



March 15, 2019

Edith Ramirez
Economic Development Director
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Re: Proposal and Engagement Letter for Professional Services

Dear Ms. Edith Ramirez:

Thank you for the opportunity to provide further services to Visit Morgan Hill (VMH). It has been a pleasure working with the City and Visit Morgan Hill so far! This letter will serve as our proposal and professional agreement for services related to providing operational assistance and advice during the startup of VMH and the Morgan Hill Tourism Business Improvement District (MHTBID) and future hourly consulting services.

VMH agrees to hire Civitas for consulting services related to the initial operation of the new non-profit corporation and for future hourly consulting services. Services rendered shall include the following:

VMH Startup:

- Administration: Civitas will assist the Board of Directors with necessary initial administrative tasks, including opening a bank account and ordering checks, securing corporate insurance coverage, securing a bookkeeper and accountant, preparing for tax return filings, and developing an executive director/administrative support program.
- City Contract: Civitas will draft the contract between the City and VMH related to the operation of the MHTBID. The draft contract will be submitted to the Board of Directors for review and revised by Civitas as necessary. Civitas will submit the final contract to the City for consideration.
- Vendor Contract: Civitas will review contracts between VMH and vendors related to providing services and activities for the MHTBID. Civitas will provide any necessary edits and work with VMH to finalize contracts. Civitas will review all vendor contracts presented within the first three (3) months following the execution of this Agreement. Any additional vendor contracts presented after three (3) months will be subject to our hourly rates.

- Meetings: Civitas will attend two (2) meetings of the new Board of Directors to set a regular meeting schedule, establish initial standing and ad hoc committees, develop a strategic planning schedule, and answer any questions about the corporation formation process. Civitas will work with the Chair to coordinate meeting locations and prepare meeting agendas in compliance with the Brown Act. Civitas will take minutes of each meeting, and present a draft to the Chair and Secretary. Their comments will be incorporated into a final draft, which will be presented to the full Board for approval at the next meeting.
- Corporate Policies: The corporation will need several operational policies, including a conflict of interest policy and a record retention policy. We will draft all needed policies and provide them to the Board of Directors for review.
- Compliance Training: Civitas will make one (1) trip to Morgan Hill to provide training to the VMH Board on the rules and procedures related to the Brown Act, meeting agenda posting and mandatory disclosure requirements, the Public Records Act, restrictions on how MHTBID funds can be spent, and annual statement of information filings.

Civitas' fees for professional services in this matter shall be \$9,000. Ordinary expenses, such as postage and photocopying shall be four percent (4%) of professional fees. Extraordinary expenses, such as messenger fees, travel and filing fees shall be billed at Civitas' actual cost. Civitas' expenses for this matter shall not exceed \$1,200.

It is our expectation that the scope of work described in this proposal as "VMH Startup" can be completed in a three (3) month period. Civitas will bill professional fees of \$3,000 per month for three (3) months, plus expenses. Civitas will send three (3) invoices for fees and costs incurred. Each invoice will be payable within thirty (30) days of its mailing date. Either VMH or Civitas shall have the right to terminate this agreement upon ten (10) days' notice. When Civitas' services conclude, all unpaid charges will immediately become due and payable.

Hourly Agreement:

After three (3) months following the execution of this Agreement, Civitas proposes to continue providing consulting services related to VMH and the MHTBID on an hourly basis.

Our hourly rates are based upon the experience, reputation and ability of the paralegal or attorney performing the services and range between \$275 and \$385 per hour. Time is charged in minimum increments of two-tenths of an hour, with a \$500 minimum charge for any month in which services are rendered. Ordinary

costs, such as telephone, postage, and photocopying, shall be billed at four percent (4%) of professional fees. Other costs, such as messenger fees, bulk printing or copying, and travel shall be billed at Civitas' actual cost.

Civitas will send VMH a monthly invoice for fees and costs incurred. Each invoice will be payable within thirty (30) days of its mailing date. Either VMH or Civitas shall have the right to terminate this agreement upon ten (10) days' notice. When Civitas' services conclude, all unpaid charges will immediately become due and payable.

Nothing in this Agreement and nothing in statements by Civitas personnel will be construed as a promise or guarantee about the outcome of the matter. Civitas makes no such promises or guarantees.

If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect. This Agreement may be modified by subsequent agreement of the parties only by an instrument in writing signed by both of them or an oral agreement only to the extent that the parties carry it out.

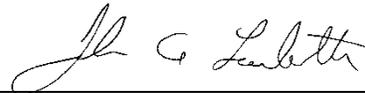
If you have any questions about this Agreement, please do not hesitate to call me. I look forward to working with you on this project.

Sincerely,



John Lambeth

Dated: March 15, 2019



Mr. John Lambeth
President & CEO
Civitas Advisors, Inc.

Dated:

Ms. Edith Ramirez
Economic Development Director
City of Morgan Hill