

**FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF
HAWTHORNE AND KOSMONT & ASSOCIATES, INC. (dba KOSMONT
COMPANIES)**

This FIRST AMENDMENT TO THE AGREEMENT, for professional services (“First Amendment”) is made and entered into this 28th day of April, 2026, by and between the City of Hawthorne, a California municipal corporation and general law city (“CITY”) and Kosmont & Associates, Inc. (dba Kosmont Companies), a California Corporation (“CONSULTANT”).

RECITALS

A. Reference is hereby made to the Contract dated March 3, 2025, (“Agreement”) whereby Consultant agreed to provide the City with services listed in Exhibit “A” of the Agreement entitles “Scope of Services”.

B. The Agreement provided for Consultant’s services as stated in Exhibit “A” for a fee not to exceed \$35,000.

C. Since the approval of the Agreement, the City wishes the Consultant to provide professional consulting services as described in two separate proposed attached hereto as Exhibits “B” and “C”.

D. This First Amendment amends Section 3(a) of the Agreement pertaining to “Compensation” to increase the maximum fee for the contract by \$157,000.00 to a total of \$192,000.00

E. Except as otherwise specifically amended herein in the First Amendment, all other terms and conditions contained in the original Agreement shall remain in full force and effect.

F. A copy of the Agreement is attached hereto and incorporated as Exhibit “A”.

NOW, THEREFORE, in consideration of the foregoing Recitals, the agreement of the parties as set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Subsection (a) of Section 3 “COMPENSATION, METHOD OF PAYMENT, AND ADDITIONAL SERVICES” in the Agreement and amended in the First Amendment is hereby deleted and replaced by new subsection (a) of Section 3 which shall read as follows:

3. COMPENSATION, METHOD OF PAYMENT, AND ADDITIONAL SERVICES

(a) CITY shall pay CONSULTANT no more than (\$192,00.00).

IN WITNESS WHEREOF, this Professional Services Agreement has been executed by their duly authorized representatives.

CITY OF HAWTHORNE

KOSMONT COMPANIES

By: _____
Vontray Norris
City Manager

By: 

Ken K Hira
President

APPROVED AS TO FORM:

ATTEST:

By: _____
David Caceres
City Attorney

By: _____
Dayna Williams-Hunter
City Clerk

EXHIBIT A
Professional Services Agreement of March 3, 2025

**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF
HAWTHORNE AND KOSMONT & ASSOCIATES, INC. (dba KOSMONT
COMPANIES)**

This PROFESSIONAL SERVICES AGREEMENT (“AGREEMENT”) is made and entered into this ___ day of _____, 2024, by and between the City of Hawthorne, a California municipal corporation and general law city (“CITY”) and Kosmont & Associates, Inc. (dba Kosmont Companies), a California Corporation (“CONSULTANT”). This agreement is made with reference to the following:

RECITALS

A. CITY requested a proposal for assistance in evaluating commercial market demands and identifying ways to address tenant vacancies in key commercial corridors in the city, as well as economic development incentives to promote business attraction/retention, redevelopment, and sustainable growth.

B. CONSULTANT submitted a proposal for the performance of such services, a true and correct copy of which is attached hereto as Exhibit "A" and by this reference made a part hereof.

C. CITY desires for CONSULTANT to provide professional services as described in Exhibit “A”.

D. CONSULTANT represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent and professional manner. CONSULTANT shall at all times faithfully, competently, and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of CONSULTANT under this AGREEMENT.

NOW, THEREFORE, in consideration of the foregoing Recitals, the agreement of the parties as set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

The following definitions shall apply to the following terms, except where the context of this AGREEMENT otherwise requires:

(a) Project: Development of strategies and policies related to economic development of the CITY.

(b) Services: CONSULTANT shall provide professional services for the project as described in Exhibit "A" attached herein

(c) Duration: Said AGREEMENT shall be effective from the date of execution of this AGREEMENT until acceptance and approval of all final documents and studies.

(d) Completion of Project: CONSULTANT shall complete all tasks as noted in Exhibit "A" for a period as noted in the agreement, not to exceed 12 months.

(e) Consultant: Kosmont Companies 2301 Rosecrans Ave., Ste 4140; El Segundo, CA 90245

(f) City: 4455 w 126th St., Hawthorne, CA 90250

2. SCOPE OF SERVICES

(a) CONSULTANT shall forthwith undertake and complete the project in accordance with Exhibit "A" hereto and all in accordance with Federal, State and City statues, regulations, ordinances and guidelines, all to the reasonable satisfaction of CITY.

(b) CONSULTANT shall, at CONSULTANT'S sole cost and expense, secure and hire such other persons as may, in the opinion of CONSULTANT, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by CONSULTANT, CONSULTANT hereby warrants that such persons shall be fully qualified to perform services required hereunder. CONSULTANT further agrees that no subcontractor shall be retained by CONSULTANT except upon the prior written approval of CITY.

3. COMPENSATION, METHOD OF PAYMENT, AND ADDITIONAL SERVICES

(a) CITY shall pay CONSULTANT no more than the total project cost (\$35,00.00) as set forth in the proposal, Exhibit "A."

(b) Payments to CONSULTANT shall be made by CITY in accordance with the invoices submitted by CONSULTANT, and such invoices shall be paid within thirty (30) days after said invoices are received by CITY. Each invoice shall detail work performed and charges. All charges shall be in accordance with CONSULTANT's proposal with respect to hourly rates and project costs as set forth in Exhibit "A".

(c) Payment to CONSULTANT for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by CONSULTANT.

4. CITY ASSISTANCE AND AVAILABILITY OF CITY RECORDS

(a) The CITY shall provide the following assistance to CONSULTANT as needed so CONSULTANT can perform the services described above:

(i.) Information and assistance as set forth in Exhibit "A".

(ii.) Photographically reproducible copies of forms, documents, codes and other information, if available, which CONSULTANT considers necessary in order to complete the project.

(iii.) Such information as is generally available from CITY files applicable to the project.

(iv.) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONSULTANT's responsibility to make all initial contact with respect to the gathering of such information.

5. CONSULTANT'S BOOK OF RECORDS

(a) CONSULTANT shall maintain any and all documents and records demonstrating or relating to CONSULTANT's performance of services pursuant to this AGREEMENT. CONSULTANT shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by CONSULTANT pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for four (4) years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying at any time during regular business hours, upon written request by the CITY or CITY's designated representative. Copies of such documents or records shall be provided directly to the requesting party for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon. Such documents and records shall be made available at CONSULTANT's address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY or CONSULTANT has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of CONSULTANT's business, the CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to all parties to this AGREEMENT, as well as to their successors-in-interest and authorized representatives.

6. TERMINATION OF AGREEMENT

This AGREEMENT may be terminated without cause by CITY upon the giving of a written "Notice of Termination" to CONSULTANT upon thirty (30) days prior written notice or

the CONSULTANT may terminate this contract upon thirty (30) days prior written notice. In the event this Agreement is so terminated, CONSULTANT shall be compensated at CONSULTANT's applicable hourly rates as set forth in Exhibit "A", on a pro-rata basis with respect to the percentage of the project completed as of the date of termination. In no event, however, shall CONSULTANT receive more than the maximum specified in paragraph 3(a), above. CONSULTANT shall provide to CITY any and all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or final form, prepared by CONSULTANT as of the date of termination. CONSULTANT may not terminate this Agreement except for cause.

7. NOTICES AND DESIGNATED REPRESENTATIVES

(a) Any and all notices, demands, invoices and written communications between the parties hereto shall be addressed as set forth in this paragraph. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this AGREEMENT:

To CITY
4455 West 126th Street,
Hawthorne, CA 90250
Attn: Director of Planning

To CONSULTANT
Kosmont Companies
1601 N. Sepulveda Blvd., #382
Manhattan Beach, CA 90266
Attn: Ken K Hira

(b) Any such notices, demands, invoices and written communications, by mail, shall be deemed to have been received by the addressee forty-eight (48) hours after deposit thereof in the United States mail, postage prepaid and properly addressed as set forth above.

8. CONTINUITY OF PERSONNEL

CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT's staff assigned to perform the services required under this AGREEMENT, CONSULTANT shall notify CITY of any changes in CONSULTANT's staff assigned to perform the services required under this AGREEMENT, prior to any such performance. CITY shall not be responsible for time and costs associated with CONSULTANT's turnover or reassignment of staff.

9. STATUS OF CONSULTANT

(a) The parties hereto agree that CONSULTANT and its employers, officers and agents are independent contractors under this Agreement and shall not be construed for any purpose to be employees of CITY.

CONSULTANT shall have no authority to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against CITY, whether by contract or

otherwise. Unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that CONSULTANT or any of CONSULTANT's officers, employees or agents are in any manner officials, officers, employees or agents of CITY.

(c) The CONSULTANT or any of CONSULTANT's officers, employees or agents, shall not obtain any rights to retirement, health care or any other benefits that may otherwise accrue to CITY employees. CONSULTANT expressly waives any claim CONSULTANT may have to any such rights.

10. LEGAL RESPONSIBILITIES

The CONSULTANT shall keep itself informed of applicable State and Federal laws and regulations, which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this AGREEMENT. The CONSULTANT shall at all times observe and comply with all such laws and regulations pursuant to sound professional practices including, but not limited to, possessing and maintaining all necessary licensing. CITY, and its officers and employees, shall not be liable at law or in equity occasioned by negligent failure of the CONSULTANT to comply with this Section.

11. NON-DISCRIMINATION

CONSULTANT shall not discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), sexual orientation, marital status, and denial of family care leave. CONSULTANT shall ensure that the evaluation and treatment of their employees and applicants for employment are free from discrimination and harassment. CONSULTANT shall comply with the provisions of the California Fair Employment and Housing Act (Government Code, Section 12900 et seq.), and the regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285 et seq.). If applicable, CONSULTANT shall give written notice of their obligation under this clause to labor organizations with which they have a collective bargaining AGREEMENT or other AGREEMENT.

12. INDEMNIFICATION

To the fullest extent provided by law, CONSULTANT shall indemnify, hold harmless, and defend CITY, its officers, employees, elected and appointed officials, and volunteers from and against any and all claims and losses, costs or expenses for any damage resulting in death or injury to any person and/or injury or damage to any property resulting from any negligent act or omission

of CONSULTANT or any of its officers, employees, agents, or subcontractors in the performance of this AGREEMENT. Such cost and expense shall include reasonable attorney fees.

13. CONFLICT OF INTEREST

(a) No CITY employee whose position with CITY enables such employee to influence the award of this AGREEMENT or any competing AGREEMENT, and no spouse or economic dependent of such employee, shall be employed in any capacity by the CONSULTANT or have any other direct or indirect financial interest in this AGREEMENT. No officer or employee of this CONSULTANT who may financially benefit from the performance of work hereunder shall in any way participate in the CITY's approval, or ongoing evaluation of such work, or in any way attempt to unlawfully influence CITY's approval or ongoing evaluation of such work.

(b) The CONSULTANT shall comply with all conflict-of-interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this AGREEMENT. The CONSULTANT warrants that it is not now aware of any facts that create a conflict of interest. If the CONSULTANT hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the CITY. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this section shall be a material breach of this contract.

14. CONFIDENTIAL INFORMATION

All information gained or work product produced by CONSULTANT in performance of this AGREEMENT shall be considered confidential, unless information is in the public domain or already known to CONSULTANT. CONSULTANT shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the CITY, except as may be required by law.

15. INSURANCE

CONSULTANT shall obtain and maintain at its expense, until completion of performance and acceptance by the CITY, the following insurance placed with an insurer admitted to write insurance in California or a nonadmitted insurer on California's List of eligible Surplus Lines Insurers (LESLI) and having a rating of or equivalent to A: VIII by A.M. Best Company.

(a) Commercial General Liability (equivalent in coverage scope to Insurance Services office, Inc. (ISO) form CG 00 01 11 85 or 11 88) an amount not less than \$2,000,000 per occurrence and \$4,000,000 general aggregate. Such insurance shall include products and completed operations liability, broad from contractual liability, and cross liability protection. The "City of Hawthorne, its officials, employees, and agents" must be separately endorsed to the policy as additional insureds on an endorsement equivalent to the ISO forms CG20 10 11 85 of CG 20 26 1185.

(b) Automobile Liability (equivalent in coverage scope to ISO form CA 00 01 06 92) in an amount not less than \$1,000,000 combined single limit per accident for bodily injury and property damage covering Hired and Non-Owned.

(c) Workers' Compensation as required by the California Labor Code and Employer's Liability in an amount not less than \$1,000,000 per accident.

16. AUTHORITY TO EXECUTE

The person or persons executing this AGREEMENT on behalf of CONSULTANT represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind CONSULTANT to the performance of its obligations hereunder.

17. MODIFICATION OF AGREEMENT

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the CONSULTANT and by the CITY. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

18. WAIVER

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by CONSULTANT shall not constitute a waiver of any of the provisions of this AGREEMENT.

19. LAW TO GOVERN; VENUE

This AGREEMENT shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles.

20. ATTORNEY'S FEES, COSTS, AND EXPENSES

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

21. ENTIRE AGREEMENT

This AGREEMENT, including the attached Exhibit "A", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all

other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party that are not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

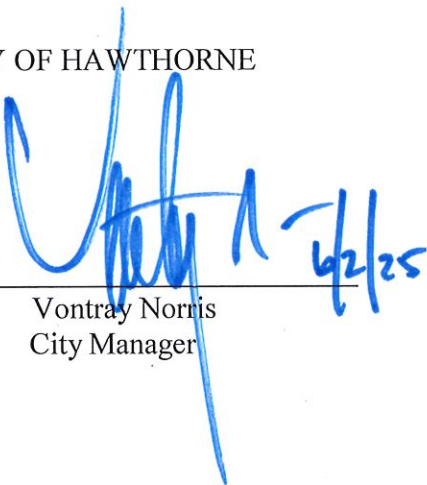
22. SEVERABILITY

If a term, condition or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby, and the AGREEMENT shall be read and construed without the invalid, void or unenforceable provision(s).


IN WITNESS WHEREOF, this Professional Services Agreement has been executed by their duly authorized representatives.

CITY OF HAWTHORNE

KOSMONT COMPANIES

By:  6/2/25

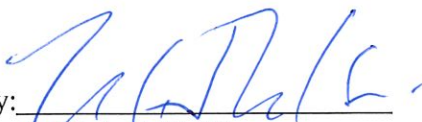
Vontray Norris
City Manager

By: 

[Name] Ken K Hira
[Title] President

APPROVED AS TO FORM:

ATTEST:

By: 

Robert M. Kim
City Attorney

By: 

Dayna Williams-Hunter
City Clerk

EXHIBIT A
Proposal for Economic Development Advisory Services



March 3, 2025

Mr. Vontray (Von) Norris
City Manager
City of Hawthorne
4455 W. 126th Street
Hawthorne, CA 90250

Re: Proposal for Economic Development Advisory Services

Dear Mr. Norris:

Kosmont & Associates, Inc. doing business as Kosmont Companies ("Consultant" or "Kosmont") is pleased to present this proposal to the City of Hawthorne ("Client" or "City") for economic development advisory services.

This proposal serves as an Agreement when executed and returned by Client to Kosmont.

I. BACKGROUND AND OBJECTIVE

The City is seeking Kosmont's expertise with evaluating commercial market demand and identifying ways to address tenant vacancies in key commercial corridors in the City, as well as economic development incentives to promote business attraction/retention, redevelopment, and sustainable growth. Kosmont proposes to assist the City in analyzing these opportunities, offering strategic approaches, and identify actionable solutions to ensure the City can position itself with desirable use(s) and projects for public benefit(s).

II. SCOPE OF SERVICES

Approach to Scope of Services: The prospective assignment and consulting services that Kosmont will provide will be of a relatively limited scope and duration, and advisory in nature. Kosmont will be making recommendations only, which advise the Client and jurisdictions, including their elected officials, appointed officials, and staff, which they can accept or reject. None of Kosmont's staff will act as an elected official, appointed official, or as staff, nor as serving in a "designated" position.



Task 1: Kickoff Meeting and Existing Conditions

Kosmont will participate in a virtual kick-off meeting with City to establish objectives and obtain information on existing challenges with commercial properties in the City and explore potential site opportunities for future redevelopment. Kosmont will also work with the City to determine appropriate economic development initiatives/incentives that could support the City's goals for revitalization and growth of commercial corridors. Kosmont will tour the trade area and relevant sites in the City pertinent to this scope of work.

Task 2: Analysis and Strategies

- High-level real estate market demand assessments of retail, hotel, residential or other commercial uses, as appropriate;
- Demographic analysis illustrating social and economic characteristics including but not limited to population, household incomes, race/ethnicity, housing preferences, educational attainment, resident/employee concentrations, and tourist population;
- Potential tenanting strategies for vacant properties and opportunity sites based on market and demographic research;
- Assess the development/redevelopment potential of up to three (3) opportunity sites within the City;
- Evaluation of economic development tools and/or incentive programs to be considered (e.g., value capture zoning strategies, hotel incentive programs, special purpose financing districts, site-specific tax revenue pledges, as well as state and federal grants);
- Tenant and business attraction strategies for existing vacancies; and
- Other economic development advisory services, as needed.

Task 3: Initial Implementation

- Kosmont can prepare a high-level illustrative pro forma to demonstrate the supportable investment value for a potential redevelopment project(s); and
- Kosmont can perform recruitment and targeted business/developer attraction activities including attendance at ICSC conferences (i.e., preparation of marketing flyers, meeting coordination).

Task 4: Council Presentation

In collaboration with City staff, Kosmont can present findings and progress from Tasks 1 through Task 3 to City Council to gain feedback and further direction.

III. SCHEDULE AND REQUIRED DATA

Kosmont is prepared to commence work upon receipt of executed Agreement. Client will provide Consultant with relevant and available sales tax data, market data, and/or other relevant data deemed appropriate by Kosmont.

IV. COMPENSATION



Total budget for Task 1 through Task 4 is estimated at \$35,000 for professional services (hourly) fees at Consultant's billing rates as shown on Attachment A.

Any future increases in budget will require approval by Client in advance. Budget may be increased by Client at any time. Consultant anticipates one (1) consolidated round of Client comments and revisions on draft work product before Kosmont provides a final version of work product. If necessary, additional rounds of comments and revisions can be accommodated on an hourly fee basis.

Consultant's attendance or participation at any **publicly noticed** meeting other than as provided for in Task 1, whether such participation is in person, digital, video and/or telephonic (*e.g., City Council, Planning Commission, Public Agency Board, other*), as requested by Client is in addition to compensation for Task 1 through Task 4 and will be billed on a T&M basis at the professional services (hourly) fees as shown on Attachment A.

Services will be invoiced monthly at Consultant's standard billing rates, as shown on Attachment A. In addition to professional services (hourly) fees, invoices will include reimbursement for out-of-pocket expenses such as travel and mileage (provided that there shall be no overnight travel without the Client's prior approval and that mileage shall be reimbursed at the current IRS mileage reimbursement rate), professional printing, conference calls, and delivery charges for messenger and overnight packages at actual cost. Unless otherwise agreed to in advance, out-of-area travel, if any, requires advance funding of flights and hotel accommodation.

Consultant will also include in each invoice an administrative services fee to cover in-house copy, fax, telephone, and postage costs equal to four percent (4.0%) of Consultant's monthly professional service fees incurred. Any unpaid invoices after 30 days shall accrue interest at the rate of 10% per annum.

For the convenience of Kosmont's clients, we offer a secure credit card payment service. The credit card payment link is: <https://kosmont.paidyet.com> and there are two ways to make a secure credit card payment:

1. Fill in the "**Make a Payment**" form when you go to the link (<https://kosmont.paidyet.com>), or
2. Call Kosmont Companies' accounting desk at (424) 297-1072) to make a credit card payment.

Consultant is prepared to commence work upon receipt of executed Agreement.

DISCLOSURE: Compensation for possible transaction-based services

The following is being provided solely as an advance disclosure of possible real estate brokerage and finance services and potential compensation for such services. This disclosure is not intended to commit the Client.

When assignments involve real estate/property brokerage services, such transaction-based services are typically provided by Kosmont Real Estate Services, Inc. dba Kosmont Realty ("KR") is licensed by the State of California Department of Real Estate (License# 02058445).



Compensation to KR is typically paid through commissions for property sale transactions, lease transactions and success/broker fees. KR also provides Broker Opinions of Value ("BOV") services on a fixed fee basis.

When assignments involve public finance services on behalf of a public agency, such municipal advisory services are provided by Kosmont Financial Services (KFS). KFS is an independent Registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

SEC registration does not constitute an endorsement of the firm by the Commission or state securities regulators.

V. OTHER PROVISIONS

A. Termination. Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party. Payment for fees accrued through the date of termination shall be remitted in full.

B. Arbitration. Any controversy or claim arising out of or in relation to this Agreement, or the making, performance, interpretation or breach thereof, shall be settled by arbitration at JAMS in Los Angeles, California. Each of the parties to such arbitration proceeding, shall be entitled to take up to five depositions with document requests. The provisions of Section 1283.05 (except subdivision (e) thereof) of the California Code of Civil Procedure are incorporated by reference herein, except to the extent they conflict with this Agreement, in which case this Agreement is controlling. If the matter is heard by only one arbitrator, such arbitrator shall be a member of the State Bar of California or a retired judge. If the matter is heard by an arbitration panel, at least one member of such panel shall be a member of the State Bar of California or a retired judge. The arbitrator or arbitrators shall decide all questions of law, and all mixed questions of law and fact, in accordance with the substantive law of the State of California to the end that all rights and defenses which either party may have asserted in a court of competent jurisdiction shall be fully available to such party in the arbitration proceeding contemplated hereby. The arbitrator and arbitrators shall set forth and deliver their findings of fact and conclusions of law with the delivery of the arbitration award. Judgment upon the award rendered shall be final and non-appealable and may be entered in any court having jurisdiction.

C. Attorneys' Fees. In the event of any legal action, arbitration, or proceeding arising out of an alleged breach of this Agreement, the party prevailing in such legal action, arbitration, or proceeding shall be entitled to recover reasonable attorneys' fees, expenses and costs, as well as all actual attorneys' fees, expenses and cost incurred in enforcing any judgment entered.

D. Authority. Each of the parties executing this Agreement warrants that persons duly authorized to bind each such party to its terms execute this Agreement.

E. Further Actions. The parties agree to execute such additional documents and take such further actions as may be necessary to carry out the provisions and intent of this Agreement.

F. Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party.



G. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

H. Entire Agreement; Amendments and Waivers. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and any and all prior discussions, negotiations, commitments and understanding, whether written or oral, related hereto, are superseded hereby. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver of such provisions unless otherwise expressly provided. Each party to this Agreement has participated in its drafting and, therefore, ambiguities in this Agreement will not be construed against any party to this Agreement.

I. Severability. If any term or provision of this Agreement shall be deemed invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and in force to the fullest extent permitted by law.

J. Notices. All notices, requests, demands and other communications which may be required under this Agreement shall be in writing and shall be deemed to have been received when transmitted; if personally delivered, if transmitted by telecopier, electronic or digital transmission method, upon transmission; if sent by next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express), the day after it is sent; and if sent by certified or registered mail, return receipt requested, upon receipt. In each case, notice shall be sent to the principal place of business of the respective party. Either party may change its address by giving written notice thereof to the other, in accordance with the provisions of this paragraph.

K. Titles and Captions. Titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

L. Governing Law. The statutory, administrative and judicial law of the State of California (without reference to choice of law provisions of California law) shall govern the execution and performance of this Agreement.

M. Confidentiality. Each of the parties agrees not to disclose this Agreement or any information concerning this Agreement to any persons or entities, other than to their attorneys and accountants, or as otherwise may be required by law.

N. Counterparts. This Agreement may be executed in one or more counterparts, each of which constitutes an original, and all of which together constitute one and the same instrument. The signature of any person on a telecopy of this Agreement, or any notice, action or consent taken pursuant to this Agreement shall have the same full force and effect as such person's original signature.



O. Disclaimer. Consultant's financial analysis activities and work product, which may include but is not limited to pro forma analysis and tax projections, are projections only. Actual results may differ materially from those expressed in the analysis performed by Consultant due to the integrity of data received, market conditions, economic events and conditions, and a variety of factors that could materially affect the data and conclusions. Client's reliance on Consultant's analysis must consider the foregoing.

Consultant services outlined and described herein are advisory services only. Any decisions or actions taken or not taken by Client and affiliates, are deemed to be based on Client's understanding and by execution of this Agreement, acknowledgement that Consultant's services are advisory only and as such, cannot be relied on as to the results, performance and conclusions of any investment or project that Client may or may not undertake as related to the services provided including any verbal or written communications between the Client and Consultant.

Client acknowledges that Consultant's use of work product is limited to the purposes contemplated within this Agreement. Consultant makes no representation of the work product's application to, or suitability for use in, circumstances not contemplated by the scope of work under this Agreement.

P. Limitation of Damages. In the event Consultant is found liable for any violation of duty, whether in tort or in contract, damages shall be limited to the amount Consultant has received from Client.

Q. Force Majeure. Consultant shall not be liable for failure or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by significant circumstances beyond its reasonable control, including, without limitation: epidemic; acts of God; earthquakes; fires; floods; wars; civil or military disturbances; acts of terrorism; sabotage; strikes; riots; wide-spread power failures and wide-spread internet failure. Contractual performance and deadline(s) shall be extended for a period equal to the time lost by reason of the delay.

R. Expiration of Proposal for Services. If this Agreement is not fully executed by the parties within thirty (30) days from the date of this letter, this proposal shall expire.

S. Not an agreement for Legal Services or Legal Advice. This Agreement does not constitute an agreement for the performance of legal services or the provision of legal advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.

VI. ACCEPTANCE AND AUTHORIZATION

If this Agreement is acceptable to Client, please execute two copies of the Agreement and return both originals to Kosmont Companies. Upon receipt of both signed contracts, we will return one fully executed original for your files. Kosmont will commence work upon receipt of executed Agreement.

Read, understood, and agreed to this ____ Day of _____ 2025



City of Hawthorne

Kosmont & Associates, Inc.
doing business as "Kosmont Companies"

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print Name)

Name: Ken K. Hira

Its: _____
(Title)

Its: President



ATTACHMENT A

**Kosmont Companies
2025 Public Agency Fee Schedule**

Professional Services

Chairman & CEO	\$525.00/hour
President	\$425.00/hour
Sr. Vice President/Sr. Advisor/Sr. Managing Director	\$395.00/hour
Vice President/Project Advisor	\$295.00/hour
Senior Project Analyst	\$205.00/hour
Project Analyst/Project Research	\$195.00/hour
Assistant Project Analyst/Assistant Project Manager	\$165.00/hour
Project Promotion/Graphics/GIS Mapping Services	\$ 95.00/hour
Clerical Support	\$ 80.00/hour

Additional Expenses

In addition to professional services (labor fees):

- 1) An administrative fee for in-house copy, fax, phone, postage costs, digital/technological support and related administrative expenses will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; plus
 - 2) Out-of-pocket expenditures, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
 - 3) Project/Market data sources for support of evaluation and analysis e.g., ESRI, Placer.ai, CoStar/STR, IMPLAN, ParcelQuest and other based on quoted project cost.
 - 4) If Kosmont retains Third Party Vendor(s) for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.
 - 5) Consultant's attendance or participation at any public meeting, whether such participation is in person, digital, video and/or telephonic (e.g., City Council, Planning Commission, Public Agency Board, other) requested by Client and are beyond those specifically identified in the Scope of Work will be billed at the professional services (hourly) fees as shown on this Attachment A.
- **Charges for Court/Deposition/Expert Witness-Related Appearances**
Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates shall remain in effect until December 31, 2025.

EXHIBIT B
Second Proposal of November 24, 2025



November 24, 2025

Mr. Gregg McClain
Planning Director
City of Hawthorne
4455 W 126th Street
Hawthorne, CA 90250

Re: Work Plan for Ongoing Economic Development Advisory Services - Highest and Best Use Analysis and Business Outreach Support

Dear Mr. McClain:

Kosmont & Associates, Inc. doing business as Kosmont Companies (“Consultant” or “Kosmont”) is pleased to present this proposal for a highest and best use analysis and business outreach support, as part of ongoing economic development advisory services to the City of Hawthorne (“Client” or “City”).

This Work Plan serves as an Amendment to the original Professional Services Agreement approved by City Council on May 13, 2025 and fully executed by Client and Consultant.

I. BACKGROUND AND OBJECTIVE

Kosmont was retained to assist the City for economic development advisory services and recently completed a Market and Economic Development Analysis. The City is seeking assistance with ongoing economic development advisory services and strategies, including a highest-and-best use analysis (“Analysis”) for recently purchased properties (“Properties”) by the City near Rosecrans Avenue and Chadron Avenue (“Focus Area”). Properties APNs are 4071-013-025 and 4071-102-(001-005). City envisions a mixed-use project that includes some number of affordable for-lease and for-sale units, commercial / multi-purpose uses and possibly park space. Based on City ownership, Properties may be subject to Surplus Land Act (SLA). SLA compliance would require preparation of the Surplus Land declaration and/or exemption by the City, followed by issuance of a Notice of Availability (“NOA”) as appropriate and potential good faith negotiations with affordable housing developer(s). If desired, an affiliate of Kosmont Companies, Kosmont Real Estate Services dba Kosmont Realty (KR) can assist the Client through the SLA compliance process via a separate proposal.



II. SCOPE OF SERVICES

Approach to Tasks: The prospective assignment and consulting services that Kosmont will provide will be of a relatively limited scope and duration, and advisory in nature. Kosmont will be making recommendations only, which advise the Client and jurisdictions, including their elected officials, appointed officials, and staff, which they can accept or reject. None of Kosmont's staff will act in a capacity as an elected official, nor appointed official, nor as staff, nor as serving in a "designated" position.

Task 1: Project Kickoff & Meeting Coordination

Kosmont will participate in a virtual kick-off meeting with City staff to establish goals for the Analysis and request relevant materials/documents related to the Properties. Additionally, Kosmont will conduct an in-person site tour of the Properties to better understand existing conditions.

Task 2: High-Level Market Snapshot

Using Kosmont's prior market analysis as a framework, Kosmont will review property-specific market data/trends affecting the portion of the City where the Properties are located, including reviewing recent sales comparable data, nearby redevelopment projects, proposed projects in planning/under construction, and general market conditions within the Focus Area. This data will help understand what specific uses could be supported within the limitations of the City, as well as initially assess potential demand drivers for different types of housing, retail/commercial, open space, community space, and other potential uses, subject to SLA.

Task 3: Highest-and-Best Use Analysis

To assess Analysis of development opportunities within the Focus Area, Kosmont will analyze the development potential of Properties, which may take into account zoning/land use, parcel conditions/constraints, and/or preliminary financial feasibility. Kosmont will also perform a high-level land use evaluation, which is intended to provide an understanding of potential uses that align with market conditions, the neighborhood context and historical trends in and around the Properties and City vision for a mixed-use project.

Kosmont's assessment of land use characteristics will include an understanding of the Focus Area site(s) visibility, size, shape, adjacencies, traffic patterns, and existing zoning constraints and opportunities. Kosmont's analysis will provide an understanding of potential new zoning



opportunities that may closely align with current zoning preferences and overall market conditions, existing property ownership, and other relevant factors.

Task 4: Analysis Summary

Kosmont will provide City an Analysis Summary in PowerPoint format of the Properties in the Focus Area.

Task 5: Business Outreach

Kosmont will perform Business Expansion, Attraction, & Retention (“BEAR”) outreach focused on properties and businesses located along Hawthorne Blvd. between Rosecrans Avenue and El Segundo Blvd. The outreach effort will be used to garner insight from business owners and property owners to identify their challenges including vacancies on Hawthorne Blvd. within the City and determine what opportunities for growth or redevelopment may exist in accordance with the City’s General Plan initiatives. The outreach effort will be summarized in PowerPoint format highlighting preliminary strategies for business expansion/growth, attraction, and retention.

Task 6: As-needed Advisory Services

Additionally, subject to availability of budget (and potential future allocation of additional budget) and mutual agreement between Kosmont and Client, Kosmont can provide as needed advisory services including but not limited to evaluation of potential infrastructure funding and financing tools, with emphasis on Tax Increment Financing (“TIF”) alternatives, such as an Enhanced Infrastructure Financing District (“EIFD”) or a Climate Resilience District (“CRD”), as appropriate.

III. SCHEDULE AND REQUIRED DATA

Consultant is prepared to commence work upon receipt of executed Amendment. Client will provide Consultant with relevant existing project data including studies or data related to Properties. Consultant will provide draft Analysis Summary to Client in 6-8 weeks and then finalize with comments from Client.

IV. COMPENSATION

Compensation for Tasks 1 through 6 is estimated at \$50,000 for professional services (hourly) fees at Consultant’s billing rates as shown on Attachment A of the Agreement. Future increases in budget will require approval by Client in advance. Budget may be increased by Client at any time.

[SIGNATURE ON FOLLOWING PAGE]



V. ACCEPTANCE AND AUTHORIZATION

Read, understood, and agreed to this

____ Day of _____ 2025

City of Hawthorne

By: _____
(Signature)

Name: _____
(Print Name)

Its: _____
(Title)



ATTACHMENT A

Kosmont Companies 2025 Public Agency Fee Schedule

Professional Services

President	\$425.00/hour
Sr. Vice President/Sr. Advisor/Sr. Managing Director	\$395.00/hour
Vice President/Project Advisor	\$295.00/hour
Senior Project Analyst	\$205.00/hour
Project Analyst/Project Research	\$195.00/hour
Assistant Project Analyst/Assistant Project Manager	\$165.00/hour
Project Promotion/Graphics/GIS Mapping Services	\$ 95.00/hour
Clerical Support	\$ 80.00/hour

Additional Expenses

In addition to professional services (labor fees):

- 1) An administrative fee for in-house copy, fax, phone, postage costs, digital/technological support and related administrative expenses will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; plus
- 2) Out-of-pocket expenditures, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
- 3) Project/Market data sources for support of evaluation and analysis e.g., ESRI, Placer.ai, CoStar/STR, IMPLAN, ParcelQuest and other based on quoted project cost.
- 4) If Kosmont retains Third Party Vendor(s) for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.
- 5) Consultant's attendance or participation at any public meeting, whether such participation is in person, digital, video and/or telephonic (e.g., *City Council, Planning Commission, Public Agency Board, other*) requested by Client and are beyond those specifically identified in the Scope of Work will be billed at the professional services (hourly) fees as shown on this Attachment A.

- **Charges for Court/Deposition/Expert Witness-Related Appearances**

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates Effective until December 31, 2025. For and during the term of the subject Agreement, the above referenced rates in each category will be increased, effective January 1, 2026, and annually thereafter, to reflect the adjustment in the CPI (U.S. Dept. of Labor, Bureau of Labor Statistics) All Cities Average Consumer Price Index for the prior year. As an example, the US City Average Consumer Price Index (CPI-U) for January 2025 was 317.671, representing a change of 3.0 percent over the index for January 2024.

EXHIBIT C
Third Proposal of March 19, 2026



March 19, 2026

Vontray Norris
City Manager
City of Hawthorne
4455 W. 126th Street
Hawthorne, CA 90250

Re: Proposal for Financing District Advisory Services

Dear Mr. Norris:

Kosmont & Associates, Inc. doing business as Kosmont Companies (“Consultant” or “Kosmont”) is pleased to present this proposal to the City of Hawthorne (“City” or “Client”) for financing district advisory services. This proposal serves as an Agreement when executed and returned by Client to Kosmont.

I. BACKGROUND AND OBJECTIVE

Kosmont understands that the City is considering potential implementation of a special purpose Tax Increment Financing (“TIF”) district, such as an Enhanced Infrastructure Financing District (“EIFD”), to help fund critical public infrastructure, while also facilitating economic development.

Kosmont has facilitated 22 of the approximately 37 EIFDs formed so far in California. Our team is currently assisting over 50 other cities and counties with evaluation or in-progress formation activities, and affiliate Kosmont Financial Services has successfully structured TIF-related debt issuances, with more issuance activity underway.

Kosmont proposes the following Scope of Services to assist the City in a phase manner, where work would not continue into a subsequent phase without City approval in advance.

II. SCOPE OF SERVICES

Approach to Tasks: The prospective assignment and consulting services that Kosmont will provide will be of a relatively limited scope and duration, and advisory in nature. Kosmont will be making recommendations only, which advise the Client and jurisdictions, including their elected officials, appointed officials, and staff, which they can accept or reject. None of Kosmont's staff will act in a capacity as an elected official, nor appointed official, nor as staff, nor as serving in a "designated" position.



PHASE ONE: FEASIBILITY ANALYSIS

Task 1: Kickoff and Evaluation of Boundary Alternatives

Kosmont will convene an introductory briefing with City staff to discuss and confirm City objectives. Kosmont will be prepared to discuss requirements and guidelines for the EIFD statute, including precedent in other jurisdictions. Kosmont will identify and evaluate potential boundary alternatives for one or more TIF districts, such as an EIFD, within the City. Kosmont will analyze key strategic implementation considerations, including:

- a) Property ownership
- b) Planned / proposed future development
- c) Infrastructure needs and estimated costs
- d) Potential public and private sector partners (e.g., County of Los Angeles, other affected taxing entities, developers / property owners)
- e) Overlap with former Redevelopment Agency Project Area boundaries and status of redevelopment dissolution.

Task 2: Revenue and Bonding Capacity Analysis

Kosmont will prepare a tax increment revenue analysis, reflecting potential future development and potential public and private sector partners. The analysis will identify:

- a) Potential assessed value increase from future development in the district
- b) Property tax increment funding capacity at select annual benchmarks and cumulatively over the estimated district lifetime(s)
- c) Different levels of tax increment revenue allocation by taxing entity (e.g., 25%, 50%)
- d) Initial estimates of potential bonding capacity (to be prepared by Kosmont Financial Services, registered Municipal Advisor)
- e) Complementary economic development tools and funding resources (e.g., community facilities district [CFD] financing, grants, leverage of City-owned real estate assets, outstanding debt refinancing strategies, zoning incentive programs)
- f) As related to potential overlap of proposed district boundaries with former redevelopment agency project areas, analysis of corresponding relevant outstanding enforceable obligations and implications on available revenues.

Task 3: Governance and Implementation Roadmap

Based on the preferred financing district tool(s) identified by the City based on previous Task findings, Kosmont will evaluate and summarize feasible governance and implementation alternatives, including district governing board composition, voting / approval procedures, district formation milestones, debt issuance procedures, and estimated timing, in order to provide potential public and private sector stakeholders with an illustrative “roadmap” for implementation.

Task 4: City Meeting / Workshop

Kosmont will coordinate a virtual meeting with City staff, City Council, and/or other key community stakeholders, such as residents, property owners, and/or local developers. Kosmont will prepare and present a summary of feasibility analysis findings. The purpose of the workshop will be to facilitate education of key stakeholders, to vet and confirm potential priority projects to be funded by preferred tool(s), to confirm the objectives related to potential implementation, and to confirm whether to proceed into an implementation phase, or not.



Kosmont will not proceed to Phase Two work until Client provides such direction.

FUTURE PHASE TWO: FISCAL IMPACT ANALYSIS & POTENTIAL TAXING ENTITY PARTNERSHIP

Task 5: Fiscal Impact and Economic Benefit Analysis

As a means of demonstrating benefits to relevant public agencies (e.g., City, County, special districts) for potential participation in a financing district, Kosmont will estimate the primary fiscal revenues (e.g., property tax, direct and indirect sales tax, hotel transient occupancy tax), primary fiscal expenditures (e.g., public safety service costs, community services), and resulting net fiscal impact (fiscal revenues net of fiscal expenditures) to be generated for participating taxing entities from district implementation.

Consultant will additionally apply an IMPLAN-based analysis to estimate the employment (job creation), labor income (wages), and economic output (value of goods and services produced) benefits to be derived from both construction and ongoing operation within the financing district. Direct, indirect, and indirect (multiplier) impacts will be reflected.

Task 6: Stakeholder Outreach and Direction on Partnership

Kosmont will assist the Client with outreach to potential public and private sector entity stakeholders, including but not limited to special district staff and elected officials, and/or major private sector landowners and/or developers. Kosmont will accordingly assist with preparation and presentation of financing district analysis materials as appropriate for such outreach. Based on continued stakeholder feedback, Kosmont will refine previous tax increment projections and related analysis.

The goal of this Task is to receive direction/confirmation on whether the City should proceed with financing district formation initially with or without partnership from other taxing entities (recognizing that other taxing entities may join in a subsequent year).

Kosmont will not proceed to Phase Three work until Client provides such direction.

FUTURE PHASE THREE: IMPLEMENTATION

Task 7: Resolution of Intention and Establishment of the Public Financing Authority (PFA) Board

Kosmont will assist City staff and City Attorney's office with the preparation of requisite documentation for the Resolution of Intention ("ROI") to form the financing district, including appropriate designation of the governing Public Financing Authority ("PFA") board members. Kosmont will assist with coordination and presentation at the required meeting(s) of the City Council (and potentially County Board of Supervisors) to adopt the ROI and will assist with required noticing of the ROI following the legislative body action(s).



Task 8: Infrastructure Financing Plan Preparation

Kosmont will collaborate with City staff and appropriate third-party consultants (e.g., special counsel, engineering / surveying consultants) on the preparation of the required Infrastructure Financing Plan (“IFP”) and related appendices. The IFP must include a legal description of district boundaries, public improvements to be implemented, location, timing, and costs of development and financial assistance, finalized tax increment projections, intention to incur debt (e.g., bonds), district termination date, taxing entity fiscal impact analysis, and replacement housing obligations. Kosmont will assist City staff (e.g., Clerk’s office) in the required distribution of the IFP to property owners within the financing district and to affected taxing entities.

Task 9: IFP Approval and Financing District Formation Hearings

Kosmont will assist in coordination, preparation, and presentation of required materials at the required City Council (and potentially County Board of Supervisors) meeting(s) and PFA meetings and hearings to approve the IFP and form the financing district. While Kosmont is not an attorney, we will provide draft content for required resolutions for review by City Attorney and/or special counsel. Kosmont will additionally assist in drafting and coordinating the required noticing (e.g., website, mailing, newspaper notices) of the PFA meeting and hearings.

Kosmont anticipates up to two PFA public meetings, two PFA public hearings, and two City Council meetings as part of this task (in-person or virtual as deemed mutually appropriate by the City and Kosmont).

Once the financing district is successfully formed, Kosmont will assist City staff in completing the required filings for Change of Jurisdictional Boundaries with the State Board of Equalization.

Potential Future Services (Not a Part of Current Scope of Work)

- Annual report preparation, related presentation(s) at PFA public hearing(s) in future years
- Continuing Disclosure as related to EIFD debt transactions.

TIF-Related Municipal Advisory Services

City and Kosmont agree that evaluation or implementation of any EIFD-related public financings (e.g., tax increment allocation bonds, and/or City lease revenue financing to be repaid or guaranteed/committed in whole or in part with EIFD tax increment and other revenues, and/or financing utilizing engagement of the PFA) will involve Kosmont Financial Services as the City’s Municipal Advisor or co-Municipal Advisor on a to-be-determined compensated basis.

III. SCHEDULE AND REQUIRED DATA

Consultant is prepared to commence work upon receipt of executed Agreement and project data outlined below. A summary PowerPoint presentation is anticipated to be delivered within three (3) months from assignment authorization.



Client will provide Consultant with existing project data, including relevant planning documentation (e.g., specific plans, General Plan), current project proposals and/or site plans, and information on potential infrastructure projects with estimated range of costs, as available.

IV. COMPENSATION

The compensation for Tasks 1 through 4 is outlined below for professional services (hourly) fees at Consultant’s billing rates as reflected in Attachment A.

PHASE ONE TASKS	ESTIMATED BUDGET
1) Kickoff and Evaluation of Boundary Alternatives	\$9,500
2) Revenue and Bonding Capacity Analysis	\$12,500
3) Governance and Implementation Roadmap	\$4,000
4) City Meeting / Workshop	\$4,500
Estimated Total Professional Services (Hourly) Fees – Phase 1	\$30,500

For budget planning purposes, typical compensation for potential follow-on Phase Two and Phase Three is shown below.

POTENTIAL FUTURE PHASE TWO AND THREE TASKS	ESTIMATED BUDGET
Phase Two – Fiscal Impact Analysis and Taxing Entity Partnership	\$22,500 to \$29,500
Phase Three – Implementation	\$40,000 to \$47,000
Estimated Total Professional Services (Hourly) Fees – Phase 2/3	\$62,500 to \$76,500

Budget may be increased by Client request at any point in time. Task budgets may be allocated between Tasks as deemed appropriate by Consultant to provide adequate services to the Client.

Consultant anticipates a single consolidated round of Client comments and revisions on draft work product before Kosmont provides a final version of work product. If necessary, additional rounds of comments and revisions can be accommodated on an hourly basis.

Consultant’s attendance or participation at any **publicly noticed** meeting outside of those identified within the Scope of Services, whether such participation is in person, digital, video and/or telephonic (e.g., *City Council, Planning Commission, Public Agency Board, other*), as requested by Client is in addition to compensation outlined above and will be billed at the professional services (hourly) fees as shown on Attachment A.

Services will be invoiced monthly at Consultant’s standard billing rates, as shown on Attachment A. In addition to professional services (hourly) fees, invoices will include reimbursement for out-of-pocket expenses such as travel and mileage (provided that there shall be no overnight travel without the Client’s prior approval and that mileage shall be reimbursed at the current IRS mileage reimbursement rate), professional printing, conference calls, and delivery charges for messenger and overnight packages at actual cost. Unless otherwise agreed to in advance, out-of-area travel, if any, requires advance funding of flights and hotel accommodations.



Consultant will also include in each invoice an administrative services fee to cover in-house copy, fax, telephone and postage costs equal to four percent (4.0%) of Consultant's monthly professional service fees incurred. Any unpaid invoices after 30 days shall accrue interest at the rate of 10% per annum.

For the convenience of Kosmont's clients, we offer a secure credit card payment service. The credit card payment link is: <https://kosmont.paidyet.com> and there are two ways to make a secure credit card payment:

1. Fill in the "**Make a Payment**" form when you go to the link (<https://kosmont.paidyet.com>), or
2. Call Kosmont Companies' accounting desk (424) 297-1072 to make a credit card payment

Consultant is prepared to commence work upon receipt of executed Agreement.

DISCLOSURE: Compensation for possible future transaction-based services or brokerage services.

The following is being provided solely as an advance disclosure of possible real estate brokerage and finance services and potential compensation for such services. This disclosure is not intended to commit the Client.

When assignments involve real estate/property brokerage services, such transaction-based services are typically provided by Kosmont Real Estate Services, Inc. dba Kosmont Realty ("KR") is licensed by the State of California Department of Real Estate (License# 02058445). Compensation to KR is typically paid through commissions for property sale transactions, lease transactions and success/broker fees. KR also provides Broker Opinions of Value ("BOV") services on a fixed fee basis.

When assignments involve public finance services on behalf of a public agency, such municipal advisory services are provided by Kosmont Financial Services (KFS). KFS is an independent Registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

SEC registration does not constitute an endorsement of the firm by the Commission or state securities regulators.

V. OTHER PROVISIONS

A. Termination. Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party. Payment for fees accrued through the date of termination shall be remitted in full.

B. Arbitration. Any controversy or claim arising out of or in relation to this Agreement, or the making, performance, interpretation or breach thereof, shall be settled by arbitration at JAMS in Los Angeles, California. Each of the parties to such arbitration proceeding shall be entitled to take up to five depositions with document requests. The provisions of Section 1283.05 (except



subdivision (e) thereof) of the California Code of Civil Procedure are incorporated by reference herein, except to the extent they conflict with this Agreement, in which case this Agreement is controlling. If the matter is heard by only one arbitrator, such arbitrator shall be a member of the State Bar of California or a retired judge. If the matter is heard by an arbitration panel, at least one member of such panel shall be a member of the State Bar of California or a retired judge. The arbitrator or arbitrators shall decide all questions of law, and all mixed questions of law and fact, in accordance with the substantive law of the State of California to the end that all rights and defenses which either party may have asserted in a court of competent jurisdiction shall be fully available to such party in the arbitration proceeding contemplated hereby. The arbitrator and arbitrators shall set forth and deliver their findings of fact and conclusions of law with the delivery of the arbitration award. Judgment upon the award rendered shall be final and non-appealable and may be entered in any court having jurisdiction.

C. Attorneys' Fees. In the event of any legal action, arbitration, or proceeding arising out of an alleged breach of this Agreement, the party prevailing in such legal action, arbitration, or proceeding shall be entitled to recover reasonable attorneys' fees, expenses and costs, as well as all actual attorneys' fees, expenses and cost incurred in enforcing any judgment entered.

D. Authority. Each of the parties executing this Agreement warrants that persons duly authorized to bind each such party to its terms execute this Agreement.

E. Further Actions. The parties agree to execute such additional documents and take such further actions as may be necessary to carry out the provisions and intent of this Agreement.

F. Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party.

G. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

H. Entire Agreement; Amendments and Waivers. This Agreement contains the final, complete and exclusive agreement between the parties relating to the transactions contemplated hereby and any and all prior discussions, negotiations, commitments and understanding, whether written or oral, related hereto are superseded hereby. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver of such provisions unless otherwise expressly provided. Each party to this Agreement has participated in its drafting and, therefore, ambiguities in this Agreement will not be construed against any party to this Agreement.

I. Severability. If any term or provision of this Agreement shall be deemed invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and in force to the fullest extent permitted by law.



J. Notices. All notices, requests, demands and other communications which may be required under this Agreement shall be in writing and shall be deemed to have been received when transmitted; if personally delivered, if transmitted by telecopier, electronic or digital transmission method, upon transmission; if sent by next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express), the day after it is sent; and if sent by certified or registered mail, return receipt requested, upon receipt. In each case, notice shall be sent to the principal place of business of the respective party. Either party may change its address by giving written notice thereof to the other in accordance with the provisions of this paragraph.

K. Titles and Captions. Titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

L. Governing Law. The statutory, administrative and judicial law of the State of California (without reference to choice of law provisions of California law) shall govern the execution and performance of this Agreement.

M. Confidentiality. Each of the parties agrees not to disclose this Agreement or any information concerning this Agreement to any persons or entities, other than to their attorneys and accountants, or as otherwise may be required by law.

N. Counterparts. This Agreement may be executed in one or more counterparts, each of which constitutes an original, and all of which together constitute one and the same instrument. The signature of any person on a telecopy of this Agreement, or any notice, action or consent taken pursuant to this Agreement shall have the same full force and effect as such person's original signature.

O. Disclaimer. Consultant's financial analysis activities and work product, which may include but is not limited to pro forma analysis and tax projections, are projections only. Actual results may differ materially from those expressed in the analysis performed by Consultant due to the integrity of data received, market conditions, economic events and conditions, and a variety of factors that could materially affect the data and conclusions. Client's reliance on Consultant's analysis must consider the foregoing.

Consultant services outlined and described herein are advisory services only. Any decisions or actions taken or not taken by Client and affiliates, are deemed to be based on Client's understanding and by execution of this Agreement, acknowledgement that Consultant's services are advisory only and as such, cannot be relied on as to the results, performance and conclusions of any investment or project that Client may or may not undertake as related to the services provided including any verbal or written communications by and between the Client and Consultant.

Client acknowledges that Consultant's use of work product is limited to the purposes contemplated within this Agreement. Consultant makes no representation of the work product's application to, or suitability for use in, circumstances not contemplated by the scope of work under this Agreement.



P. Limitation of Damages. In the event Consultant is found liable for any violation of duty, whether in tort or in contract, damages shall be limited to the amount Consultant has received from Client.

Q. Force Majeure. Consultant shall not be liable for failure or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by significant circumstances beyond its reasonable control, including, without limitation: epidemic; acts of God; earthquakes; fires; floods; wars; civil or military disturbances; acts of terrorism; sabotage; strikes; riots; wide-spread power failures and wide-spread internet failure. Contractual performance and deadline(s) shall be extended for a period equal to the time lost by reason of the delay.

R. Expiration of Proposal for Services. If this Agreement is not fully executed by the parties within thirty (30) days from the date of this letter, this proposal shall expire.

S. Not an agreement for Legal Services or Legal Advice. This Agreement does not constitute an agreement for the performance of legal services or the provision of legal advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.



VI. ACCEPTANCE AND AUTHORIZATION

If this Agreement is acceptable to Client, please execute two copies of the Agreement and return both originals to Kosmont Companies. Upon receipt of both signed contracts, we will return one fully executed original for your files. Kosmont will commence work upon receipt of executed Agreement.

Read, understood, and agreed to this

____ Day of _____ 2026

City of Hawthorne

Kosmont & Associates, Inc.
doing business as "Kosmont Companies"

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print Name)

Name: Ken K. Hira

Its: _____
(Title)

Its: President



ATTACHMENT A

Kosmont Companies 2026 Public Agency Fee Schedule

Professional Services

Chairman & CEO	\$540.00/hour
President	\$435.00/hour
Sr. Vice President/Sr. Advisor/Sr. Managing Director	\$405.00/hour
Vice President/Project Advisor	\$295.00/hour
Senior Project Analyst	\$210.00/hour
Project Analyst/Project Research	\$195.00/hour
Assistant Project Analyst/Assistant Project Manager	\$170.00/hour
Project Promotion/Graphics/GIS Mapping Services	\$ 95.00/hour
Administrative Support	\$ 90.00/hour

Additional Expenses

In addition to professional services (labor fees):

- 1) An administrative fee for in-house copy, fax, phone, postage costs, digital/technological support and related administrative expenses will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; plus
- 2) Out-of-pocket expenditures, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
- 3) Project/Market data sources for support of evaluation and analysis e.g., ESRI, Placer.ai, CoStar/STR, IMPLAN, ParcelQuest and other based on quoted project cost.
- 4) If Kosmont retains Third Party Vendor(s) for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.
- 5) Consultant's attendance or participation at any public meeting, whether such participation is in person, digital, video and/or telephonic (e.g., *City Council, Planning Commission, Public Agency Board, other*) requested by Client and are beyond those specifically identified in the Scope of Work will be billed at the professional services (hourly) fees as shown on this Attachment A.

• **Charges for Court/Deposition/Expert Witness-Related Appearances**

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates Effective until December 31, 2026. For and during the term of the subject Agreement, the above referenced rates in each category will be increased, effective January 1, 2027, and annually thereafter, to reflect the adjustment in the CPI (U.S. Dept. of Labor, Bureau of Labor Statistics) All Cities Average Consumer Price Index for the prior year. As an example, the US City Average Consumer Price Index (CPI-U) for December 2025 was 0.3, representing a change of 2.7 percent over the index of the previous 12 months.