AMENDMENT NO. 1

TO CONTRACT SERVICES AGREEMENT BETWEEN THE CITY OF BELL AND LANCE, SOLL, & LUNGHARD LLP

This AMENDMENT NO. 1 TO CONTRACT SERVICES AGREEMENT BETWEEN THE CITY OF BELL AND LANCE, SOLL, & LUNGHARD LLP ("Amendment No. 1") by and between the CITY OF BELL, a municipal corporation ("City") and LANCE, SOLL, & LUNGHARD LLP, Certified Public Accountants ("Contractor") is effective as of the 25th day of January, 2017.

RECITALS

A. City and Contractor entered into that certain agreement dated April 23, 2014 ("Agreement") whereby Contractor agreed to perform financial audit services for the City for the fiscal years ending June 30, 2014, June 30, 2015, and June 30, 2016.

B. Pursuant to section 3.5 of the Agreement and Section I of Exhibit D attached thereto, the term of the Agreement was set to expire upon completion of the financial audit for the fiscal year ending June 30, 2016.

C. The total maximum compensation due to Contractor under the Agreement was an amount not to exceed $249,200.00.

D. As of the date of this Amendment No. 1, the City has paid Contractor the total sum of $249,200.00 under the Agreement.

E. Pursuant to section 3.5 of the Agreement and Section I of Exhibit D thereto, the City may extend the term of the Agreement for two (2) additional one-year periods.

F. The City desires to extend the term of the Agreement for two (2) additional one-year periods so that Contractor may perform financial audit services for the fiscal years ending June 30, 2017 and June 30, 2018.

G. By this Amendment No. 1, the City and Contractor will agree extend the term of the Agreement for two (2) years from the original expiration date of June 30, 2016; accordingly, the Agreement, as amended, will now expire upon completion of the financial audit services for the fiscal year ending June 30, 2018.

H. With Amendment No. 1, the total maximum compensation due to Contractor under the Agreement, as amended, will increase from $249,200.00 to $369,660.00.

TERMS

1. Contract Changes. The Agreement is amended as provided herein.

   a. Section 2.1, Contract Sum, shall be amended to read as follows:

   "Subject to any limitations set forth in this Agreement, City agrees to pay the Contractor the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation,
including reimbursement for actual expenses, shall not exceed Three Hundred Sixty Nine Thousand Six Hundred Sixty Dollars and No Cents ($369,660.00) (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.10. As of the date of Amendment No. 1, the City has already paid $249,200.00 to Contractor.”

b. The introductory paragraph of Section I of Exhibit “A” is hereby amended to read as follows:

“I. Contractor will perform the following Services on an annual basis for the fiscal years ending June 30, 2014 through June 30, 2018 as follows:”

c. Section G is hereby added to Section I of Exhibit “A” and shall read as follows:

“G. For fiscal year ending June 30, 2018 only, Contractor shall advise and ensure all actions required by the City are taken to implement GASB Standard 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), which provides reporting guidance for governments that provide OPEB to their employees and for governments that are legally required to finance OPEB for employees of other governments. The standards detail how state and local governments should account for and report OPEB, primarily retiree health insurance.”

d. Section H is hereby added to Section II of Exhibit “A” and shall read as follows:

“H. For fiscal year ending June 30, 2018 only, any and all reporting documents required for GASB Standard 75.”

e. A revision to Section 4.3 is hereby added to Exhibit “B” and shall read as follows:

“Section 4.3 is hereby revised to read as follows:

‘The Contract Officer shall be the Director of Finance or such other individual as may be designated by the City Manager. 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, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.’”

f. Section I of Exhibit “C” is hereby amended to read as follows:

“I. Contractor shall perform the following tasks at the following rates:
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<tbody>
<tr>
<td>A. City Audit and Related Reports</td>
<td>$63,520</td>
<td>$64,250</td>
<td>$64,990</td>
<td>$45,000</td>
<td>$46,060</td>
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<td>B. GANN Limit Review Report</td>
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<td>$630</td>
<td>$12,430</td>
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<td>C. Single Audit and Related Reports</td>
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<td>D. Successor Agency Audit and Related Reports</td>
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<td>$3,338</td>
<td>$3,472</td>
<td>$2,500</td>
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<td>E. Annual State Controller's Report</td>
<td>$2,770</td>
<td>$2,880</td>
<td>$3,000</td>
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<td>F. GASB 75 Implementation (OPEB)</td>
<td>$0</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$81,600</strong></td>
<td><strong>$83,048</strong></td>
<td><strong>$84,552</strong></td>
<td><strong>$56,700</strong></td>
<td><strong>$63,760</strong></td>
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g. Section IV of Exhibit “C” is hereby amended to read as follows:

“Unless Additional Services are approved per Section 1.10, the total compensation for the Services shall not exceed Three Hundred Sixty Nine Thousand Six Hundred Sixty Dollars and No Cents ($369,660.00) as provided in Section 2.1 of this Agreement. As of the date of Amendment No. 1, the City has already paid $249,200.00 to Contractor.”

h. Section V of Exhibit “C” is hereby amended to read as follows:

V. The Contractor’s billing rates for all personnel are as follows:

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<td>$280</td>
<td>$291</td>
<td>$303</td>
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<td>Manager</td>
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<td>Senior Accountant</td>
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<td>Clerical</td>
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<td>$114</td>
<td>$119</td>
<td>$123</td>
<td>$127</td>
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i. Section I of Exhibit "D" of the Agreement is hereby amended and shall now read as follows:

"I. The Term of the Agreement shall commence upon the Effective Date and continue until all Services are completed to satisfaction of City. The Services shall be for fiscal years ending June 30, 2014 through June 30, 2018. Contractor shall perform all Services timely in accordance with the schedule to be developed by Contractor and the Contract Officer."

j. Section II of Exhibit "D" of the Agreement is hereby amended and shall now read as follows:

"II. Contractor shall deliver the following tangible work products to the City by the following dates:

A. All work products set forth in Section II of Exhibit "A" for Fiscal Year 2013-2014 by December 1, 2014.


C. All work products set forth in Section II of Exhibit "A" for Fiscal Year 2015-2016 by December 1, 2016.


E. All work products set forth in Section II of Exhibit "A" for Fiscal Year 2017-2018 by December 1, 2018."

2. Continuing Effect of Agreement. Except as amended by this Amendment No. 1, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement, as amended by Amendment No. 1.

3. Affirmation of Agreement; Warranty Re Absence of Defaults. City and Contractor each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Contractor represents and warrants to City that, as of the date of this Amendment No. 1, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Contractor that, as of the date of this Amendment No. 1, Contractor is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.
4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 1.

5. **Authority.** The persons executing this Amendment No. 1 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 Amendment No. 1 on behalf of said party, (iii) by so executing this Amendment No. 1, such party is formally bound to the provisions of the Agreement, as amended and (iv) the entering into this Amendment No. 1 does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 on the date and year first-above written.

CITY:

CITY OF BELL

Alicia Romero, Mayor

ATTEST:

Angela Bustamante, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

David J. Aleshrie, City Attorney

CONTRACTOR:

LANCE, SOLL, & LUNGHARD LLP

By: [Signature] 
Name: Debbie A. Harper 
Title: Partner

By: 
Name: 
Title: 
Address:

NOTE: CONTRACTOR’S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER’S BUSINESS ENTITY.
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On February 15, 2017 before me, Valarie J. Contos, personally appeared Deborah Kerper proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Valarie J. Contos

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

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</table>

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

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