The GHAD THE BOARD OF DIRECTORS OF BROAD BEACH GEOLOGIC HAZARD ABATEMENT DISTRICT

Adopted this Resolution on October 9, 2011, by the following vote:

AYES: **Karno, Grossman, Levitan, and Marquis**

NOES: **None**

ABSENT: **Lotman**

ABSTAIN: **None**

RESOLUTION NO. 2011/01

RESOLUTION 1) APPOINTING BARBARA HAMM AS GHAD TREASURER; BARBARA HAMM AS GHAD CLERK; ENGEO, INC. AS GHAD MANAGER; MOFFATT & NICHOL AS GHAD ENGINEER; KENNETH EHRLICH AS GHAD PROJECTS ATTORNEY; AND PATRICIA CURTIN AS GHAD SPECIAL COUNSEL; AND 2) AUTHORIZING THE GHAD CHAIR TO NEGOTIATE AND ENTER INTO NECESSARY CONTRACTS WITH THE GHAD OFFICERS/CONSULTANTS

WHEREAS, on September 12, 2011, the Malibu City Council adopted Resolution No. 11-41, approving and ordering the formation of the Broad Beach Geologic Hazard Abatement District (GHAD), as a distinct and separate legal entity from the City and appointing the following five landowners to serve as the initial Board of Directors: Steven Levitan, Zan Marquis, Norton Karno, Marshall Grossman and Jeff Lotman (GHAD Board); and

WHEREAS, the GHAD Board recognizes that the GHAD is a political subdivision of the State of California, governed in accordance with GHAD Law (Pub. Res. Code §§ 26500 *et seq.*); and a legal entity that is separate and distinct from the City of Malibu and the at the GHAD operations are independent of the City functions; and

WHEREAS, pursuant to Public Resources Code sections 26584 and 26585, the GHAD Board must appoint a Clerk and a Treasurer, and, pursuant to Public Resources Code section 26586, the GHAD Board may appoint other officers and consultants to assist in managing the GHAD and delegate to such officers and consultants such powers as may be appropriate under the circumstances; and

WHEREAS, pursuant to Public Resources Code section 26579, the GHAD may enter into contracts and agreements with a private organization or person to carry out the purposes and mission of the GHAD; and

WHEREAS, in addition to a Treasurer and Clerk, the GHAD requires the services of a 1) manager with experience in geotechnical engineering to perform operation and maintenance responsibilities of the GHAD (GHAD Manager), 2) an engineer of record to design the physical improvements for the GHAD and to determine and allocate special benefits to the residents in

the GHAD boundaries (GHAD Engineer), 3) an attorney to prepare and process applications and other permits and documents with interested agencies to implement projects and improvements consistent with the Plan of Control (GHAD Projects Attorney), and 4) an attorney with experience advising GHADs (GHAD Special Counsel); and

WHEREAS, Barbara Hamm is qualified to perform the services of GHAD Treasurer based on her experience in real estate accounting and management; and

WHEREAS, Barbara Hamm is qualified to perform the services of GHAD Clerk based on her extensive real estate management, portfolio management, and business management experience; and

WHEREAS, ENGEO, Incorporated is qualified to perform the services of GHAD Manager based on over 20 years of experience with GHADs throughout California, and the fact that it established the first GHADs in Northern California. In addition, Uri Eliahu, CEO of ENGEO, Inc. is a founding member and the current President of the California Association of GHADs; and

WHEREAS, Moffatt & Nichol is a coastal and civil engineering firm and is designing the physical improvements necessary to carry out the beach restoration and repair as contemplated in the Plan of Control; and

WHEREAS, Kenneth Ehrlich is a member of the State Bar of California in good standing and is qualified to serve as the GHAD Projects Attorney based on his experience in processing the emergency revetment applications for the temporary improvements to Broad Beach for Trancas Property Owners Association (TPOA), has served as counsel for the TPOA in various regulatory and litigation matters for over a decade, and has been working with TPOA in preparing and processing applications for beach repair and nourishment with interested agencies; and

WHEREAS, Patricia Curtin is a member of the State Bar of California in good standing and is qualified to serve as GHAD Special Counsel based on her expertise in forming and representing numerous GHADs and other similar districts in the State. In addition, Patricia Curtin is a founding member and the current Secretary of the California Association of GHADs.

The Board of Directors of the GHAD HEREBY RESOLVES THAT:

1. Barbara Hamm is appointed to serve as GHAD Treasurer. Subject to such limitations and controls to be developed by the GHAD Board and implemented by the GHAD Board Chair (or the GHAD Board Vice Chair in the Chair's absence), the GHAD Board authorizes the GHAD Treasurer to collect, hold, invest, appropriate and expend GHAD funds as necessary for carrying out the GHAD operations in accordance with the budget approved by the GHAD Board. The GHAD Treasurer shall work directly with the GHAD Manager in appropriating funds from the GHAD account to cover all GHAD costs and expenditures.

2. The GHAD Board shall develop and implement standards for the periodic review of GHAD finances and accounts.

3. Barbara Hamm is appointed to serve as GHAD Clerk. The GHAD Clerk is responsible for scheduling meetings; preparing agendas; and recording, securing and maintaining records of all proceedings and of GHAD business.

4. ENGEO, Inc. is appointed to serve as GHAD Manager. The GHAD Manager is responsible for implementing the operations and maintenance responsibilities as contemplated in the Plan of Control.

5. Moffatt & Nichol is appointed to serve as the GHAD Engineer. The GHAD Engineer will be the engineer of record for the physical improvements to be undertaken by the GHAD and responsible for determining the special benefits on real property within the GHAD boundaries from the improvements.

5. Kenneth Ehrlich is appointed to serve as GHAD Projects Attorney. The GHAD Projects Attorney shall be responsible for preparing and processing applicable applications for improvements as contemplated in the Plan of Control with all necessary agencies and shall serve as the day-to-day legal project advisor to the GHAD. As necessary, Mr. Ehrlich may utilize the services of other professionals and staff within his firm so as to perform his duties in the most complete, efficient, successful, and cost effective manner.

6. Patricia Curtin is appointed to serve as GHAD Special Counsel. The GHAD Special Counsel shall advise the GHAD Board on the GHAD Law procedures and assist the GHAD Clerk with its responsibilities as requested. As necessary, Ms. Curtin may utilize the services of other professionals and staff within her firm so as to perform her duties in the most complete, efficient, successful, and cost effective manner.

7. The Chair of the GHAD, on behalf of the GHAD Board, is authorized to negotiate and execute any necessary agreements with GHAD Treasurer, Clerk, Manager, Engineer, Projects Attorney and Special Counsel.

8. The GHAD Treasurer, Clerk, Manager, Engineer, Projects Attorney and Special Counsel appointed herein shall sit and serve at the pleasure of the GHAD Board. These officers/consultants represent the GHAD as an entity and do not represent any individual employee, officer, consultant or GHAD Boardmember.

9. This Resolution shall become effective immediately upon its passage and adoption.

ATTEST: [redacted]
Clerk of the GHAD Board

Robert Half Finance & Accounting
Specialized Financial Recruitment

2555 Townsgate Road, Suite 100
Westlake Village, CA 91361
Phone: 805.496.2805
Valerie Rodriguez, Recruiting Manager

BARBARA HAMM

PROFESSIONAL EXPERIENCE:

Gaska, Inc, Glendale, CA **July 2010 – Present**
Privately owned company that manages apartment buildings and commercial shopping centers.
Accounting Manager

- Supervise accounts payable and receivable clerks.
- Oversea daily deposits to multiple bank accounts.
- Maintain monthly books for over 20 separate properties/partnerships.
- Process multiple monthly mortgage payments to lenders and trust accounts.
- Post journal entries, reconcile bank accounts and maintain monthly general ledger accounts.
- Work closely with the owners of the company, processing CAM reconciliations and doing tenant collections.

Voit Real Estate Services, LLC, Newport Beach, CA **1986 - 2010**
Accounting Manager

- Responsible for multiple sets of books and portfolios valued at over a billion dollars on an accrual/cash basis.
- Process all accounting records through tax packages for over 40 sets of books.
- Create and process all entries related to closure of books for tax purposes (depreciation/amortization schedules, accruals, inter-company reconciliations, write-off of bad debt, sales and cost analysis, job costing, etc).
- Design, prepare and do analysis of Financial Statements and Balance Sheets.
- Responsible for communication and monthly interaction with lenders/bankers on major construction funding.
- Interact with legal council related to formation and dissolution of partnerships and investor information.
- Supervised accountants, data entry clerks and receptionists.
- Process and maintain accurate records and books on a daily, monthly and annual basis.
- Data entry/reconciliation for payables, receivables and property management cash receipts.
- 1099 distribution to vendors and summary submittal to government.
- Property Lease abstract and data entry. Process/Fund/Reconcile/Book payroll through ADP payroll service.
- Manage 401(K) retirement plan.
- Responsible for highly compensated individual's personal books and records.

Carlsberg Mortgage Company, Santa Monica, CA **1984 - 1986**
Accountant

- Responsible for reconciliation projects ranging from multiple intercompany sets of books to individual mortgage clients.

EDUCATION: University of Kentucky, Associates Degree - Business

SOFTWARE: Timberline JC/PM Software, Yardi, Quickbooks, Microsoft Excel and Word

Robert Half Finance & Accounting has interviewed this candidate. We usually check candidate references by asking specific questions of selected previous employers with regard to qualifications and work history. Robert Half Finance & Accounting has not verified all representations made by the candidate in this resume. We recommend that our clients also perform their own reference checking.

ENGEO INCORPORATED

GEOTECHNICAL
ENVIRONMENTAL
WATER RESOURCES
CONSTRUCTION SERVICES

September 23, 2011

Mr. Kenneth Ehrlich
c/o Broad Beach GHAD
29169 Heathercliff Road, Suite 212
Malibu, CA 90265

Subject: **QUALIFICATIONS AND PROPOSAL FOR BROAD BEACH GHAD MANAGER**

Dear Mr. Ehrlich:

Thank you for the opportunity to present our qualifications to serve as the manager for the Broad Beach Geologic Hazard Abatement District (GHAD). We have enjoyed working with the Trancas Property Owners Association (TPOA) and the City of Malibu on the formation of this GHAD and appreciate the opportunity to continue to serve you.

METHODOLOGY TO MANAGE THE BROAD BEACH GHAD

The Broad Beach GHAD includes 114 oceanfront parcels located at the base of the Santa Monica Mountains and adjacent to Santa Monica Bay in Malibu, western Los Angeles County, California. Properties within the Trancas Property Owners Association (TPOA), and adjoining and adjacent properties, include those adjacent to Broad Beach, extending from Point Lechuza on the west to Zuma Beach on the east. Various portions of the beach have been subjected to emergency repair/protective measures in years past due to storms and related erosion events. Because of the general and continuing narrowing of the beach, additional protective measures will be implemented. The measures may include beach nourishment and rehabilitation of dunes with associated vegetation and habitat. Additionally, the recently installed rock revetment is anticipated to need periodic inspection until the renourishment is completed. Based on our 30 years of experience with GHADs, including our experience as GHAD Managers for many Districts, we have developed the following preliminary scope.

GHAD Functions

- As-needed support for permitting efforts
- Monitoring of renourishment project
- Monitoring of long-term sand transport
- Beach drainage improvements
- Administrative duties

The Plan of Control presents defined maintenance and monitoring activities to abate geologic hazards. The maintenance and abatement functions, fall into two categories:

1. Scheduled or periodic monitoring, prevention and maintenance activities.
2. Response to earth movement events which, by their nature, are unpredictable.

The level of activity and expenditures of each GHAD can vary greatly throughout the year or over a period of several years. Therefore, the GHAD management must have the ability to vary its efforts accordingly. While there will be a baseline of activity involved with monitoring and maintenance functions, larger efforts may be required due to natural forces, including weather or beach degradation.

Funding of GHADs

Most GHADs accumulate relatively large reserves for use during periods of increased hazard mitigation to account for the relative infrequency and unpredictability of geologic events. In the case of the Broad Beach GHAD, much of the assessment will be diverted to service accumulated debt associated with construction of the proposed beach improvements. Additional ongoing operations and maintenance activities are necessary for GHAD operation as well as the prevention and mitigation of geologic hazards associated with Broad Beach. As GHAD Manager, ENGEO will work with the GHAD Board of Directors, officers, and staff to prudently manage financial resources to meet ongoing debt and operations obligations as well as long-term reserves.

Management Structure for Geologic Hazard Abatement Districts

Based on the unpredictable nature of events that GHADs are asked to mitigate and the usual funding structure, the following elements will be implemented to provide an efficient management structure for the Broad Beach GHAD. Specific details regarding the scope of the GHAD and the priority of GHAD expenditures are presented in the GHAD Plan of Control.

ENGEO, acting as the GHAD manager, will have, as its first priority, the abatement of existing geologic hazards that have either damaged or pose a significant threat of damage to residences, critical underground utilities or paved streets. While adequate monitoring will be maintained, it will be kept to a minimum and increased in frequency or scope based solely on increased need, not on the existence of available reserves. Prevention of geologic hazards will not be ignored, but reserves will not be depleted trying to prevent all potential failures.

ENGEO, as the GHAD manager, will increase or decrease staff as required to allow for the completion of routine financial, administrative, maintenance and monitoring duties. At those times when greater efforts are needed, additional staff will be available as shown on the organization chart included with this statement of qualifications.

ENGEO, functioning as the GHAD manager, will communicate to the owners within the GHAD the items for which the GHAD is responsible. To do this, we will have a person assigned as a community liaison that property owners can call with questions. The community liaison for the Broad Beach GHAD will have the ability to answer homeowners' questions or provide additional reconnaissance or investigative services as necessary.

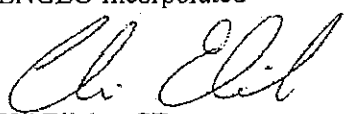
FEE ESTIMATE

In preparing draft versions of the Engineer's Report and budget, we have estimated a long-term annual GHAD Manager budget of $25,000. This is subject to revision as the contemplated project is refined and the related budget is updated. This estimate will be revisited after the project has been approved by the requisite resource agencies. Until the project approval, the annual Manager budget will likely be variable. For the coming year, we have estimated a budget of **$30,000.**

It has been a pleasure to be of service to you to date with respect to this engagement, and we look forward to our continued involvement with you. If you have any questions regarding the contents of this proposal, please do not hesitate to contact us.

Sincerely,

ENGEO Incorporated



Uri Eliahu, GE
President
ue/jf:pro