

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

THIS SECOND MODIFICATION OF PROFESSIONAL SERVICES AGREEMENT NUMBER 8724 (CCS) ("Second Modification"), entered into this 15th day of March 2010, by and between the CITY OF SANTA MONICA, a municipal corporation ("City"), and PUBLIC RESOURCES ADVISORY GROUP ("Consultant"), is made with reference to the following:

RECITALS:

A. On or about July 24, 2007, City and Consultant entered into Professional Services Agreement Number 8724 (CCS) ("Agreement") for Consultant to provide financial consulting services, in an amount not to exceed One Hundred Thousand Dollars (\$100,000).

B. On or about March 25, 2008, City and Consultant entered into a First Modification of Professional Services Agreement 8724 (CCS) for the sole purpose of increasing the amount of compensation available to Consultant under the Agreement to an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000).

C. City and Consultant desire to enter into this Second Modification to modify the Agreement for the sole purpose of increasing the amount of compensation available to Consultant under the Agreement to an amount not to exceed Five Hundred Thousand Dollars (\$500,000) during the term of the Agreement.

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

1. Section 4 of the Agreement, entitled "COMPENSATION", shall be 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 Five Hundred Thousand Dollars (\$500,000), as set forth in Exhibit B, Budget.

2. Exhibit B of the Agreement, entitled "BUDGET", shall be 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 financial advisory services is not expected to exceed \$500,000 during the five-year term of this professional services agreement and will be charged to the applicable fund expenditures accounts as services are rendered.

3. Except as expressly modified by this Second Modification, all other terms and conditions set forth in the Agreement shall be and remain in full force and effect.

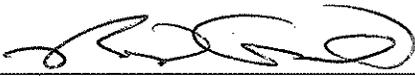
IN WITNESS WHEREOF, the parties have caused this Second Modification to be executed the day and year first above written.

APPROVED AS TO FORM:



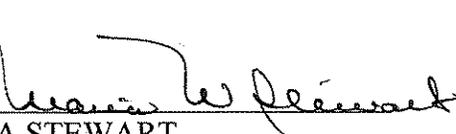
MARSHA JONES MOUTRIE
City Attorney

CITY OF SANTA MONICA,
a municipal corporation

By: 

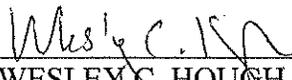
ROD GOULD
City Manager

ATTEST:



MARIA STEWART
City Clerk

CONSULTANT:
Public Resources Advisory Group

By: 

WESLEY C. HOUGH
Co-President