

**FIRST MODIFICATION OF  
PROFESSIONAL SERVICES AGREEMENT 8724 (CCS)**

THIS FIRST MODIFICATION OF PROFESSIONAL SERVICES AGREEMENT NUMBER 8724 (CCS) ("First Modification"), entered into this 25<sup>th</sup> day of March, 2008, by and between the CITY OF SANTA MONICA, a municipal corporation ("City"), and the Public Resources Advisory Group ("Consultant") is made with reference to the following:

RECITALS:

A. On June 12, 2007, the City and Consultant entered into Professional Services Agreement Number 8724 (CCS), hereinafter "Agreement," for consulting services related to the City's financing structure and debt capacity; including evaluating options for financing various projects under consideration by the City, and providing advice and support as needed, in an amount not to exceed One Hundred Thousand Dollars (\$100,000).

B. The City and Consultant desire to enter into this First Modification to modify the Agreement for the sole purpose of increasing the amount of compensation available to Consultant under the Agreement to Two Hundred and Fifty Thousand Dollars (\$250,000) during the current contract term.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. Section 4 of the Agreement is hereby deleted and replaced with the following:

SECTION 4. COMPENSATION.

Consultant shall be compensated for Services performed pursuant to this Agreement in an amount not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000), as set forth in Exhibit B, Budget.

2. Exhibit B of the Agreement (BUDGET) is hereby modified by deleting and replacing the third paragraph with the following:

The cost of all other financial advisory services will be billed at the hourly rates proposed by PRAG. The total cost of non-transaction financial advisory services is not expected to exceed \$250,000 during the five-year term of the professional services agreement and will be charged to various fund professional services expenditures accounts as services are rendered.

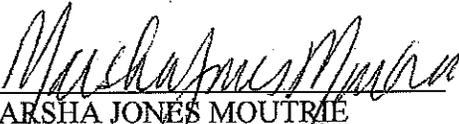
3. FULL FORCE AND EFFECT

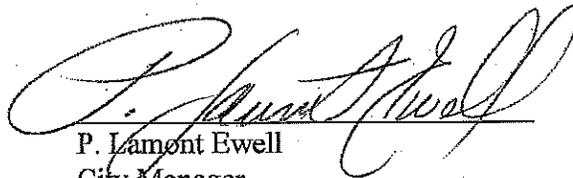
All other terms and conditions set forth in the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Modification as of the date and year first above written.

APPROVED AS TO FORM:

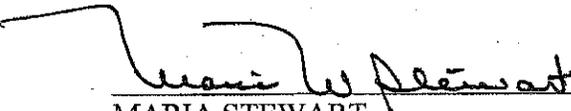
CITY OF SANTA MONICA,  
a municipal corporation

  
MARSHA JONES MOUTRIE  
City Attorney

  
P. Lamont Ewell  
City Manager

ATTEST:

Consultant:  
Public Resources Advisory Group

  
MARIA STEWART  
City Clerk

By:   
Wesley C. Hough  
Co-President