

**CITY OF AGREEMENT FOR PROPERTY TAX
CONSULTING/AUDIT SERVICES**

This AGREEMENT (the "Agreement") is made and entered into as of the 1st day of July 2017 by and between the CITY OF HAWTHORNE a municipal corporation hereinafter called CITY, and HdL Coren & Cone, a California Corporation hereinafter called CONTRACTOR.

RECITALS

WHEREAS, property tax revenues can be verified and potentially increased through a system of continuous monitoring, identification and reconciliation to county records; and

WHEREAS, an effective program of property tax management will assist the CITY in fiscal, economic and community development planning; and

WHEREAS, CITY desires the property tax data based reports and data analysis required to effectively manage the CITY property tax base and identify and recover revenues misallocated within the CITY, or to other jurisdictions; and

WHEREAS, CONTRACTOR is a state-wide expert in such data analysis with over 150 public agency clients for whom such services are performed and has the programs, equipment, data and personnel required to deliver the property tax services referenced herein;

WHEREAS, CITY prefers to pay for certain of such services through a contingency arrangement where payment is made from monies recovered and CONTRACTOR is willing to base its compensation on such a risk-based formula.

NOW, THEREFORE, CITY and CONTRACTOR, for the consideration hereinafter described, mutually agree as follows:

1.0 DEFINITIONS

For purposes of this Agreement, the following terms shall have the meaning stated below:

Audit Review: "Audit" or "Audit Review" shall mean the comparison of databases to ensure that parcels are correctly coded with the appropriate tax rate area to return revenue to the client city. Audits include the secured and unsecured tax rolls and where secured records are corrected; the corresponding unsecured records related to those properties are also corrected. A review of the calculation methodologies developed by auditor/controller offices in the administration of property tax is made to ensure compliance. New annexations are audited the 1st or 2nd year after the area's adoption due to the timing of LAFCO and the State Board of Equalization in assigning new tax rate areas and county processing of those changes.

County: "County" shall mean the County in which the CITY is located.

Data Base: "Data Base" shall mean a computerized listing of property tax parcels and information compiled for CITY from information provided by the County.

Days: "Days" shall mean calendar days.

Property Tax Roll: "Property Tax Roll" shall mean the assessed values of parcels on the secured and unsecured lien date rolls as reported by the County.

Proprietary Information: "Proprietary Information" shall be the reports, technical information, compilations of data, methodologies, formula, software, programs, technologies and other processes previously designed and developed by CONTRACTOR and used in the performance of the services hereunder.

Successor Agency: "Successor Agency" means the City's administration pursuant to Section 34176 of the Health and Safety Code of the former community redevelopment agency of CITY).

Recovered/Reallocated Revenue: "Recovered or Reallocated Revenue" shall mean additional revenue received as a result of an audit or review of properties submitted for correction or for corrections due erroneous calculations or incorrect methods of distributing revenue discovered by the CONTRACTOR and then made by county agencies which result in a return of additional revenue to the AGENCY. Reviews of AGENCY administered pass throughs are performed to ensure the correctness of distributions being made to participating agencies.

Scope of Services: "Scope of Services" shall mean all of the Base Services specified in Section 2.0, the Optional Services in Section 3.0, the Additional Services in Section 4.0, or any other services rendered hereunder.

TRA: "Tax Rate Area" shall mean the area subject to the tax rate.

2.0 BASE SERVICES

The CONTRACTOR shall perform all of the following duties as part of the Base Services provided hereunder, unless otherwise specified in writing by the Contract Officer:

2.1 Analysis And Identification Of Misallocation Errors (Contingent Fee)

(a) In the first year of this Agreement, and as necessary thereafter but not less than once every five (5) years, CONTRACTOR shall conduct an analysis to identify and verify in the CITY parcels on the secured Property Tax Roll which are not properly attributed to a CITY, and will provide the correct TRA designation to the proper County agency. Typical errors include parcels assigned to incorrect TRAs within the CITY or an adjacent city, and TRAs allocated to wrong taxing agencies.

(b) CONTRACTOR shall annually reconcile the annual auditor-controller assessed valuations report to the assessor's lien date rolls and identify discrepancies.

(c) CONTRACTOR shall annually review parcels on the unsecured Property Tax Roll to identify inconsistencies such as value variations, values being reported to a mailing address rather than the situs address, and errors involving TRAs (to the extent records are available).

(d) In Counties with automated data, CONTRACTOR shall quarterly audit documentary transfer tax remittance detail provided by County and identify misallocations that may be recovered for CITY.

(e) CONTRACTOR may audit general fund or tax increment property tax revenue or other revenues attributable to the CITY departments, districts, (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation and payments reviews).

2.2 Annual Services (Fixed Fee)

Annually, after the Property Tax Roll is available:

(a) CONTRACTOR shall establish a Data Base for CITY available through CONTRACTOR'S online property tax application

(b) Utilizing the Data Base, CONTRACTOR will provide:

(1) A listing of the major property owners in the CITY, including the assessed value of their property.

(2) A listing of the major property tax payers, including an estimate of the property taxes.

(3) A listing of property tax transfers which occurred since the prior lien date.

(4) A listing of parcels that have not changed ownership since the enactment of Proposition XIII A.

(5) A comparison of property within the CITY by county-use code designation.

(6) A listing by parcel of new construction activity utilizing city building department data, including building permits with assessor parcel numbers and project completion dates, to identify non-residential parcels with new construction activity and to provide reports for use in the CITY's preparation of Gann (Propositions 4 and 111) State Appropriation Limit calculations.

- (7) A listing of multiple owned parcels.
- (8) A listing of absentee owner parcels.
- (9) Calculate an estimate of property tax revenue anticipated to be received for the fiscal year by the CITY. This estimate is based upon the initial information provided by the County and is subject to modification. This estimate shall not be used to secure the indebtedness of the CITY.
- (10) Development of historical trending reports involving taxable assessed values for the CITY, median and average sales prices, foreclosure activity and related economics trends.
- (11) Upon written request, analyses based on geographic areas designated by the CITY to include assessed valuations and square footage computations for use in community development planning.

2.3 Successor Agency Services

Successor Agency Services including but not limited to:

- (a) Tax increment projections
- (b) Cash flows for the Successor Agency by Project Area
- (c) Assistance with Redevelopment Obligation Payment Schedules
- (d) Assistance in providing property tax information for the taxing agencies receiving property tax revenues from former Project Areas
- (e) Estimates of property tax revenues to be received by the taxing entities from former Project Areas
- (f) Provide property tax information to the Oversight Board at the direction of the Successor Agency
- (g) Provide access to the Oversight Board to AGENCY and former redevelopment agency documents at the direction of the Successor Agency
- (h) Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency
- (i) Coordinate with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency
- (j) Prepare as needed an assessment resources available to the Successor Agency to meet the long term obligations of the former redevelopment agency

2.4 Quarterly Services/Monthly Services (Fixed Fee)

The CONTRACTOR shall perform the following services quarterly:

(k) A listing of property tax appeals filed on properties in the CITY (selected counties).

(l) A listing of property transfers that have occurred since the last report.

(m) Monthly update of CONTRACTOR'S web-based software program to include parcel transfer data and, in select counties, appeal updates.

2.5 On-Going Consultation (Fixed Fee)

During the term of this Agreement, CONTRACTOR will serve as the CITY's resource staff on questions relating to property tax and assist in estimating current year property tax revenues. On-going consultation would include, but not be limited to, inquiries resolved through use of the CITY's data base.

3.0 OPTIONAL SERVICES

The following services are available on a time and materials basis:

3.1 Specified Data

Generation of specialized data-based reports which would require additional programming, the purchase of additional data, costs for county staff research, or similar matters not necessary to carry out services outlined in Section 2.0.

3.2 County Research

Any research with County agencies for which CONTRACTOR does not have a current database.

3.3 Bond Services

Bond services are available for a fixed negotiated fee, including:

- (a) Tax Allocation Bonds fiscal consultant reports
- (b) Mello-Roos Special Tax studies

3.4 Additional Meetings Requested

Meetings in excess of the annual meeting to review the analysis of property tax data, trending information, and other findings with AGENCY shall be considered an Optional Service.

4.0 ADDITIONAL SERVICES

CITY shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services

or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any material adjustment in the contract and/or the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to \$75,000, or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein.

5.0 OBLIGATIONS OF THE PARTIES WITH RESPECT TO SERVICES

5.1 City Materials and Support

CITY agrees to provide the following information:

1. Current CITY maps and zoning map;
2. A copy of reports received by the CITY annually from the Auditor-Controller's office detailing assessed values (secured, unsecured and utilities), as well as unitary values for reconciliation analysis;
3. Parcel listing and maps of CITY parcel annexations since the lien date roll;
4. A listing of completed new construction projects with Assessor's map book, page and parcel numbers (APN) for proper identification and tracking for two years prior to the date of this Agreement. If the data does not include the APN information, CONTRACTOR will research this information at an additional cost;
5. A listing of the CITY levies assessment districts and direct assessments.

5.2 Compliance with Law

All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the CITY and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered.

5.3 License, Permits, Fees and Assessments

CONTRACTOR shall obtain such licenses, permits and approvals (collectively the "Permits") as may be required by law for the performance of the services required by this Agreement. CITY shall assist CONTRACTOR in obtaining such Permits, and CITY shall absorb all fees, assessments and taxes which are necessary for any Permits required to be issued by CITY.

5.4 Further Responsibilities of Parties

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

6.0 CONSIDERATION

6.1 Base Fixed Fee Services

CONTRACTOR shall provide the Base Services described in Section 2.0 above, for a fixed annual fee of \$14,225.00 (invoiced quarterly).

The fee for the first three (3) years of this Contract shall be the annual fixed fee as noted. In the fourth (4th) year of the contract the Base Fixed Services Fee shall be adjusted by the California Consumer Price Index (CCPI) for all urban consumers as determined by the California Department of Industrial Relations as measured February of the first year to February of the third (3rd) of this Contract. The revised Fixed Services Fee including the CCPI adjustment shall apply to the 4th and 5th years of the Contract. If this Contract is extended month to month as provided for in Section 7.4, the Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

6.2 Base Contingent Fee Services

For Base Services pursuant to Section 2.1 which are payable on a contingent basis, CONTRACTOR shall receive 25 percent of net general fund attributable to CITY departments, districts, or funds recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by CONTRACTOR (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). CONTRACTOR shall separate and support said reallocation and provide CITY with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. CITY shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to CONTRACTOR shall be made within thirty (30) days after CITY receives its first remittance advice during the fiscal year for which the correction applies. The fee for documentary transfer tax audit recovery services will be 25% of documentary transfer tax recovered as a result of our audit efforts.

6.3 Optional Services

Fees for Optional Services as outlined in Services in Section 3.0 above (except Section 3.4) shall be billed at the following hourly rates:

Partner	\$225 per hour
Principal	\$195 per hour
Associate	\$150 per hour
Programmer	\$150 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour

Administrative \$ 45 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by CONTRACTOR annually. On July 1st of each year CONTRACTOR shall provide CITY with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year. In addition, expenses for Optional Services shall be billed at 1.15 times actual incurred costs.

6.4 Fees for Bond Services

Services under Section 3.5 above will be determined depending upon the complexity of the bond issue and the time available for completion of the task and will be mutually agreed to be the parties.

6.5 Indirect Expenses

Except as specified above, no other charges shall be made for direct or indirect expenses incurred by CONTRACTOR in performing the services in the Scope of Services including for administrative overhead, salaries of CONTRACTOR'S employees, travel expenses or similar matters.

6.6 Due Date

All fees are due 30 days immediately following billing. All amounts that are not paid when due shall accrue interest from the due date at the rate of one percent per month (12% per annum).

7.0 TERM PERFORMANCE SCHEDULE

7.1 Time of Essence

Time is of the essence in the performance of this Agreement.

7.2 Schedule of Performance

CONTRACTOR shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "A", and incorporated herein by this reference. When requested by the CONTRACTOR, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

7.3 Force Majeure

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to

unforeseeable causes beyond the control and without the fault or negligence of the CONTRACTOR, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the CITY, if the CONTRACTOR shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified.

7.4 Term

Unless earlier terminated in accordance with Section 11.6 of this Agreement, this Agreement shall continue in full force and effect for five (5) years, and, unless a notice of termination is given on the fourth anniversary date, shall be automatically extended from year to year until and such notice shall be given.

8.0 COORDINATION OF WORK

8.1 Representative of Contractor

The following principals of CONTRACTOR are hereby designated as being the principals and representatives of CONTRACTOR authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

City of

HdL COREN & CONE
1340 Valley Vista Drive, Suite 200
Diamond Bar, CA 91765

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for CITY to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of CONTRACTOR and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by CONTRACTOR without the express written approval of CITY.

8.2 Contract Officer

The Contract Officer shall be such person as may be designated by the City Manager of CITY. It shall be the CONTRACTOR'S responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the CONTRACTOR shall refer any decisions which must be made by CITY to the Contract Officer. Unless otherwise specified herein, any approval of CITY required hereunder shall mean the approval of the Contract

Officer. The Contract Officer shall have authority to sign all documents on behalf of the CITY required hereunder to carry out the terms of this Agreement.

8.3 Prohibition Against Subcontracting or Assignment

The experience, knowledge, capability and reputation of CONTRACTOR, its principals and employees were a substantial inducement for the CITY to enter into this Agreement. Therefore, CONTRACTOR shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the CITY. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of CITY. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than fifty percent (50%) of the present ownership and/or control of CONTRACTOR, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the CONTRACTOR or any surety of CONTRACTOR of any liability hereunder without the express consent of CITY.

8.4 Independent Contractor

Neither the CITY nor any of its employees shall have any control over the manner, mode or means by which CONTRACTOR, its agents or employees, perform the services required herein, except as otherwise set forth herein. CITY shall have no voice in the selection, discharge, supervision or control of CONTRACTOR'S employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. CONTRACTOR shall perform all services required herein as an independent CONTRACTOR of CITY and shall remain at all times as to CITY a wholly independent CONTRACTOR with only such obligations as are consistent with that role. CONTRACTOR shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of CITY. CITY shall not in any way or for any purpose become or be deemed to be a partner of CONTRACTOR in its business or otherwise or a joint venturer or a member of any joint enterprise with CONTRACTOR.

9.0 INSURANCE AND INDEMNIFICATION

9.1 Insurance

The CONTRACTOR shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to CITY, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Comprehensive General Liability Insurance. The policy of insurance shall be in an amount not less than either (i) a combined single limit of \$1,000,000 for bodily injury, death and property damage or (ii) bodily injury limits of \$500,000 per person, \$1,000,000 per occurrence and \$1,000,000 products and completed operations and property damage limits of \$500,000 per occurrence and \$500,000 in the aggregate.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the CONTRACTOR and the CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the CONTRACTOR in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than either (i) bodily injury liability limits of \$250,000 per person and \$500,000 per occurrence and property damage liability limits of \$100,000 per occurrence and \$250,000 in the aggregate or (ii) combined single limit liability of \$500,000. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Errors and Omissions (Professional Liability). A policy of professional liability insurance written on a claims made basis in an amount not less than One Million Dollars (\$1,000,000).

(e) General Requirements. All of the above policies of insurance shall be primary insurance and shall name the CITY, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the CITY, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled without providing thirty (30) days prior written notice by registered mail to the CITY. In the event any of said policies of insurance are cancelled, the CONTRACTOR shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 9.0 to the Contract Officer. No work or services under this Agreement shall commence until the CONTRACTOR has provided the CITY with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the CITY.

9.2 Indemnification

CONTRACTOR agrees to indemnify the CITY, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities of CONTRACTOR, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of CONTRACTOR hereunder, or arising from CONTRACTOR'S negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, whether or not there is concurrent passive or active negligence on the part of the CITY, its officers, agents or employees but excluding such claims or liabilities arising from the sole negligence or willful misconduct of the CITY, its officers, agents or employees, who are directly responsible to the CITY.

9.3 Sufficiency of Insurer or Surety

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the CITY due to unique circumstances. In the event the Risk Manager of CITY ("Risk Manager") determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the CITY, the CONTRACTOR agrees that the minimum limits of the insurance policies and the performance bond required by this Section 9.0 may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the CONTRACTOR shall have the right to appeal a determination of increased coverage by the Risk Manager to the CITY Council of CITY within 10 days of receipt of notice from the Risk Manager.

10.0 RECORDS AND REPORTS

10.1 Reports

CONTRACTOR shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

10.2 Records

CONTRACTOR shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of CITY, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the CITY shall have access to such records in the event any audit is required.

10.3 Non-Disclosure of Proprietary Information

In performing its duties under this Agreement, CONTRACTOR will produce reports, technical information and other compilations of data to CITY. These reports, technical information and compilations of data are derived by CONTRACTOR using methodologies, formulae, programs, techniques and other processes designed and developed by CONTRACTOR at a substantial expense. CONTRACTOR'S reports, technical information, compilations of data, methodologies, formulae, software, programs, techniques and other processes designed and developed by CONTRACTOR shall be referred to as Proprietary Information. CONTRACTOR'S Proprietary Information is not generally known by the entities with which CONTRACTOR competes.

CONTRACTOR desires to protect its Proprietary Information. Accordingly, CITY agrees that neither it nor any of its employees, agents, independent contractors or other persons or organizations over which it has control, will at any time during or after the term of this Agreement, directly or indirectly use any of CONTRACTOR'S Proprietary Information for any

purpose not associated with CONTRACTOR'S activities. Further, CITY agrees that it nor any of its employees, agents, independent contractors or other persons or organizations over which it has control, will disseminate or disclose any of CONTRACTOR'S Proprietary Information to any person or organization not connected with CONTRACTOR, without the express written consent of CONTRACTOR. The CITY also agrees that consistent with its obligations under the California Public Records Act and related disclosure laws, it will undertake all necessary and appropriate steps to maintain the proprietary nature of CONTRACTOR'S Proprietary Information.

Any use of the Proprietary Information or any other reports, records, documents or other materials prepared by CONTRACTOR hereunder for other projects and/or use of uncompleted documents without specific written authorization by the CONTRACTOR will be at the CITY's sole risk and without liability to CONTRACTOR, and the CITY shall indemnify the CONTRACTOR for all damages resulting therefrom.

10.4 Release of Documents Pursuant to Public Records Act

Notwithstanding any other provision in this Agreement, all obligations relating to disclosure of Proprietary Information remain subject to the Freedom of Information Act or California Public Records Act, Cal. Gov't Code §§ 6250 et seq. (collectively, the "PRA"). The Parties intend that if CITY is served with a request for disclosure under the PRA, or any similar statute, the CITY in good faith will make the determination as to whether the material is discloseable or exempt under the statute, and shall resist the disclosure of Proprietary Information which is exempt from disclosure to the extent allowable under the law. CITY shall advise CONTRACTOR in writing five (5) days prior to the intended disclosure of any decision to disclose Proprietary Information, and the reasons therefore, and if CONTRACTOR then timely advises CITY in writing that it objects to the disclosure, CITY shall not disclose the information. In such case, CONTRACTOR shall then be solely liable for defending the non-disclosure and shall indemnify and hold CITY harmless for such nondisclosure.

11.0 ENFORCEMENT OF AGREEMENT

11.1 California Law

This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and CONTRACTOR covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

11.2 Disputes

In the event of any dispute arising under this Agreement, the injured party shall notify the injuring party in writing of its contentions by submitting a claim therefor. The injured party shall continue performing its obligations hereunder so long as the injuring party commences to cure such default within ten (10) days of service of such notice and completes the cure of such default within forty-five (45) days after service of the notice, or such longer period as may be permitted

by the injured party; provided that if the default is an immediate danger to the health, safety and general welfare, such immediate action may be necessary. Compliance with the provisions of this Section shall be a condition precedent to termination of this Agreement for cause and to any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured, provided that nothing herein shall limit CITY's or the CONTRACTOR'S right to terminate this Agreement without cause pursuant to Section 11.6.

11.3 Waiver

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

11.4 Rights and Remedies are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

11.5 Legal Action

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

11.6 Termination Prior to Expiration of Term

This Section shall govern any termination of this Agreement. The Parties reserve the right to terminate this Agreement at any time, with or without cause, upon forty-five (45) days' written notice to the non-terminating party, except that where termination is for cause, the Parties will comply with the dispute resolution process in Section 11.2. Upon issuance of any notice of termination, CONTRACTOR shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. The CONTRACTOR shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 11.2.

11.7 Attorneys' Fees

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

12.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

12.1 Non-liability of CITY Officers and Employees

No officer or employee of the CITY shall be personally liable to the CONTRACTOR, or any successor in interest, in the event of any default or breach by the CITY or for any amount which may become due to the CONTRACTOR or to its successor, or for breach of any obligation of the terms of this Agreement.

12.2 Conflict of Interest

No officer or employee of the CITY shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The CONTRACTOR warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

12.3 Covenant Against Discrimination

CONTRACTOR covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. CONTRACTOR shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

13.0 MISCELLANEOUS PROVISIONS

13.1 Notice

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail addressed as follows:

CITY City of Hawthorne
4455 W. 126th Street
Hawthorne, California 90250

CONTRACTOR: HdL COREN & CONE
1340 Valley Vista Drive, Suite 200
Diamond Bar, California 91765

Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

13.2 Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

13.3 Integration; Amendment

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

13.4 Severability

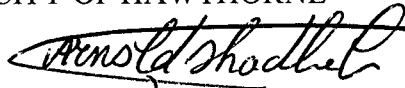
In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

13.5 Corporate Authority

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

CITY OF HAWTHORNE



City Manager

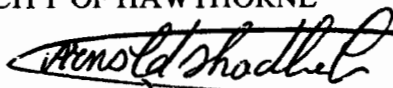
CONTRACTOR:

HdL COREN & CONE
A California Corporation

APPROVED AS TO FORM:



CITY OF HAWTHORNE



City Manager

CONTRACTOR:

HdL COREN & CONE
A California Corporation



APPROVED AS TO FORM:

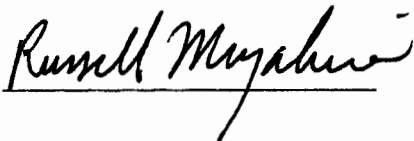


EXHIBIT "A"

SCHEDULE OF PERFORMANCE

TIMELINE FOR DELIVERABLES

July/August	Data available for purchase from counties
September 30	Dataset and software available for installation on city computers
September-October	Unsecured audits performed and forwarded to county assessor
October-February	Delivery of preliminary property tax reports
December	Appeals quarterly updates emailed in counties where the data is available
March	Appeals quarterly updates emailed in counties where the data is available
March/April	General Fund Budget Projections
April/May	Final Books – Addendums emailed to clients
June	Appeals quarterly updates emailed in counties where the data is available
Ongoing	Secured Audits – City Revenue audits of City and District receipts for correctness Property sales reports City mid-year budget reviews and budget projections Analytical work at the request of clients Monthly updates of database with property sale information