

Amendment No. 1 to the Professional Services Agreement

This AMENDMENT NO. 1 to that certain Professional Services Agreement, dated October 27, 2014 ("Agreement"), identified as Item # 14-1104, is made by and between the City of Santa Fe (the "City") and REDW (the "Contractor"). The date of this Amendment shall be the date as of March 19, 2015.

WHEREAS the City and Contractor wish to incorporate the terms as stated in the letter from Contractor to City (the "letter"), dated February 6, 2015 and executed by the City on March 20, 2015, as described in Attachment "2," attached hereto;

NOW, THEREFORE, the City and Contractor, in consideration of the covenants herein contained, hereby agree that the Agreement shall be amended as follows:

1. In Section 1 (Scope of Services), sub-section 3 (Final Report),

"(h) Agreed-upon procedures shall substantially comply with the section of the February 6, 2015 Letter, titled 'Agreed-Upon Procedures,' as set out in Attachment '2,' attached hereto."

2. In Section 3 (Compensation), the following will be added,

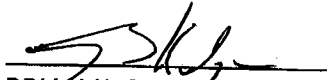
"Agreed-upon compensation shall substantially comply with the section of the February 6, 2015 Letter, titled 'Administration, Fees and Other,' as set out in Attachment '2,' attached hereto."

3. Attachment '2,' hereby attached, shall be included as an attachment to the Agreement.

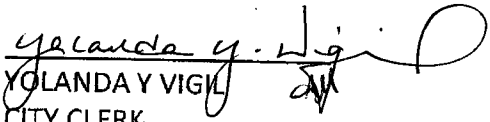
Except as specifically provided herein, the terms and conditions of the Agreement are confirmed and continue in full force and effect. In the event that there is a conflict between the original Agreement and the Letter, the terms of the original Agreement control.

In witness of this Amendment No. 1 to the Professional Services Agreement, the City and Contractor have properly executed this Amendment No. 1 effective on the day and year set forth below.

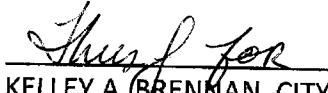
City of Santa Fe:


BRIAN K. SNYDER, CITY MANAGER
Date: 03/30/2015

ATTEST:


YOLANDA Y VIGIL
CITY CLERK

APPROVED AS TO FORM:



KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:


FINANCE DIRECTOR

BUSINESS UNIT/LINE ITEM

CONTRACTOR:

REDW, LLC

NAME & TITLE
DATE: 3/24/2015
CRS: 01-790499-007
City of Santa Fe
Business Registration
14-00128440
In Process



February 6, 2015

City of Santa Fe
PO Box 909
Santa Fe, NM 87504

Subject: 2008 Park Bond Agreed-Upon Procedures

Ladies and Gentlemen:

The purpose of this letter is to confirm our understanding of the agreed-upon procedures REDW_{LLC} (REDW) will provide for the City of Santa Fe (the "City"). This letter includes the objectives of our services as we understand them based on our discussions with you after completing some planning and preliminary testwork.

Agreed-Upon Procedures

REDW will apply agreed-upon procedures related to the City's 2008 Park Bond issuance. This engagement is solely to assist the City in determining if the City fulfilled its obligation to the citizens of Santa Fe regarding the issuance of \$30,300,000 of general obligation bonds to acquire land for, and to improve, public parks, trails and open spaces for recreational purposes. The range of related documentation and activities will cover the period of time from March 4, 2008 to June 30, 2014, and include 2008 and 2010 General Obligation Bond Covenants and Arbitrage Agreements, the 2008 Park Bond Implementation Plan and the relevant minutes, packets, laws, City policies and other items noted in the Professional Services Agreement (PSA) between the City and REDW. REDW will apply the agreed-upon procedures listed in the PSA unless different procedures are agreed-upon in writing by the City.

Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures that will be performed do not constitute an examination, we will not express an opinion on the City's compliance with the bond or agreement requirements. In addition, we have no obligation to perform any procedures beyond those listed in the Professional Services Agreement.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of the City, and should not be used by anyone other than this specified party. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The City is responsible for compliance with bond agreements and for determining the scope and developing the procedures that will be applied for this agreed-upon procedures engagement. The City is responsible for assuming all management responsibilities and for overseeing the agreed-upon procedures we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience.

Administration, Fees and Other

Our fees for providing the services described in this letter will be \$49,750, inclusive of applicable New Mexico gross receipts tax. The City will be billed for actual hours incurred at a rate of \$125 per hour, as presented in the Professional Services Agreement. We will be able to complete all of the agreed-upon procedures listed in the PSA within the stated fees assuming City personnel is able to provide all support requested in a timely manner. This also assumes that we do not find significant issues with the documentation or encounter other significant problems during the engagement. If additional costs are required, beyond the \$49,750 in the agreement, we will discuss that with you prior to incurring the time.

In the event that REDW and/or its representatives are subpoenaed as a result of any work performed in connection with an engagement, the City agrees to compensate us for our time involved in responding to such subpoena(s).

You may request that we perform additional services not contemplated by this engagement letter, or we may at your request continue to perform services beyond the twelve months described in the Professional Services Agreement. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees.

We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of the PSA and this engagement letter. Hourly rates listed above will apply for twelve months. Rates for subsequent periods will be based on REDW's then standard billing rates discounted in a manner comparable to the discounts built into the rates listed above, or as otherwise negotiated.

City of Santa Fe
February 6, 2015
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We appreciate the opportunity to be of service to the City and believe this letter, and Attachment A – Terms and Conditions of Engagement, accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter and Attachment A, please sign the enclosed copy and return it to us.

Sincerely,

REDW_{LLC}




Steve Cogan, CPA
Principal

SC:tag
Enclosure

RESPONSE:

This letter correctly sets forth the understanding of

City of Santa Fe



Signature

City Manager

Title

4-1-15

Date

Attachment A – Terms and Conditions of Engagement

ATTACHMENT A

Terms and Conditions of Engagement

It is our policy to set forth the terms and conditions under which REDW_{LLC}, and its affiliates, collectively, REDW (sometimes “we”, “us”, “our”), will provide the professional and related services (Services) to the City of Santa Fe (sometimes “you”, “your”) as set forth in the accompanying engagement letter.

By signing the engagement letter, you have agreed to all of the terms and conditions in this Attachment A. In the event that there is a conflict between this Attachment A and the engagement letter or Professional Services Agreement finalized on October 27, 2014, between you and REDW, the terms of the engagement letter or Professional Services Agreement shall control. Any capitalized terms in this Attachment A that are not defined shall have the meanings in the engagement letter. Please review these terms carefully and contact us immediately with any questions or concerns.

Scope of Work

It is our practice to confirm the scope and nature of our services, which are described in the accompanying engagement letter. If the scope of work changes in a material way from the description in the engagement letter, we will generally send you an amended, new or modified engagement letter.

Fee Schedule

The fees for the services to be performed by REDW are specified in the engagement letter or an attachment thereto. REDW will timely notify the City if there are changes in the applicable fee schedule. In the absence of a formal engagement letter for a particular matter, the fees for services will be charged based on REDW’s standard hourly rates for its employees and contractors. For engagements involving fees based on hourly rates, REDW’s hourly rates are periodically adjusted based on experience and market factors.

REDW has the right to bill for services. The City shall promptly pay upon receipt of the invoice. Invoices for REDW’s fees will be rendered periodically (typically monthly and/or upon completion of major milestones) on open account as work progresses and are payable on presentation. Outstanding account balances may be charged a late fee. The City agrees that our fees and expenses are not contingent on the type of result reached by us, or the ultimate outcome of matters in which our engagement may be used.

City Responsibilities

With regard to each professional engagement by us, there are responsibilities of the City which enable us to properly provide the services requested by the City. These may be further listed in the text of the engagement letter. The responsibilities are important for REDW to be able to provide its requested services and if the City fails to meet its responsibilities, REDW will either be excused from performance or its performance may be delayed and/or compromised.

To the extent that the City provides REDW information as part of its responsibilities, you warrant that information supplied or to be supplied to REDW by you and/or your representatives is complete, accurate and authentic to the best of your knowledge. Our personnel assigned to any work hereunder will not be assumed or deemed to have knowledge of information provided to others, whether external to REDW or in connection with other REDW engagements.

Documentation

Our professional standards require us to maintain sufficient documentation to support our work. REDW will maintain this documentation in accordance with our document retention policies, which may be amended from time to time. Documents and information supplied to us will be presumed to be copies of original documents and may be retained by REDW as part of our work documentation. As part of our regular procedures, documents and information supplied to REDW may be saved in electronic format and the physical copies destroyed. REDW will not be responsible for the safekeeping of documents and will not be responsible for documents and information that may be lost, damaged or destroyed. To the extent that we have copies of your information, we will protect and safeguard your information from unauthorized disclosure. Should you request copies of documents and information previously supplied to us, we will make best efforts to comply with the request, and may bill you at standard rates for time and copy charges.

Research, analysis and other work documentation created by REDW for each engagement are the property of REDW and may include proprietary and confidential information. REDW shall be under no obligation to provide the City with any work documentation, working drafts or work products other than the completed final work product(s) (including completed preliminary drafts thereof) agreed to and contemplated by the scope of each engagement. With prior arrangements, our work documentation will be available to the City and/or your representatives for supervised inspection at REDW's offices. If access to any of the materials in REDW's possession relating to an engagement is sought by a third party through a subpoena or other legal process, we will notify the City of such action and cooperate with the City concerning our response thereto.

Deliverables

The City's use of REDW's Services or deliverables shall in any event be limited to the item's stated purpose (if any) and is not to be relied upon by third parties for any other purposes.

Basis for Our Conclusions

Our conclusions provided as part of our Services are limited solely to the matters for which we were engaged. No conclusions should be inferred as to any matters not specifically covered in the Agreement. Further, the conclusions are based upon the facts and information presented by you and may be inapplicable if the actual facts differ from those presented in any respect.

You should understand that the technical issues REDW will address are not free from doubt. Another party, such as a judicial authority or a governmental agency, might reach different conclusions.

Electronic Communications

The parties agree to the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between the parties and between REDW and outside specialists or other entities engaged by either us or you. We may use portals and share

files to provide you with deliverables and you agree to comply with the terms and conditions of such services. We shall not be liable for any loss, damage, expense, inconvenience, or harm resulting from the loss, delay, interception, corruption, or alteration of any electronic communication due to any reason beyond our reasonable control.

Exclusions

Unless expressly provided for, our services do not include giving testimony or appearing or participating in discovery proceedings, in administrative hearings, in court, or in other legal or regulatory inquiries or proceedings. Moreover, our costs, expenses and time spent in legal and regulatory matters or proceedings to which we are not a party and the services are not at issue, such as subpoenas, testimony, bankruptcy filings or proceedings, consultation involving private litigation, arbitration, government or industry regulation inquiries, whether made at your request, the request of a third party or by subpoena or equivalent, will be billed to you separately at our then current rates. The terms of this paragraph shall apply to any third party proceedings that arise after the termination of this Agreement.

Except as set forth in our engagement letter, our services are not designed to detect fraud, irregularities or misrepresentations in accounting, investment or other materials provided to us or to the City and used in connection with the performance of our services. Our responsibility is limited to the period(s) covered by the services that we provide and does not extend to any earlier or later periods. Should information become known that would make our continued involvement in any engagement inappropriate, we reserve the right to withdraw from the engagement.

REDW will not be liable for any claims, costs, damages, losses, penalties or assessments imposed on the City as a result of inaccurate or incorrect information provided by the City or the City's failure to timely supply accurate information to REDW.

Dispute Resolution

In the unlikely event the City and REDW differ about our services or fees, and cannot resolve the differences ourselves, both parties agree the matter will probably involve complex business or accounting issues. Accordingly, the City and REDW agree to waive any right to a trial by jury in any action, proceeding or counterclaim arising from or relating to our services and fees from any engagement. In order to resolve any differences ourselves, if possible, and to attempt to minimize any costs associated with resolving our differences, the City and REDW agree to first use formal mediation, conducted by a neutral facilitator acceptable to both parties. If the City and REDW cannot agree upon a neutral facilitator within thirty days of a demand for mediation, both parties agree to use a mediator appointed by and mediation pursuant to rules established by the American Arbitration Association. If mediation is unsuccessful, both parties agree such issues would be decided most equitably to us both by arbitration. Any party desiring to submit a dispute to arbitration shall give notice in writing to the other of its desire to arbitrate and specifying the dispute. The arbitration proceeding shall take place in the city in which the REDW office providing the majority of the relevant Services is located unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association (AAA), except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to

terminate or waive mediation, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and attest matters. The arbitrator shall have no authority to award non-monetary, equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential mediation or arbitration.

Termination and Amendment

An engagement may be terminated by either party upon thirty (30) days' written notice to the other party. Notwithstanding the foregoing, REDW may immediately terminate this Agreement in whole or in part, without further obligation to the City in the event that the City commits a material breach of this Agreement. A material breach shall include, without limitation, any failure to timely pay REDW's invoices as set forth in the engagement letter or in the event the City shall fail or refuse to furnish any information requested by REDW in writing which is necessary to enable REDW to properly perform its services. Further, REDW shall have the right to terminate this Agreement if it discovers practices by you that we deem dishonest, fraudulent, or illegal; or we determine that in our professional judgment, the circumstances require termination of any or all Statements of Work. In the event that either party terminates this Agreement or any or all Statements of Work as set forth in this section, you agree to pay us for the Services, including out-of-pocket expenses and costs, rendered up to the date of such termination.