districts' teams (staff, board members, and any necessary third parties). While the meeting could be done virtually, we recommend an in-person meeting at the Districts' offices, if circumstances allow. During the meeting we will be looking for input on the following topics:

- Strategic initiatives, major upcoming capital projects and equipment purchases, and challenges and opportunities that each District is facing.
- Tax base and growth projections.
- Revenue sources.
- Anticipated funding initiatives (debt financing, grant funding, etc.).
- Reserve targets.
- Regulatory and contractual requirements.
- Billing and collection procedures.

- Desired fiscal analysis alternatives.
- Any other input and themes that need to be incorporated into the Fiscal Study.

During the meeting we will identify and document the Districts' goals and priorities, explore various fiscal alternatives and identify the preferred one, determine capital projects and associated funding mechanisms to be included in the analysis, etc.

Our proposal assumes that the kick-off meeting will be held jointly with both Districts.

- **Analysis Stage:**

- Based on the information gathered during the Research Stage, Ridgeline will develop fiscal models, analyze historical revenues and expenses, and develop detailed projections for each Project alternative:
 - The KFPD operating independently;
 - The KPPCSD operating independently; and,
 - The Districts operating on a consolidated basis.

The projections will be done for a 10-year period. The models will incorporate staffing assumptions, known and anticipated revenue and cost increases, as well as reserve targets. The revenue and expense categories will generally follow the pattern used in the audited financial statements and budgets to allow for easy verification of data and comparison with future actual performance. Particular attention will be given to the following issues:

- pension and OPEB costs and cost control measures;
- contractual obligations related to the El Cerrito Fire Services contract;
- staffing, major equipment, and capital improvement costs and reserves (including permanent police station, as applicable) and funding sources, including debt issuance and possible grant funding resources;
- borrowing capacity assessment; and
- Districts' ability to meet their existing and anticipated future debt-related financial covenants and maintain targeted reserve levels.

The models will allow the Project team to evaluate the long-term fiscal sustainability of the KFPD and the KPPCSD as independent districts, as well as the long-term fiscal sustainability of the Districts operating on a consolidated basis.

The model outputs will be provided to the Districts' staff for review and comments.

- Once the financial models are approved by the Districts, Ridgeline will prepare the detailed Fiscal Study report, documenting the research, assumptions, analysis, findings, and recommendations. The report will provide substantiated conclusions as to whether the Districts can sustainably operate independently and/or on a consolidated basis. The report will be provided to the Districts in a draft form first to allow for review and comments.

The report will be finalized once the Districts confirm that it has been prepared to their satisfaction.

- **Public Presentation Stage:**

- Ridgeline will prepare and deliver presentations to the Districts' boards of directors and to the public and/or the Contra Costa County LAFCo, if necessary. Presentation materials will be provided to the Districts' staff for review and approval ahead of time.

SCOPE OF WORK

To complete the Scope of Services outlined in the RFP, Ridgeline proposes the following scope of work.

Task 1: Fiscal Analysis of KPPCSD and KFPD as Independent Districts

Ridgeline will develop a separate fiscal model for each District as an independent operation. The analysis will include 3-5 years of historical financial data, a 10-year projection for the existing revenue sources, operating expenses, capital improvements, reserves, etc. and an evaluation of the fiscal capacity of each District to continue providing services. The analysis will account for the present and future capital and operational needs of each Districts and include the following:

1. The projected cost of the KPPCSD's requirement to secure a permanent police station location in Kensington under the following scenarios:
 - a. the KPPCSD using its own buildings and land vs. purchasing land and building a new structure; and
 - b. the KPPCSD sharing space with the KFPD in the Kensington Public Safety Building.
2. The KFPD's contractually obligated reserves for the El Cerrito Fire Services contract.
3. The KFPD's current reserve policy for fire engine and vehicle replacement.
4. Staffing costs and capital reserves required to manage and maintain the Kensington Public Safety Building.

5. For each District, Ridgeline will develop a projection of the CalPERS pension costs and OPEB costs, including normal costs and amortization of the unfunded accrued liability, Section 115 Trust contributions, repayment of pension obligation bonds, etc., to the extent applicable. We will work closely with the Districts' staff and CalPERS and third party actuaries to develop future liability projections.
6. An assessment of each District's borrowing capacity.

Ridgeline will work with the Districts' team to obtain on-going feedback and review of the analysis throughout the work process.

Task 1 deliverables:

- Separate fiscal models for each District, prepared in Excel and provided to the Districts in the PDF format.
- Brief technical memorandum documenting the assumptions, methodologies, and results of the fiscal analysis.

Task 2: Fiscal Analysis of KPPCSD and KFPD as a Consolidated District

Ridgeline will develop a fiscal model for the two Districts operating as a consolidated district. The analysis will incorporate assumptions from Task 1 and include a 10-year projection for the existing revenue sources, operating expenses, capital improvements, reserves, etc. and an evaluation of the fiscal capacity of the consolidated district to provide services. The consolidated fiscal analysis will address the following topics:

- An assessment of the consolidation's impact on general fund balances, liquid cash reserves, and capital reserves for dedicated purposes.
- The full immediate and long-term cost of rehousing the Kensington Police Department in an essential service structure in Kensington.
- Identify potential cost savings and increases due to consolidation and potential impacts on the Districts' ability to continue providing their services on a consolidated basis.
- Analysis of staffing changes and the associated CalPERS pension impacts.
- An assessment of the consolidated District's borrowing capacity and its comparison to the borrowing capacities of the Districts operating independently.

The analysis will be consistent with Government Code Section 56653(b)(5). The Districts may need to develop additional documentation to meet the requirements of Government Code Sections 56653(b)(1)-(4).

Task 2 deliverables:

- Fiscal models for the consolidated district, prepared in Excel and provided to the Districts in the PDF format.
- Brief technical memorandum documenting the assumptions, methodologies, and results of the fiscal analysis.

Task 3: Fiscal Study Report Preparation and Presentation

Based on the work completed in prior tasks, Ridgeline will prepare the Fiscal Study report, which will incorporate the following information:

- The description of both Districts and their services.
- Service area description.
- Overview of financial operations for the last 3-5 years.
- The 10-year financial projections developed during Tasks 1 and 2.
- Summary of the capital facilities program.
- The fiscal models developed during Tasks 1 and 2.
- Fiscal analysis assumptions and methodology.
- Comparative analysis of the studied operating scenarios.

The report will be prepared as follows:

- The preliminary report will allow for the District teams' review and comments.
- The administrative draft report will be presented at the Districts' Board of Directors meetings.
- The final report will include the final Board of Directors and staff changes.

The report will be delivered to the Districts in the PDF format. The printing and reproduction costs of the hard copies are not included in the budget and will be the responsibility of the Districts.

The Fiscal Study and its results will be presented at each District's board meeting and subsequently at a public town hall and/or LAFCO meeting. The Project budget includes a total of three (3) presentations.

Task 3 deliverables:

- Preliminary, Administrative Draft, and Final Fiscal Study Reports
- Presentation materials for the District board meetings and public town hall / LAFCO meeting.

EXHIBIT B

Schedule of Charges/Payments

To complete the Scope of Services, Consultant's compensation shall not exceed \$49,620, as detailed in the table below.

Consultant will be compensated on a time and materials basis, not-to-exceed total budget. Time may be re-allocated between tasks and team members, as necessary. Invoices will be submitted to the Districts monthly.

If there are material changes to the Scope of Services, a revised budget may be negotiated by a mutual written agreement between Consultant and the Districts.

**Kensington Fire Protection District & Kensington Police Protection and Community Services District
Fiscal Study Project Budget**

Task	Description	Hours [1]			Total	Total Cost [1]
		Principal @ \$315/hr	Associate @ \$195/hr	RA @ \$95/hr		
1	Fiscal Analysis of KPPCSD and KFPD as Independent Districts					
1.1	Gather and Review Project Information / Data	8	8	2	18	\$4,270
1.2	Kick-Off Meeting / Client Interviews	6	6	0	12	\$3,060
1.3	Fiscal Model Development	16	32	4	52	\$11,660
2	Fiscal Analysis of KPPCSD and KFPD as a Consolidated District	8	16	0	24	\$5,640
3	Fiscal Study Report Preparation and Presentation					
3.1	Report Preparation	20	36	8	64	\$14,080
3.2	Board Meetings and Town Hall Presentations	24	6	4	34	\$9,110
	Travel Expenses					\$1,800
	TOTAL	82	104	18	204	\$49,620

[1] Time and cost are estimates and will vary. Billings will be done on T&M basis for actual amount of time required, not to exceed total amount shown.

The budget includes one (1) in-person kick-off meeting with the Districts' team, two (2) in-person Board meetings and one (1) in-person town hall / LAFCO meeting. Additional in-person meetings will be billed at \$1,200 per meeting (includes travel costs).

All project deliverables will be provided electronically in the PDF format. Printing and reproduction costs will be responsibility of the Districts and are not included in the budget.

EXHIBIT C

**DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION
RIDGELINE MUNICIPAL STRATEGIES, LLC****I. Introduction**

Ridgeline Municipal Strategies, LLC (hereinafter, referred to as "Ridgeline") is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2.

The MSRB is the primary rulemaking body for the municipal securities industry in general and municipal advisors in particular. Their website can be accessed at www.msrb.org. The website includes, among other things, the municipal advisory client brochure, which describes protections that are provided by the MSRB's rules and the process for filing complaints with appropriate regulatory authorities. The municipal advisory client brochure can be accessed at <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx?la=en>.

In accordance with MSRB rules, this disclosure statement is provided by us to each client prior to the execution of its advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii). Ridgeline employs a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

Fiduciary Duty

Ridgeline has a fiduciary duty to the Client and must provide both a Duty of Care and a Duty of Loyalty that includes the following.

Duty of Care:

- Exercise due care in performing its municipal advisory activities;
- Possess the degree of knowledge and expertise needed to provide the Client with informed advice;
- Make a reasonable inquiry as to the facts that are relevant to the Client's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Client; and,
- Undertake a reasonable investigation to determine that we are not providing any recommendations on materially inaccurate or incomplete information.
- We must have a reasonable basis for:
 - Any advice provided to or on behalf of the Client;
 - Any representations made in a certificate that we sign that will be reasonably foreseeably relied upon by the Client, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Client's securities; and,
 - Any information provided to the Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

We must deal honestly and with the utmost good faith with the Client and act in the Client's best interests without regard to the financial or other interests of Ridgeline. We will eliminate or provide full and fair disclosure (included herein) to the Client about each material conflict of interest (as applicable). We will not engage in municipal advisory activities with the Client, as a municipal entity, if we cannot manage or mitigate our conflicts in a manner that permits us to act in the Client's best interest.

How We Identify and Manage Conflicts of Interest

Code of Ethics. Ridgeline requires all of its employees to conduct all aspects of our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee's independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and our clients.

Policies and Procedures. Ridgeline has adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allow us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to our analysis of potential conflicts of interest.

Supervisory Structure. Ridgeline has both a compliance and supervisory structure in place that enables us to identify and monitor employees' activities, both on a transaction and firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client's interests, the proposed engagement, our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows us to evaluate any situations that may be an actual or potential conflict of interest.

Disclosures. Ridgeline will disclose to clients those situations that it believes would create a material conflict of interest, such as:

1. any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work of Ridgeline;
2. any payment made to obtain or retain a municipal advisory engagement with a client;
3. any fee-splitting arrangement with any provider of an investment or services to a client;
4. any conflict that may arise from the type of compensation arrangement we may have with a client; and
5. any other actual or potential situation that Ridgeline is or becomes aware of that might constitute a material conflict of interest that could reasonably be expected to impair our ability to provide advice to or on behalf of clients consistent with regulatory requirements.

If Ridgeline identifies such situations or circumstances, we will prepare meaningful disclosure describing the implications of the situation and how we intend to manage the situation. Ridgeline will also disclose any legal or disciplinary events that are material to a client's evaluation or the

integrity of our management or advisory personnel. Ridgeline will provide this disclosure (or a means to access this information) in writing prior to starting our proposed engagement, and will provide such additional information or clarification as the client may request. Ridgeline will also advise clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, its plan to manage that situation, and any additional information such client may require.

II. General Conflict of Interest Disclosures

Disclosure of Conflicts Concerning the Firm's Affiliates

Ridgeline does not have any affiliates that provide any advice, service, or product to or on behalf of the Client that is directly or indirectly related to the municipal advisory activities to be performed by Ridgeline.

Disclosure of Conflicts Related to the Firm's Compensation

Ridgeline has not made any payments directly or indirectly to obtain or retain the Client's municipal advisory business.

Ridgeline has not received any payments from third parties to enlist Ridgeline's recommendation to the Client of its services, any municipal securities transaction or any municipal finance product.

Ridgeline has not engaged in any fee-splitting arrangements involving Ridgeline and any provider of investments or services to the Client.

From time to time, Ridgeline may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since we may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, Ridgeline may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest if the transaction ultimately requires less work than contemplated and we are perceived as recommending a more economically friendly pay arrangement. Finally, Ridgeline may contract with clients on an hourly fee basis. If Ridgeline and the client do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as we would not have a financial incentive to recommend an alternative that would result in fewer hours. Ridgeline manages and mitigates all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives, and financial circumstances.

Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients

Ridgeline regularly provides financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of our clients, there may be or may have been clients with interests that are different from (and

adverse to) other clients. If for some reason any client sees our engagement with any other particular client as a conflict, we will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes a "firewall" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, we will withdraw from the engagement.

Disclosure Related to Legal and Disciplinary Events

As registered municipal advisors with the SEC and the MSRB, pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, our legal, disciplinary and judicial events are required to be disclosed on our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically access Ridgeline filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed at

www.sec.gov/edgar/searchedgar/companysearch.html.

Ridgeline does not have any legal or disciplinary events or disciplinary history on its Form MA and Form(s) MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgements, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation. There have been no material changes to a legal or disciplinary event disclosure on any form MA or Form MA-I filed with the SEC.

Disclosure Related to Recommendations

If Ridgeline makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Client and is within the scope of the engagement, Ridgeline will determine, based on the information obtained through reasonable diligence of Ridgeline whether a municipal securities transaction or municipal financial product is suitable for the Client. In addition, Ridgeline will inform the Client of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Ridgeline reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Client; and,
- whether Ridgeline has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Client's objectives.

If the Client elects a course of action that is independent of or contrary to the advice provided by Ridgeline, Ridgeline is not required on that basis to disengage from providing services to the Client.

Disclosure Related to Record Retention

Pursuant to the SEC record retention regulations, Ridgeline is required to maintain in writing, all communications and created documents between Ridgeline and the Client for five (5) years.

III. Specific Conflicts of Interest Disclosures – Client

To our knowledge, following reasonable inquiry, as of the commencement of the Project, we are not aware of any actual or potential conflict of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the Client in accordance with applicable standards of conduct of MSRB Rule G-42. If we become aware of any potential conflict of interest that arises after this disclosure, we will disclose the detailed information in writing to the Client in a timely manner.

Ridgeline does not act as principal in any of the transactions related to its role / work on the Project.

Ridgeline does not have any other engagements or relationships that might impair Ridgeline's ability to either render unbiased and competent advice to or on behalf of the Client, or to fulfill our fiduciary duty to the Client, as applicable.