

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT (this “Agreement”) is entered into as of October 27, 2025 (the “Agreement Date”) by and between Hinderliter de Llamas & Associates (“Consultant”), and City of Beaumont (“Client”), which is located within the state of California (the “State”).

WITNESSETH:

WHEREAS, Consultant is engaged in the business of providing consulting, software and other services that help public agencies understand and maximize their collection of revenues, as well as their delivery of other public services (collectively, “Consultant’s Business”); and

WHEREAS, Client desires to contract with Consultant to obtain one or more of the services included within Consultant’s Business (as provided for in Section 1) upon the terms and conditions contained in this Agreement;

WHEREAS, Consultant desires to contract with Client to render such services upon the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the covenants and promises contained herein, Client and Consultant mutually agree as follows:

1. Services.

1.1 Consultant will perform those services included within Consultant’s Business that are described in **Exhibit A**. Such services are, collectively, the “Services”.

1.2 **Consultant warrants that it will perform the Services in a professional manner in accordance with professional standards.** In performing the Services, Consultant is acting as an independent contractor (and not as an agent or employee of Client).

1.3 Client acknowledges and agrees that any other public agency (including, without limitation, any participating government agency) located within or outside of the State (e.g., city, municipality, county, district, public authority or other political subdivision) may procure services for fees and other terms and conditions that are substantially similar to any of the Services, Fees and other terms and conditions set forth in this Agreement, provided that such other public agency executes a separate agreement with Consultant wherein the services rendered to such other public agency, the fees payable by such other public agency, and the other terms and conditions of such separate agreement are the responsibility of Consultant and such other public agency and not Client.

1.4 This Agreement does not limit the right of Consultant to enter into additional contracts with Client or to contract with other persons or entities (that are not Client) to provide them with merchandise or services of any kind whatsoever, including, but not limited to, services similar to the Services.

2. Fees. As compensation for performing the Services, Client will pay Consultant the fees, costs and expenses as described in **Exhibit B**. Individually and collectively these fees and costs are, the “Fees”. Consultant may perform the Services using professionals from its staff or Consultant’s affiliated entities, and such Services will be billed to Client under the same billing terms applicable

to Consultant's staff. Consultant may increase the Fees from time to time (including, without limitation, annually as described in the Schedules) however, Consultant shall provide Client with no less than thirty (30) days' prior written notice before any such increase becomes effective with the exception of annual CPI increase. Any notice of a Fee increase shall specify the amount of the increase, the effective date, and the basis for the adjustment (if applicable). Other than a Fee increase as described in the Schedules, Client may notify Consultant of a request that such Fee increase be modified or revoked and, if Consultant fails to do so to Client's satisfaction within thirty (30) days after the receipt of such request, Client may terminate this Agreement without cause pursuant to Section 7.3.

Consultant shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the City. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by City to Contractor under this Agreement shall not exceed the amount of 9,500.00 Dollars and Zero Cents (\$) per year plus annual CPI increases. This limit does not apply to compensation for services which are billed a contingency fee based on revenue recovered, or to payment processing services which are billed according to usage.

3. Invoices; Payment.

3.1 Consultant will invoice Client for the Fees earned and/or incurred by Consultant pursuant to this Agreement.

3.2 Invoices are due and payable upon receipt. Interest will begin to accrue on the thirtieth (30th) day following the invoice date on all unpaid balances at a rate of one and one-half percent (1½%) per month, or the maximum rate permitted by law, whichever is less. Payments will first be credited to interest and then to principal. In the event that Client disputes or contests an invoice, only that portion so disputed or contested in good faith will be withheld from payment, and the undisputed portion must be timely paid. Interest will accrue on any contested portion of the invoice not timely paid and will be payable immediately if the contested invoice is resolved in favor of Consultant.

3.3 If Client fails to fully pay an invoice within 30 days after the invoice date, Consultant may, after giving five (5) days' notice to Client, suspend the rendering of Services under this Agreement until said invoice is paid in full, together with all interest that has accrued thereon. In the event of such a suspension of Services, Consultant will have no liability to Client for any delays or damages arising therefrom.

4. Insurance. Consultant hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, Consultant hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "C"** are copies of Certificates of Insurance and endorsements as required below. If existing coverage does not meet the requirements set forth herein, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant shall provide the following types and amounts of insurance:

4.1 Commercial general liability insurance in an amount of not less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate; Consultant agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's Client, its

officials, employees and agents. Consultant also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 4.

4.2 Business Auto Coverage in an amount no less than \$1 million per accident. If Consultant or Consultant's employees will use personal autos in performance of the Services hereunder, Consultant shall provide evidence of personal auto liability coverage for each such person.

4.3 Workers' Compensation coverage for any of Consultant's employees that will be providing any Services hereunder. Consultant will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of Consultant under this Agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to Client, its employees, officials and agents.

4.4 Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by Contractor, its employees and/or agents in the performance of any Services for City.

4.5 No liability insurance coverage provided shall prohibit Consultant from waiving the right of subrogation prior to a loss. Consultant waives all rights of subrogation against Client regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

4.6 Prior to beginning the Services under this Agreement, Consultant shall furnish Client with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

4.7 All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to Client.

4.8 Self-insurance does not comply with these insurance specifications. Consultant acknowledges and agrees that that all insurance coverage required to be provided by Consultant or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to Client.

4.9 All coverage types and limits required are subject to approval, modification and additional requirements by Client, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect Client's protection without Client's prior written consent.

4.10 Consultant agrees to provide immediate notice to Client of any claim or loss against Consultant or arising out of the Services performed under this Agreement. Client assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve Client.

5. Client Support.

5.1 Client will promptly provide in writing to Consultant all data and other information relating to or which may be necessary for Consultant's performance of the Services. Without limiting the foregoing, Consultant shall keep informed on a timely basis in writing as to the existence and amendments of the laws, ordinances and/or regulations under which Consultant is performing the Services. Client shall keep Consultant informed of any amendments of the laws, ordinances and/or regulations under which Consultant is performing that are adopted by Client. Consultant will be permitted to rely on the accuracy, timeliness and completeness of the information provided by Client, and in no event will Consultant be liable to Client or others as a result of such reliance.

5.2 Client will examine all of Consultant's reports, specifications, notices, proposals and other documents. In the event that a decision is required of Client in order for Consultant to perform the Services, Client will render such decision in writing in a timely manner.

5.3 Promptly following any request from Consultant, Client will adopt and maintain in full force and effect resolutions in forms acceptable to Client and in accordance with applicable law authorizing Consultant to examine the confidential sales tax and other relevant records of Client throughout the Term and, for so long as any Fees are still accruing pursuant to this Agreement, after the Term.

5.4 Client will assist Consultant in obtaining such licenses, permits and approvals as may be required by law for performing the Services, and Client will pay all fees, assessments and taxes related to the application, issuance and maintenance thereof.

5.5 The Services do not include services that Consultant may be required or requested to provide to support, prepare, document, bring, defend or assist in litigation undertaken or defended by Client ("Litigation Services"). If Consultant agrees with Client or is required to perform Litigation Services, Client will promptly pay Consultant for all of Consultant's costs and expenses related to Litigation Services at Consultant's actual cost, plus ten percent (10%) thereof (all of which are deemed to be additional Fees).

6. Confidentiality; Software Use and Warranty; Records.

6.1 Consultant will comply with the requirements of the applicable laws, ordinances and/or regulations concerning the confidentiality of tax records of which it has been informed by Client pursuant to Section 5.1.

6.2 As used herein, the term "proprietary information" means all information, techniques, processes, services or material that has or could have commercial value or other utility in Consultant's Business, including without limitation: Consultant's (i) software, computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; (iii) desktop or web-based software; (iv) audit, tax or fee collection/administration or business processes, methods or routines; (v) marketing plans, analyses and strategies; and (vi) materials, techniques and intellectual property used. Except as otherwise required by law, Client must hold in confidence and may not use (except as expressly authorized by this Agreement) or disclose to any other party any

proprietary information provided, learned of or obtained by Client in connection with this Agreement. The terms of this Section 6.2 do not apply to any information that is public information.

6.3 If access to any software which Consultant owns is provided to Client as part of this Agreement (including, without limitation, if Client chooses to subscribe to such software and reports option as part of the Services) (such Consultant-owned software is, collectively, the “Software”), Consultant hereby provides a limited, non-exclusive, non-transferable license to Client for the use by such of Client’s staff as may be designated from time to time by Client and approved by Consultant in writing to use the Software pursuant to and during the Term of this Agreement. The Software must only be used by such authorized Client staff, and Client must not sublicense, sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of the Software. The license granted hereunder does not imply ownership by Client or any of Client’s staff of the Software nor any rights of Client or any of Client’s staff to sublicense, transfer or sell the Software, or rights to use the Software for the benefit of others. Client may not create (or allow the creation of) any derivative work or product based on or derived from the Software or documentation, nor modify (or allow the modification of) the Software or documentation without the prior written consent of Consultant. In the event of a breach of this provision (and without limiting Consultant’s remedies), such modification, derivative work or product based on the Software or documentation is hereby deemed assigned to Consultant. Upon termination of this Agreement or this Software license, this Software license will be deemed to have expired and Client access to Software will be immediately removed. Client must immediately cease using and remove, delete and destroy all Software materials which may exist on Client’s computers and network. **Consultant warrants that the Software will perform in accordance with the Software’s documentation.**

6.4 All documents, preliminary drafts, communications and any and all other work product related to the Services and provided by Consultant to Client either in hard copy or electronically are the property of Client. This does not include any software, programs, methodologies or systems used in the creation of such work product, nor does it include any drafts, notes or internal communications prepared by Consultant in the course of performing the Services that were not otherwise provided to Client in either hardcopy or electronic form, all of which may be protected by Consultant or others’ copyrights or other intellectual property. It is possible that any documents, drafts, communications or other work product provided to Client may be considered public records under applicable law and/or may be discoverable through litigation. Consultant may publicly state that it performs the Services for Client.

6.5 Subject to applicable law, Consultant is responsible for retaining all final documents and other final work product related to the Services for a period of not less than three (3) years from the date provided to Client. Retention of any other documents, preliminary drafts, communications and any and all other work product provided to Client by Consultant is the responsibility of Client. Consultant has no responsibility to retain any drafts, notes, communications, emails or other writings created or received by Client in the course of performing the Services (other than the final documents and other final work product related to the Services and provided to Client for the term of years referenced above).

7. Term and Termination.

7.1 The initial term of this Agreement commences as of the Agreement Date and, unless terminated earlier pursuant to any of this Agreement's express provisions, will continue in effect for

3 years from such date (the “Initial Term”). This Agreement may renew with two one-year renewals subject to approval by the City of Beaumont’s City Council unless earlier terminated as set forth in Section 7.2 or 7.3.

7.2 This Agreement may be terminated by either party for cause upon not less than forty-five (45) days’ written notice given to and received by the other party, if the other party has materially breached this Agreement through no fault of the notifying party and fails to (i) commence correction of such material breach within thirty (30) days of receipt of the above-referenced written notice and (ii) diligently complete the correction thereafter.

7.3 In addition, either party may terminate this Agreement with or without cause, or for no cause, upon not less than forty five (45) days’ written notice to the other party.

7.4 On termination, Client will pay Consultant for all Fees and other compensation (including for Litigation Services) earned and/or incurred through the termination date and will thereafter timely pay Consultant for all other Fees and compensation to which Consultant may be entitled pursuant to this Agreement (including the Schedules hereto).

8. Indemnification.

8.1 Consultant and Client agree that Client, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys’ fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by Consultant or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to Client. Consultant acknowledges that Client would not enter into this Agreement in the absence of the commitment of Consultant to indemnify and protect Client as set forth herein.

a. To the fullest extent permitted by law, Consultant shall indemnify and hold harmless Client, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys’ fees incurred by Client, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. Consultant’s obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which Consultant (and/or Consultant’s agents and/or employees) is alleged to be an employee of Client. All obligations under this provision are to be paid by Consultant as they are incurred by Client. Consultant’s duty to indemnify and hold harmless Client shall not apply to claims for liability which arise from the issuance or non-issuance of any registration, license, permit, or exemption.

b. Without affecting the rights of Client under any provision of this Agreement or this Section, Consultant shall not be required to indemnify and hold harmless Client as set forth above for liability attributable solely to the fault of Client, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Liability Limitations; Governing Law; Dispute Resolution.

9.1 To the maximum extent permitted by law and notwithstanding anything to the contrary in this Agreement:

9.1.1 Except as may otherwise be expressly set forth in this Agreement, Consultant makes no warranty of any kind with respect to the Services or the Software, express or implied. Consultant hereby disclaims all other warranties, express or implied, including the implied warranties of merchantability, fitness for a particular purpose, title and non infringement. Consultant disclaims all warranties and responsibility for third party software.

9.1.2 Notwithstanding anything to the contrary, in no event will Consultant be (a) liable for claims, liabilities or damages (i) that could not reasonably have been foreseen upon entry into this Agreement; (ii) arising from any action or inaction by Consultant in response to specific direction from Client; (iii) in connection with any Client monies not collected by Consultant; nor (iv) in connection with the issuance, non-issuance or revocation of any registration, license, permit, or exemption.

9.1.3 Without limitation on any statute of limitations that expire in less than three years, no claim may be brought by Client against any one or more of Consultant Group arising out of this Agreement (including, without limitation, in connection with the Services or the Software) more than three years after the date upon which Client has actual knowledge of the first occurrence of the action or inaction giving rise to such claim (whether relating to the Services, the Software or otherwise).

9.1.4 Client acknowledges this Agreement is with Consultant in its capacity as a corporation or a limited liability company, and Client agrees that in no event will it seek to hold any of the Consultant Group (other than Consultant) responsible for any obligations under this Agreement.

9.2 The law of the State of California will govern the validity of this Agreement, its interpretation and performance, and any other claims related to it, without regard to the State's conflict of laws rules. Venue for any legal action arising out of this Agreement will be proper only in the State of California, Riverside County courts or the federal courts located within the State. The parties hereby submit to the exclusive jurisdiction of such courts and waive any other venue to which either party might be entitled by domicile or otherwise. Both parties waive the right to a jury trial in an action to enforce, interpret or construe this Agreement.

9.3 If either party is required to bring legal action to enforce its rights under this Agreement or as the result of a breach of this Agreement, the costs and expenses of the prevailing party, including reasonable attorneys' fees, will be paid by the non-prevailing party.

9.4 A breach of this Agreement by either party may cause the other party hereto irreparable harm, the amount of which may be difficult to ascertain, and therefore such other party will have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any further breach and for such other relief as such other party may deem appropriate. Such right is in addition to the remedies otherwise available to such other party at law or in equity. The parties hereto expressly waive the defense that a remedy in damages will be adequate and any requirement in an action for specific performance or injunction hereunder for the posting of a bond.

10. General Legal Provisions.

10.1 Authorization to Proceed. Each Schedule must be signed by both Client and Consultant before such Schedule will be binding on the parties hereto.

10.2 Force Majeure. Consultant is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents or other events beyond the control of Consultant.

10.3 Amendment; Waiver. Any provisions of this Agreement (including, without limitation, any Schedules or provisions within any Schedules) may be amended or terminated if in writing and signed by both Client and Consultant. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to be valid unless acknowledged by such party in writing, and such waiver will not extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

10.4 Severability and Survival. If any provision in this Agreement is held illegal, invalid or unenforceable, the enforceability of the remaining provisions will not be impaired thereby. Notwithstanding any other provisions of this Agreement (including, without limitation, Section 7), Sections 3, 5.5, 6, 7, 8, 9 and 10 will survive the termination of this Agreement.

10.5 No Third-Party Beneficiaries; Services Limited to Agreement. Except as set forth in Section 8, this Agreement gives no rights or benefits to anyone other than Client and Consultant and has no third-party beneficiaries. The Services to be performed for Client by Consultant are defined solely by this Agreement (including the Schedules), and not by any other contract or agreement that may be associated with performing the Services.

10.6 Assignment. This is a bilateral personal services agreement. Neither party will have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. This Agreement is binding on the successors and assigns of the parties hereto.

10.7 Notices. All notices under this Agreement must be in writing and will be deemed to have been given when such notice is received (i) from United States Postal Service First Class Certified Mail, Return Receipt Requested, (ii) by courier service, or (iii) by email; provided, however, that notices received on a weekend or holiday or on a business day after 4:00 p.m. local time will be deemed to have been received on the next business day. Notices will, unless another address is specified in writing, be sent to the addresses indicated below (each of which must include a street address and an email address): Consultant: Hinderliter de Llamas & Associates, Attn: HdL Contracts, Email: contracts@hdlcompanies.com and Client: City of Beaumont, Attn: Kari Mendoza, Email: KariM@beaumontca.gov.

10.8 Entire Agreement; Conflict. This Agreement (including any Schedules dated as of the Agreement Date or hereafter) constitutes the entire agreement between the parties and supersedes any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they have related in any way to the subject matter hereof. Should there ever be a conflict between the terms and conditions of the Schedule(s) and the remainder of this Agreement, the terms and conditions of the remainder of this Agreement will prevail and be controlling.

10.9 Counterparts; Electronic Signatures; Authority. This Agreement may be signed in any number of counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement. Any signed signature pages of this Agreement transmitted by email or other electronic means in a portable document format (PDF) or other clear and visible electronic format will have the same legal effect as an original. Each of the persons signing on behalf of a party hereto represents that he or she has the authority to sign this Agreement on such party's behalf.

10.10 No Adverse Construction. Both parties acknowledge having had the opportunity to participate in the drafting of this Agreement. This Agreement will not be construed against either party based upon authorship. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

[Signatures are on the next page]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement through their duly authorized representatives as of the Agreement Date.

CONSULTANT:

Hinderliter de Llamas & Associates

DocuSigned by:

Robert Gray

By: Robert Gray

Its: Vice President

CLIENT:

City of Beaumont

By:

Its:

[Exhibit A (Scope of Service) and Exhibit B (Compensation) are attached hereto]

EXHIBIT A

SCOPE OF SERVICES

LOCAL TAX SOFTWARE SOLUTION

1. **Software Hosting Services** – Consultant’s hosting services offload the majority of IT concerns to Consultant’s hosting team; including system upgrades, hardware and software maintenance, database management, and disaster recovery. Client will be responsible for maintaining its workstations and a reliable internet connection. Consultant will handle the rest. Website functionality will be hosted using a Client specific sub-domain on Consultant’s special purpose hdlgov.com domain.
 - 1.1. **Workstation Specifications** – Workstations will access the software through a remote application session with Consultant’s hosting service. All workstations require 4+GB Memory, 1280x1024 screen resolution, and MS Windows 10/11 operating system.
 - 1.2. **Network Specifications** – Consultant’s hosted service requires reliable, high speed internet connectivity. High-speed local area network connections are always helpful, but the service will also run without difficulty over slower WAN connections such as T1 or mobile broadband.
 - 1.3. **Printer Specifications** - The software is designed to work with laser printers. A PCL compliant laser printer is recommended. Each make and model of printer has different drivers and therefore has slightly different results when printing. We design forms/reports using HP LaserJet printers.
2. **Software Support**
 - 2.1. **Client Support** - Consultant will provide Client’s users no charge support by telephone, email and the web during the term of this Agreement. In the United States support is available as follows: For customer support between the hours of 8:00 am and 5:00 pm Pacific time, Monday through Friday, email support@hdlcompanies.com or call (909) 861-4335 and ask for software support. For urgent off hours support before 8:00 am or after 5:00 pm Pacific time, Monday through Friday (or anytime Saturday), email 911@hdlcompanies.com and Consultant’s on call support personnel will be notified. Please only include your name, agency and contact # in emails to 911@hdlcompanies.com. You will be contacted as soon as possible.
 - 2.2. **Response Time** – In the event that Client encounters an error and/or malfunction whereby the software does not conform to expected behavior in accordance with the software design, Consultant will assign one of the following severity levels and render support services in a timely manner consistent with the urgency of the situation.
 - 2.2.1. **Severity Level 1** – a critical problem has been encountered such that the software is essentially inoperable and without a reasonable workaround. Consultant will respond within one (1) business hour to diagnose the problem. A response is defined as an email or call to the Client’s designated support contact. Consultant and Client will work diligently and continuously to correct the problem as quickly as possible.
 - 2.2.2. **Severity Level 2** – a problem has been encountered that does not prevent use of the software, but the software is not operating correctly. Consultant will diagnose the problem within 48 hours and advise Client of any available work-around. Upon Consultant’s confirmation that the software is not operating correctly, Consultant will provide a software update to repair the defect and confirm with Client that the update resolved the issue.
 - 2.2.3. **Severity Level 3** – a minor problem has been encountered. The software is usable but could be improved by correction of a minor defect or addition of a usability enhancement. Consultant will assess the request within fifteen (15) business days and, depending on priorities, schedule a software update for a future release, advise Client that the request will not be implemented, or offer the option of implementing the request as a custom software enhancement at additional cost.

- 2.3. **Support Policy Regarding Reports** - Consultant will assist with modifications to reports as needed during the term of this agreement. Typical report modifications require 7 to 10 business days to complete. Very complex reports or reports required in a very short time frame may incur development costs, in which case an estimate will be provided for approval before the work is begun.
- 2.4. **Software Upgrades** - Except to the extent that upgrades of the software include new modules or features not previously offered as part of the software as of the date hereof, Client is entitled to upgrades of the software within the terms of this Agreement. Additional costs may apply depending on the extent of the upgrade. Potential additional costs include training, consulting, configuration, or other requested services.
- 2.5. **Out of Scope Support** – Client agrees to pay additional hourly fees according to Consultant’s then current hourly rates if the Client desires Consultant’s assistance for matters which are not caused by any defects in Consultant’s software.
3. **Online Payment Processing**
- 3.1. **Standard Payment Processing Solution** – Consultant’s software includes PCI compliant payment processing services, supporting both credit card and eCheck transactions. Consultant guarantees continued support of the Standard Payment Processing Solution across all releases of Consultant’s software and the Standard Payment Processing Solution, at no cost to Client.
- 3.1.1. **Payment Processing** - Consultant shall provide its Services to support payments remitted to Client. Consultant shall transmit transactions for authorization and settlement through Consultant’s certified payment processor. Funds for transactions processed by Consultant hereunder shall be submitted to Client’s designated bank account as follows: (i) no more than two (2) business banking days after all Transactions (other than electronic Check Transactions) that are successfully processed prior to 5:00 p.m. ET on each business banking day (e.g., a Transaction authorized at 2:00 p.m. ET on Monday will be submitted on Wednesday; a Transaction successfully processed at 8:00 p.m. ET on Monday will be submitted on Thursday); and (ii) no more than five (5) business banking days for all electronic Check Transactions that are successfully processed prior to 5:00 p.m. ET on each business banking day. Consultant makes no representation or warranty as to when funds will be made available by Client’s bank.
- 3.1.2. **Support** - Consultant shall provide Client with payment processing related customer service as needed. Client shall timely report any problems encountered with the service. Consultant shall promptly respond to each report problem based on its severity, the impact on Client’s operations and the effect on the service. Consultant shall either resolve the problem or provide Client with the information needed to enable the Client to resolve it.
- 3.1.3. **Transaction Errors** - Consultant’s sole responsibility for any Transaction error or reversed Transaction is to determine whether the result indicates a problem with Consultant’s service and, if necessary, reprocess and resubmit the Transaction without additional charge. In the event that a Transaction is reversed or refunded to any Customer of Client, for any reason, Consultant may offset such amount against funds remitted to Client, or invoice Client for such amount, at Consultant’s discretion. Client shall pay any such invoice within 30 days of receipt.
- 3.1.4. **Electronic Check Authorization** - If Client elects to accept electronic Checks as a form of payment, the following subsections apply. For the purpose of this section, “checks” means checks drawn on accounts held in the U.S. (“Check(s)”).
- 3.1.4.1. As part of the implementation plan, Client shall select risk management controls governing Check acceptance and assumes sole responsibility for the choice of controls.
- 3.1.4.2. Consultant shall provide confirmation on a submitted ABA number as part of the Service to assist Client with the decision whether to accept a Check and shall route accepted Checks.
- 3.1.4.3. Client hereby authorizes Consultant to debit the Client’s financial institution account in the amount of any returned item that is received by Consultant.
- 3.1.5. **Client Responsibilities**

- 3.1.5.1. As a condition to its receipt of Consultant's Standard Payment Processing Solution, Client shall execute and deliver a payments services/merchant application with Consultant's Standard Payment Processing Solution vendor to establish Client's merchant account for payments processing, and any and all applications, agreements, certifications or other documents required by Networks or other third parties whose consent or approval is necessary for the processing of Transactions. This includes "Network" is an entity or association that operates, under a common service mark, a system which permits participants to authorize, route, and settle Transactions among themselves, including, for example, networks operated by VISA USA and Mastercard, Inc., NYCE Corporation, American Express, and Discover.
 - 3.1.5.2. Client represents, warrants, and agrees that it does and will comply with applicable Laws and regulations and Network rules, regulations or operating guidelines. Client shall notify Consultant in writing as soon as possible in the event a claim is either threatened or filed against Client by any governmental organization having jurisdiction over Client or a Customer related to the Service. Client shall also notify Consultant in writing as soon as possible in the event a claim is either threatened or filed against Client relating to Transactions or the Services or a fine or other penalty is assessed or threatened relating to Transactions or the Services.
 - 3.1.5.3. Client represents, warrants and agrees that it is and will continue to be in full compliance with all applicable requirements of the Client Information Security Program of VISA, the Site Data Protection Program of MasterCard, and similar programs of other Networks, and any modifications to such programs that may occur from time to time. Upon the request of Consultant, Client shall provide Consultant with documentation reasonably satisfactory to Consultant verifying compliance with this Section.
 - 3.1.5.4. Client hereby grants Consultant the full right, power and authority to request, receive and review any Data or records reflected in a Transaction report. Client represents and warrants that it has the full right and authority to grant these rights.
- 3.2. **Custom Payment Processing Solution** - Should Client require a different payment processing solution than Consultant's designated standard solution, Client will pay an initial custom development fee to establish the integration as well as an increase to the annual use fee to maintain the integration across regular maintenance releases of Consultant's software and Client's custom payment processing solution. The annual use fee does not include significant redevelopment of the integration as may be required for major updates to Consultant's software or Client's custom payment processing solution. Before commencing any work Consultant will provide a statement of work (SOW) defining the scope of work to be performed, timeline for development, and all associated costs.

BUSSINES LICENSE DISCOVERY/COMPLIANCE SERVICES

Consultant will provide the following Services relative to Client's business license compliance:

1. **Compliance Services:** 1) Identify and register businesses which are subject to licensure or taxation, 2) collect known debt as pertains to business license or tax, and 3) identify under-reported tax liability.
 - 1.1. **Discovery Services**
 - 1.1.1. Develop a list of businesses subject to Client licensure or taxation.
 - 1.1.2. Notify non-compliant businesses of their options to comply or dispute their non-compliant status. Notification and support to businesses will be facilitated through the website, mail, email, phone and fax.

1.1.3. Review information and forms submitted by the business for completion and accuracy, inclusive of any additional required documentation (i.e. home occupation permit). All submissions are filed and stored electronically and made available to Client upon request.

1.1.4. Provide businesses with detailed invoicing and options to pay via website, mail, and phone.

1.1.5. Remit revenue to Client no less than monthly, along with all business applications and any additional documentation.

1.2. Collection Services

1.2.1. Identify businesses subject to Client licensure or taxation which have known debt to Client and have failed to pay within an appropriate time frame.

1.2.2. Notify businesses of their options to comply or dispute their non-compliant status.

1.2.3. Provide businesses with detailed invoicing and options to pay via website, mail and phone.

1.2.4. Remit revenue to Client no less than monthly.

1.3. Audit Services

1.3.1. Identify potential under-reporting and/or misclassified businesses.

1.3.2. Audit businesses mutually agreed to by Client and Consultant that are identified as potential under-reporting businesses.

1.3.3. Submit audit summaries to Client and discuss further actions.

1.3.4. Educate businesses on proper reporting practices.

1.3.5. Invoice and collect identified deficiencies.

EXHIBIT B

FEES

BUSSINES LICENSE SOFTWARE

1. **Pricing Adjustments** – All pricing listed in this Schedule will be honored during the first twelve months of software services. Any additional/optional services needed after this period will be provided using Consultant’s current pricing schedule at the time the service is requested.
2. **Software Services**
 - 2.1. **Recurring Costs**

<i>Item</i>	<i>Price</i>	<i>Comments</i>
<i>Software Use Fee</i>	\$ <u>\$9,500.00</u>	Billed Annually. Includes 4 licensed users.

- 2.1.1. **Software Use Fee** – Software Use Fee is billed annually, and provides for use of the software by the specified number of licensed users, software hosting services, customer support, and updates to the software. Additional user licenses are available as follows:
 - \$2,000.00 software use fee per license up to 10 total licenses
 - \$1,800.00 software use fee per license from 11 to 20 total licenses
 - \$1,600.00 software use fee per license above 20 total licenses
 - 2.1.2. **CPI** – Recurring costs will be increased as of January 1st of each calendar year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the “CPI Change”). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.
3. **Payment Processing** – Consultant’s Standard Payment Processing Solution will configure payment processing services to utilize either a taxpayer funded model (service/convenience fee) or Agency funded model, as directed by Client. Client may switch between these models upon written request to Consultant. Fees for each of these payment processing models are detailed here.
 - 3.1. Taxpayer funded model – Client authorizes Consultant to collect each convenience fee from the taxpayer at time of payment.
 - 3.1.1. Credit and debit card processing – 2.9% of transaction amount, minimum of \$2.00
 - 3.1.2. ACH/eCheck processing - \$2.50 per transaction
 - 3.1.3. ACH/eCheck returns - \$0.00 per return
 - 3.1.4. Chargebacks - \$0.00 per chargeback
 - 3.1.5. Payment Account Hosting and Maintenance - \$35.00 per month
 - 3.2. Agency funded interchange passthrough model
 - 3.2.1. Credit and debit card processing – 2.9% of transaction amount, + \$0.30 per transaction

- 3.2.2. ACH/eCheck processing - \$0.75 per transaction
- 3.2.3. ACH/eCheck returns - \$10.00 per return
- 3.2.4. Chargebacks - \$25.00 per chargeback
- 3.2.5. Payment Account Hosting and Maintenance - \$35.00 per month
- 3.3. Consultant reserves the right to review and adjust pricing related to payment processing services on an annual basis. Consultant will communicate any such adjustment to Client in writing, with 60 days advance notice. Items that will be considered in the review of fees may include, but are not limited to: regulatory changes, card association rate adjustments, card association category changes, bank/processor dues and assessments, average consumer payment amounts, card type utilization, and costs of service.
- 3.4. Fees do not include expenses, late fees or charges, or taxes, all of which shall be the responsibility of Client. In addition to the charges specified, Client shall be responsible for (a) all interchange and network provider fees, (b) all dues, fees, fines and assessments established and owed by Client to Visa and/or Mastercard, (c) for all costs and fees associated with changes to ATM protocol caused by Client's conversion to the Services, and (d) any increase in postage charges, provided that any increase in charges resulting from (a) through (d) shall not exceed the actual increase incurred by Consultant.
- 4. **Payment Schedule**
 - 4.1. Any travel and lodging expenses are billed at cost as they are incurred. Such expenses shall be due within 30 days of the billing date.
 - 4.2. Recurring software service fees will be invoiced upon first production use of the software, and each year thereafter on the anniversary of the effective date of the Agreement, and shall be due within 30 days of the invoice date.
 - 4.3. Payment processing service fees are invoiced monthly for the prior month's activity, and shall be due within 30 days of the invoice date.
- 5. **Custom Services** – Consultant's current hourly rates are as follows:
 - 5.1. Principal - \$325 / hr
 - 5.2. Programmer - \$295 / hr
 - 5.3. Senior Analyst - \$245 / hr
 - 5.4. Analyst - \$195 / hr

BUSSINES LICENSE DISCOVERY/COMPLIANCE SERVICES

- 2. **Compliance Services**
 - 2.1. Fees for performing compliance Services apply to all monies received for the current tax/license period and any other prior period collected (including monies received for taxes, penalties, interest, and fees).
 - 2.1.1. Fees for performing discovery Services shall be a contingency Fee of 40% of the revenues received as a result of the Services.
 - 2.1.2. In the event that Client discovers a non-compliant business and reports the business to Consultant (including a calculation of all taxes/fees due), Consultant will categorize the business as a collection service effort and thus apply the lower collection Services contingency Fee rate.
 - 2.1.3. Fees for performing collection Services shall be a contingency Fee of 25% of the revenues received as a result of the Services.

- 2.1.4. Fees for performing audit Services shall be a contingency Fee of 40% of the revenues received as a result of the Services.
- 2.2. Consultant recognizes Client's authority to waive or reduce the tax/fee debt of a business. Should Client decide to do so for a business whose deficiency was identified by Consultant, Consultant shall be entitled to compensation in the amount of one half (1/2) of the Fees Consultant would have otherwise earned. Deficiencies which are uncollectable due to insolvency or dissolution of the business, or for deficiencies which are otherwise incapable of collection (i.e. statute of limitation or other legal defense) shall not be considered a Client voluntary election to waive, and thus, Consultant would not be entitled to compensation related thereto under this provision.
- 2.3. The fee shall be paid notwithstanding any related Client assistance, work in parallel, and/or incurrence of attorneys' fees or other costs or expenses in connection, with the relevant Services.
- 2.4. Fees related to travel and lodging expenses are billed at cost and applied to all meetings (including implementation, training, operations, and support). Travel expenses only apply to out of scope travel and must therefore be pre-approved by Client.
- 2.5. Fees will be invoiced monthly to Client for Services performed during the prior month. Fees will be netted out of Client's monthly revenue disbursement. Client will submit payment for any balance due to Consultant within 30 days of receiving the invoice.

EXHIBIT "C"
INSURANCE CERTIFICATES