



- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

August 28, 2012

Mr. Robert Samario
City of Santa Barbara
P.O. Box 1990
Santa Barbara, CA 93102

Dear Mr. Samario:

Lance, Soll & Lunghard, LLP (LSL) is pleased to provide this quote to perform your AB 1484 Due Diligence Review for the City of Santa Barbara. As a leader in the field of governmental accounting and auditing, we appreciate this opportunity given us to present our professional qualifications. Because of our extensive government experience (including Redevelopment Agencies) and since LSL currently provides auditing services to your city, we are certain that Lance, Soll & Lunghard, LLP is the most qualified accounting firm to provide this service.

In performing this Due Diligence Review, LSL will:

- Conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities as stated in AB 1484 Sec.17 34179.5(a).
- This review will be summarized in an Agreed Upon Procedures Report which will summarize the procedures performed and the results thereof.

Per Section 18 34179.6, "By October 1, 2012, each successor agency shall provide to the oversight board, the county auditor-controller, the Controller, and the Department of Finance the results of the review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities. By December 15, 2012, each successor agency shall provide to the oversight board, the county auditor-controller, the Controller, and the department the results of the review conducted pursuant to Section 34179.5 for all of the other fund and account balances and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities." Since the required procedures for the Due Diligence Review were just approved on August 27, 2012, the time frame in order to accomplish these procedures in a timely manner is at best challenging. LSL will make every effort to abide by the deadlines, however, due to the late approval of these procedures, we cannot and do not guarantee that we will complete the review by the required filing dates. It will be the City's responsibility to provide the attached requested documentation in its entirety at the timelines stated. Any pending items will further the delay in the issuance of our report.



City of Santa Barbara
August 28, 2012

Towards this end, we would like to propose a **not to exceed contract of \$20,000** to perform your due diligence review. Please sign below to acknowledge your understanding of these time constraints and acceptance of this agreement and return to my attention. Should you or any other representative of the City of Santa Barbara have additional questions regarding this agreement, please do not hesitate to contact Rich Kikuchi, Partner at (714) 672-0022.

Very truly yours,

Lance, Soll & Lughard, LLP

A handwritten signature in blue ink, appearing to read "Robert Samario". The signature is written in a cursive style with a horizontal line underneath it.

Robert Samario, City of Santa Barbara

Date