

**CITY OF SOUTH LAKE TAHOE  
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of Aug 23, 2023 by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and HdL Companies.

**RECITALS**

- A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement.
- B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.
- C. City desires to retain Consultant to render professional services as set forth in this Agreement.

**AGREEMENT**

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

1. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement and continue annually until further written notice.

2. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed **\$76,500.00 for one-time implementation cost, and \$22,000.00 annually, subject to CPI increase as outlined in the Fees section of Schedule Z**, without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.
3. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.
4. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.
5. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

6. Ownership of Documents.

All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

7. Consultant's Books and Records.

- a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.
- b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.
- c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.
- d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by

any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

8. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings from the compensation payable to Consultant under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

9. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,



- b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

10. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

11. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

12. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

13. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all

costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

14. Insurance Requirements.

- a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.
  - i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City

- at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.
- ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.
  - iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.
  - iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

- b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:
- i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.
  - ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.
  - iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.
  - iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.
  - v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.
  - vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.
- c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies.

The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

- d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

15. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City:                   City of South Lake Tahoe  
                                  1901 Lisa Maloff Way, Suite 210  
                                  South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office  
                                  City of South Lake Tahoe  
                                  1901 Lisa Maloff Way, Suite 300  
                                  South Lake Tahoe, CA 96150

If to Consultant:   HdL Companies  
                                  120 S. State College Blvd. Suite 200  
                                  Brea, CA 92821

Provide a copy to: Connor Duckworth, Client Advisor  
                                  HdL Companies  
                                  120 S. State College Blvd. Suite 200  
                                  Brea, CA 92821

16. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not

subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

17. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.
18. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.
19. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.
20. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
21. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or



termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

22. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:
- a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).
  - b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
    - i. The dangers of drug abuse in the workplace;
    - ii. The person's or organization's policy of maintaining a drug-free workplace;
    - iii. Any available counseling, rehabilitation and employee assistance program; and
    - iv. Penalties that may be imposed upon employees for drug abuse violations.
  - c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:
    - i. Will receive a copy of the Consultant's drug-free policy statement; and
    - ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.


23. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or

subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

24. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Consultant assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.
25. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.
26. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.
27. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
28. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.
29. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
30. Time is of the Essence. Time is of the essence for this Agreement.
31. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By   
Joseph Irvin (Aug 24, 2023 07:52 PDT)

Joe Irvin, City Manager

Date Aug 24, 2023

CONSULTANT:


By *Robert Gray*

Robert Gray

Title: Director of Tax & Fee Administration

Date Aug 24, 2023


APPROVED AS TO FORM:

By   
Heather Stroud (Aug 23, 2023 16:12 PDT)

Heather Stroud, City Attorney

Date Aug 23, 2023

ATTEST:

By   
Sue Blankenship (Aug 23, 2023 10:26 PDT)

Susan Blankenship, City Clerk

Date Aug 23, 2023

Attachments:

- Exhibit A – Scope of Services and Fees: HdL Master Services Agreement including Schedule Z Services and Fees
- Exhibit B – Compensation Schedule Summary
- Exhibit C - Anti-Lobbying Certification

**EXHIBIT A**

**SCOPE OF SERVICES AND FEES**

## MASTER SERVICES AGREEMENT

**THIS MASTER SERVICES AGREEMENT** (this “Agreement”) is entered into as of - Aug 24, 2023, (the “Agreement Date”) by and between Hinderliter De Llamas & Associates (HdL) (“Consultant”), and City of South Lake Tahoe (“Client”), which is located within the state of California (the “State”).

### WITNESSETH:

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

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

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

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

#### **1. Services.**

1.1 Consultant will perform those services included within Consultant’s Business that are described in any and all schedule(s) referencing this Agreement and signed by Client and Consultant as of the Agreement Date or hereafter (individually and collectively, the “Schedule(s)”), upon the terms and conditions contained in this Agreement (including the Schedules) (such services are, collectively, the “Services”)

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

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

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

2. **Fees.** As compensation for performing the Services, Client will pay Consultant the fees, costs and expenses as described in the Schedules (individually and collectively these fees and costs are, the “Fees”). Consultant may perform the Services using professionals from its staff or Consultant’s affiliated entities, and such Services will be billed to Client under the same billing terms applicable to Consultant’s staff. Consultant may increase the Fees from time to time (including, without limitation, annually as described in the Schedules). Other than a Fee increase as described in the Schedules, Client may notify Consultant of a request that such Fee increase be modified or revoked and, if Consultant fails to do so to Client’s satisfaction within thirty (30) days after the receipt of such request, Client may terminate this Agreement without cause pursuant to Section 7.3.

3. **Invoices; Payment.**

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

3.2 Invoices are due and payable upon receipt. Interest will begin to accrue on the forty-fifth (45th) day following the invoice date on all unpaid balances at a rate of one and one-half percent (1½%) per month, or the maximum rate permitted by law, whichever is less. Payments will first be credited to interest and then to principal. In the event that Client disputes or contests an invoice, only that portion so disputed or contested in good faith will be withheld from payment, and the undisputed portion must be timely paid. Interest will accrue on any contested portion of the invoice not timely paid and will be payable immediately if the contested invoice is resolved in favor of Consultant.

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

4. **Insurance.** Throughout the term of this Agreement, Consultant will maintain the following insurance in not less than the referenced amounts: (a) workers compensation and employers liability insurance as may be required by the State; (b) property damage liability of \$1,000,000 per incident; (c) bodily injury liability of \$1,000,000 per incident; and (d) professional liability for any errors or omissions of \$1,000,000.

5. **Client Support.**

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



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

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

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

## **6. Confidentiality; Software Use and Warranty; Records; Agency Data.**

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

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

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

Software license will be deemed to have expired and Client must immediately deactivate, cease using and remove, delete and destroy all the Software (including, without limitation, from Client's computers and network). **Consultant warrants that the Software will perform in accordance with the Software's documentation.**

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

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

6.6 Consultant acknowledges that the data provided by Client (" Agency Data") during the course of this Agreement is the property of Client. Client authorizes HdL to access, import, process and generate reports from the Agency Data with its various proprietary systems. No Agency Data will be shared by Client with any other party without written permission from Client. Consultant shall maintain the confidentiality of the Agency Data and shall not use Agency Data except to perform the services under this Agreement. HdL shall collect, process, store, and transfer Personally Identifiable Information ("PII") only in a manner that is consistent with applicable federal, state and local laws including, but not limited to, privacy laws applicable to PII. Any right of Consultant to use the Agency Data as provided herein shall terminate upon termination of this Agreement and HdL shall destroy all copies of Agency Data. Consultant's obligation to hold Agency Data confidential shall survive termination of this Agreement. No Agency Data shall be exported to foreign countries, and the data center (including the hosted software, infrastructure and data) will be located and the services shall be performed in the United States, and no Agency Data shall be made available to those located outside the United States. At the termination of this Agreement the Agency Data will be made available to Client in a format acceptable to both Client and Consultant.

## **7. Term and Termination.**

7.1 The initial term of this Agreement commences as of the Agreement Date and, unless terminated earlier pursuant to any of this Agreement's express provisions, will continue in effect until twelve (12) months from such date (the "Initial Term"). This Agreement will automatically renew for successive twelve (12) month terms unless earlier terminated as set forth in Section 7.2 or 7.3 or either party gives the other party written notice of non-renewal at least one hundred twenty (120) days prior

to the expiration of the then-current term (each a “Renewal Term” and, collectively, together with the Initial Term, the “Term”).

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

7.3 In addition, either party may terminate this Agreement without cause upon not less than one hundred twenty (120) days’ written notice to the other party.

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

## **8. Indemnification.**

8.1 Consultant agrees to fully and promptly indemnify and hold harmless (but not defend) Client and each of its officers, employees and agents (collectively, “Client Group”) from and against any and all third-party liabilities, judgments, awards, losses, claims, damages, expenses, and costs (including, without limitation, for reasonable third-party attorneys’ fees and costs awarded in connection therewith) (each, a “Third-Party Liability”, and collectively, “Third-Party Liabilities”) directly or indirectly related to this Agreement and arising out of any negligent act or negligent omission, or reckless or willful misconduct, of Consultant or any of its directors, officers, employees, agents, direct and indirect equity holders, or affiliates (collectively, “Consultant Group”) under this Agreement; provided, that such obligations to indemnify and hold harmless are only to the extent Consultant admits in writing, or any of Consultant Group is found by a court of competent jurisdiction in a judgment which has become final and that is no longer subject to appeal or review, to have caused the above-described Third-Party Liability(ies). In no event shall Consultant be obligated to defend any of Client Group or pay for any Client Group attorneys’ fees or other costs of defending against any such Third-Party Liabilities (“defense costs”), with exception of if Consultant is obligated to indemnify and hold harmless Client Group as described above in this Section 8.1 then Consultant shall also be responsible for the defense costs incurred by Client Group for the related matter. Consultant’s duty to indemnify and hold harmless Client shall not apply to claims for liability which arise from the issuance or non-issuance of any registration, license, permit, or exemption.

## **9. Liability Limitations; Governing Law; Dispute Resolution.**

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

9.1.1 Except as may otherwise be expressly set forth in this Agreement, Consultant makes no warranty of any kind with respect to the Services or the Software, express or implied. Consultant hereby disclaims all other warranties, express or implied, including the implied

warranties of merchantability, fitness for a particular purpose, title and non infringement. Consultant disclaims all warranties and responsibility for third party software.

9.1.2 In no event will any of Consultant Group be liable for any Client monies not collected by Consultant Group, or any special, incidental, or consequential damages of any nature whatsoever, even if such restrictions deprive one or more remedies of their essential purpose. This damage exclusion is independent of any remedies provided for herein.

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

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

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

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

## **10. General Legal Provisions.**

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

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

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



any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

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

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

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

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

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

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

10.10 No Adverse Construction. Both parties acknowledge having had the opportunity to participate in the drafting of this Agreement. This Agreement will not be construed against either

party based upon authorship. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

[Signatures are on the next page]



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


**CONSULTANT:**

**CLIENT:**

Hinderliter De Llamas & Associates (HdL)

City of South Lake Tahoe, CA

By: Robert Gray  
Its: Director of Tax & Fee Administration

By:   
Its: City Manager

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

[Any Schedule or Schedules may (but is/are not required to) be attached hereto]

## SCHEDULE Z

### Local Tax Software Solution Services and Fees Tax and Fee Administration Services and Fees

SCHEDULE Z – This Schedule Z provides the scope of Services and Fees for Consultant’s Local Tax Software Solution pursuant to the Master Services Agreement dated \_\_\_\_\_ (“MSA”).

The MSA includes the main body of the MSA, this Schedule, and all other Schedules to the MSA. Terms not otherwise defined herein have the definitions given to them within the main body of the MSA.

### SCOPE OF SERVICES

Consultant will provide the following Services relative to Consultant’s Prime Cloud local tax software solution: Prime Cloud Business License, Transient Occupancy Tax and On-line (Web Module) payment module.

#### 1. Prime Cloud Software Implementation

##### 1.1. Consultant's responsibilities

- 1.1.1. **Project manager** - Consultant will provide a project manager (PM) to guide the software implementation process. The primary responsibility for the Consultant PM is to ensure successful and timely completion of each step of the software implementation schedule. The Consultant PM will work closely with the Client's designated project manager to define the software implementation schedule, identify Client needs and configure the software accordingly, validate the data conversion, and provide user training.
- 1.1.2. **IT support** - Consultant will provide a dedicated IT staff member to provide IT support during the software implementation process.
- 1.1.3. **Management support** - Consultant will assist the Client in evaluating current policies and procedures in order to enhance operational efficiency. This may include suggestions to redesign forms/reports, implement new processes, or adopt new strategies for improving communication with the business community and other Client departments.
- 1.1.4. **Training** - Consultant will provide software training for Client users as defined in the fees schedule. The timing, size and participants of each training session will be determined by the Consultant’s and Client’s PMs. A training day consists of one (2) six (6) hour days. Additional training days are available at the rate set in Schedule D, Scope of Services.
- 1.1.5. **Software documentation** - Consultant will provide Client with access to digital copies of available software documentation. The Client may use the software documentation materials as needed for internal use only. The software documentation contains proprietary and confidential information, and as such is bound by the confidentiality portion of this agreement. The software documentation may not in any circumstances be distributed to any 3<sup>rd</sup> party or any individual that is not a current Client staff member responsible for using or maintaining the software.

##### 1.2. Client's responsibilities

- 1.2.1. **Project manager** - Client will designate a staff member to serve as the Client's project manager (PM). This individual must be intimately involved in the daily business processes which the software will automate, and be empowered to make, or quickly secure from management, decisions required for the configuration and implementation of the software. The primary responsibility for the Client PM is to ensure that all Client responsibilities during the software implementation process are met according to the agreed upon software implementation schedule. The Client PM will be instrumental in the successful implementation of the software; working closely with the Consultant PM to verify data conversion, review and approve reports, establish business rules, and confirm configuration and behavior of the software.
- 1.2.2. **IT support** - Client will designate an IT staff member to work with Consultant staff throughout the software implementation process. This individual must be knowledgeable about the Client's

computing environment and be authorized to access any equipment or services required for proper access to and operation of the software.

- 1.3. **Data Conversion** - Consultant will convert the Client's existing data as provided by Client. Client agrees to provide its current data in a format agreed upon by Consultant and Client. Acceptable formats include Microsoft SQL Server backup file, Excel, Access, and ASCII delimited text file. Client will provide all available documentation to assist with identifying the contents of the data files, including but not limited to file layout documentation, database schema, and screenshots from five (5) sample accounts. Client will provide the data a minimum of two times during the conversion process. Client understands that the second (and any subsequent) data must be provided in the same format and layout as the first data set. Any inconsistencies between the first and final data sets will result in a delayed installation date and additional charges for conversion.
- 1.4. **Schedule** – The default timeline for software implementation (including “Go Live”) is approximately 60 days from receipt of initial discovery materials. When the Agreement is signed by all parties, Consultant will immediately work with the Client to establish a defined implementation schedule which is agreeable to both Client and Consultant.
2. **Prime Cloud Software Hosting Services** – Consultant's hosting services offload the majority of IT concerns to Consultant's hosting team; including system upgrades, hardware and software maintenance, database management, and disaster recovery. Client will be responsible for maintaining its workstations and a reliable internet connection. Consultant will handle the rest. Website functionality will be hosted using a Client specific sub-domain on Consultant's special purpose hdlgov.com domain.
  - 2.1. **Workstation Specifications** – Workstations will access the software through a remote application session with Consultant's hosting service. All workstations require 4+GB Memory, 1280x1024 screen resolution, and MS Windows 7/8/10 operating system.
  - 2.2. **Network Specifications** – Consultant's hosted service requires reliable, high speed internet connectivity. High-speed local area network connections are always helpful, but the service will also run without difficulty over slower WAN connections such as T1 or mobile broadband.
  - 2.3. **Printer Specifications** - The software is designed to work with laser printers. A PCL compliant laser printer is recommended. Each make and model of printer has different drivers and therefore has slightly different results when printing. We design forms/reports using HP LaserJet printers.
3. **Prime Cloud Software Support**
  - 3.1. **Client Support** - Consultant will provide Client's users no charge support by telephone, email and the web during the term of this Agreement. In the United States support is available as follows: For customer support between the hours of 8:00 am and 5:00 pm Pacific time, Monday through Friday, email [support@hdlcompanies.com](mailto:support@hdlcompanies.com) or call (909) 861-4335 and ask for software support. For urgent off hours support before 8:00 am or after 5:00 pm Pacific time, Monday through Friday (or anytime Saturday), email [911@hdlcompanies.com](mailto:911@hdlcompanies.com) and Consultant's on call support personnel will be notified. Please only include your name, agency and contact # in emails to [911@hdlcompanies.com](mailto:911@hdlcompanies.com). You will be contacted as soon as possible.
  - 3.2. **Response Time** – In the event that Client encounters an error and/or malfunction whereby the software does not conform to expected behavior in accordance with the software design, Consultant will assign one of the following severity levels and render support services in a timely manner consistent with the urgency of the situation.
    - 3.2.1. **Severity Level 1** – a critical problem has been encountered such that the software is essentially inoperable and without a reasonable workaround. Consultant will respond within one (1) business hour to diagnose the problem. A response is defined as an email or call to the Client's designated support contact. Consultant and Client will work diligently and continuously to correct the problem as quickly as possible.
    - 3.2.2. **Severity Level 2** – a problem has been encountered that does not prevent use of the software, but the software is not operating correctly. Consultant will diagnose the problem within 48 hours and advise Client of any available work-around. Upon Consultant's confirmation that the

software is not operating correctly, Consultant will provide a software update to repair the defect and confirm with Client that the update resolved the issue.

- 3.2.3. **Severity Level 3** – a minor problem has been encountered. The software is usable but could be improved by correction of a minor defect or addition of a usability enhancement. HdL will assess the request within fifteen (15) business days and, depending on priorities, schedule a software update for a future release, advise City that the request will not be implemented, or offer the option of implementing the request as a custom software enhancement at additional cost.
  - 3.3. **Support Policy Regarding Reports** - Consultant will assist with modifications to reports as needed during the term of this agreement. Typical report modifications require 7 to 10 business days to complete. Very complex reports or reports required in a very short time frame may incur development costs, in which case an estimate will be provided for approval before the work is begun.
  - 3.4. **Software Upgrades** - Except to the extent that upgrades of the software include new modules or features not previously offered as part of the software as of the date hereof, Client is entitled to upgrades of the software within the terms of this Agreement. Though rare, additional costs may apply depending on the extent of the upgrade. Potential additional costs include training, consulting, configuration, or other requested services.
  - 3.5. **Out of Scope Support** – Client agrees to pay additional hourly fees according to Consultant’s then current hourly rates if the Client desires Consultant’s assistance for matters which are not caused by any defects in Consultant’s software.
4. **Online Payment Processing** – Consultant’s software includes PCI compliant payment gateway services powered by FIS Global, which supports both credit card and eCheck transactions. If a different payment gateway is required there will be an initial programming cost to establish the custom payment gateway integration, and increase to the annual software use fee for continued support of the custom integration. Costs will be determined dependent on the integration requirements and API documentation.
    - 4.1. **Payment Processing** - Consultant shall provide its Services to support payments remitted to Client. Consultant shall transmit transactions for authorization and settlement through Consultant’s certified payment processor. Funds for transactions processed by Consultant hereunder shall be submitted to Client’s designated bank account as follows: (i) no more than two (2) business banking days after all Transactions (other than electronic Check Transactions) that are successfully processed prior to 5:00 p.m. ET on each business banking day (e.g., a Transaction authorized at 2:00 p.m. ET on Monday will be submitted on Wednesday; a Transaction successfully processed at 8:00 p.m. ET on Monday will be submitted on Thursday); and (ii) no more than five (5) business banking days for all electronic Check Transactions that are successfully processed prior to 5:00 p.m. ET on each business banking day. Consultant makes no representation or warranty as to when funds will be made available by Client’s bank.
    - 4.2. **Support** - Consultant shall provide Client with payment processing related customer service as needed. Client shall timely report any problems encountered with the service. Consultant shall promptly respond to each report problem based on its severity, the impact on Client’s operations and the effect on the service. Consultant shall either resolve the problem or provide Client with the information needed to enable the Client to resolve it.
    - 4.3. **Transaction Errors** - Consultant’s sole responsibility for any Transaction error or reversed Transaction is to determine whether the result indicates a problem with Consultant’s service and, if necessary, reprocess and resubmit the Transaction without additional charge. In the event that a Transaction is reversed or refunded to any Customer of Client, for any reason, Consultant may offset such amount against funds remitted to Client, or invoice Client for such amount, at Consultant’s discretion. Client shall pay any such invoice within 30 days of receipt.
    - 4.4. **Electronic Check Authorization** - If Client elects to accept electronic Checks as a form of payment, the following subsections apply. For the purpose of this section, “checks” means checks drawn on accounts held in the U.S. (“Check(s)”).
      - 4.4.1. As part of the implementation plan, Client shall select risk management controls governing Check acceptance and assumes sole responsibility for the choice of controls.

- 4.4.2. Consultant shall provide confirmation on a submitted ABA number as part of the Service to assist Client with the decision whether to accept a Check and shall route accepted Checks.
- 4.4.3. Client hereby authorizes Consultant to debit the Client's financial institution account in the amount of any returned item that is received by Consultant.

**4.5. Client Responsibilities**

- 4.5.1. As a condition to its receipt of the Service, Client shall execute and deliver any and all applications, agreements, certifications or other documents required by Networks or other third parties whose consent or approval is necessary for the processing of Transactions. "Network" is an entity or association that operates, under a common service mark, a system which permits participants to authorize, route, and settle Transactions among themselves, including, for example, networks operated by VISA USA and Mastercard, Inc., NYCE Corporation, American Express, and Discover.
- 4.5.2. Client represents, warrants, and agrees that it does and will comply with applicable Laws and regulations and Network rules, regulations or operating guidelines. Client shall notify Consultant in writing as soon as possible in the event a claim is either threatened or filed against Client by any governmental organization having jurisdiction over Client or a Customer related to the Service. Client shall also notify Consultant in writing as soon as possible in the event a claim is either threatened or filed against Client relating to Transactions or the Services or a fine or other penalty is assessed or threatened relating to Transactions or the Services.
- 4.5.3. Client represents, warrants and agrees that it is and will continue to be in full compliance with all applicable requirements of the Client Information Security Program of VISA, the Site Data Protection Program of MasterCard, and similar programs of other Networks, and any modifications to such programs that may occur from time to time. Upon the request of Consultant, Client shall provide Consultant with documentation reasonably satisfactory to Consultant verifying compliance with this Section.
- 4.5.4. Client hereby grants Consultant the full right, power and authority to request, receive and review any Data or records reflected in a Transaction report. Client represents and warrants that it has the full right and authority to grant these rights.

**FEES**

5. **Pricing Adjustments** – All pricing listed in this Schedule will be honored during the first twelve months of software services. Any additional/optional services needed after this period will be provided using Consultant's current pricing schedule at the time the service is requested.

6. **Software Services**

6.1. **One Time Costs**

<i>Item</i>	<i>Price</i>	<i>Comments</i>
<i>Prime Cloud Software License Fee (HdL Hosted)</i>	\$44,000.00	6 Named Users
<i>Prime Cloud Web Module</i>	Included	Must use HdL supported FIS Global payment gateway. Non-supported gateways require a development charge of a minimum of \$5,000.00 + Specifications.
<i>Implementation</i>	\$14,500.00	Project management, installation, configuration, report design, training, etc.
<i>BL + TOT/VHR</i>	\$6,000.00	
<i>Data Conversion</i>	\$10,000.00	Up to 30 hrs. of work. Above 30 hrs., time, and material.

<i>Finance Export</i>	Included	A \$6,000 Value. The finance export captures our Prime Cloud's payment information and converts it into a file (typically .xls or .csv file) to then upload into the City's cashing system for reconciliation in a single payment system. Daily journal entry file export to finance system
<i>Travel Expenses</i>	TBD	At Cost
<i>Training – 2 days</i>	Included	Training consists of two (2) six (6) hour day sessions. Additional on-line training days available at \$2,000/day. Any on-site training will require additional travel and logistic expenses.
<b>TOTAL</b>	<b>\$76,500.00</b>	<b>Total one-time costs</b>

**Optional Services.** The following optional services and start date shall be at the discretion of the city and shall require a detailed Statement of Work.

<i>Item</i>	<i>Price</i>	<i>Comments</i>
<i>Transient Occupancy Tax Audits (with Scope of Services)</i>	\$2,150.00 each	Per Audit
<i>Compliance Services (with Scope of Services)</i>	40%	40% of all collected revenues
<i>File conversion</i>	\$4,720.00	Conversion of any additional files/data (Maximum of 16 Hours)

- 6.1.1. **Prime Cloud Software License Fee** – Fee includes use of the software by the specified number of users and all standard forms and reports. Additional user licenses are available for \$1,500.00 license fee plus \$450 annual software use fee.
- 6.1.2. **Data Conversion** – Fee includes two (2) conversions of Client data. The first for the pre-install environment used for testing and training, and the second at go-live. Additional conversions can be performed, upon request, at a cost of \$2,500 per conversion. Includes up to 30 hours of developer time. Abnormally complex conversions or poor data quality may require additional effort beyond the 30 hours, which will be charged at the developer hourly rate.
- 6.1.3. **Travel Expenses** – Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. Consultant is dedicated to conserving public funds and ensures any travel costs are required and reasonable.
- 6.1.4. **Parcel Data** – Should Client desire for the software to incorporate parcel data, Consultant supports the following three methods:
  - 6.1.4.1. If Client utilizes Consultant's property tax services, parcel data will be provided at no cost.
  - 6.1.4.2. Client may purchase the data from Consultant. Cost of parcel data will be provided upon request.
  - 6.1.4.3. Should Client desire to utilize another source of parcel data, Consultant can work with Client to create a re-useable import utility. The development of this utility will be billed on



a time and material basis. Once the source data has been reviewed, a statement of work will be provided including a cost and time estimate.

- 6.1.5. **Customizing Services** – Consultant’s software is a customizable off the shelf system (COTS) and has been designed to meet all common needs of municipalities. Should the need occur, Consultant is available to provide custom enhancements to the software on a time and material basis. No work shall be performed without prior written approval of Client.

6.2. **Recurring Costs**

<i>Item</i>	<i>Price</i>	<i>Comments</i>
<i>Prime Cloud Software Use Fee &amp; Software Hosting</i>	\$22,000.00	Billed Annually + CPI. Includes 6 named remote user connections. Additional named user connections are \$180/year.

- 6.2.1. **Prime Cloud Software Use Fee** – Software Use Fee is billed annually and provides for ongoing customer support and updates to the software. Fee will be increased as of January 1st of each calendar year starting January 1, 2025, with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the “CPI Change”). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.

- 6.2.2. **Hosting Services** – The fee for software hosting services is billed annually in advance, along with the software use fee. Fee may be periodically revised, with three (3) months advance notice to Client, to account for changes in market costs related to hosting, such as internet bandwidth, power, security, and related equipment or services costs.

7. **Payment Processing Services** – Consultant will configure payment processing services to utilize either a taxpayer funded model (convenience fee) or Client funded interchange pass-through model. Client may switch between these models upon written request to Consultant.

- 7.1. **Taxpayer funded model** - Client authorizes Consultant to collect each convenience fee.

<i>Item</i>	<i>Price</i>
<i>Credit and Debit Cards processing</i>	2.9%, minimum of \$2.00
<i>ACH/eCheck processing</i>	\$1.25 per transaction
<i>Payment Account Hosting and Maintenance</i>	\$33.26 per month
<i>ACH/eCheck Returns</i>	\$0
<i>Chargebacks</i>	\$0

7.2. **Client funded interchange pass-through model**

<i>Item</i>	<i>Price</i>
<i>Credit and Debit Cards processing</i>	2.9% + \$0.30 per transaction

<i>ACH/eCheck processing</i>	\$0.50 per transaction
<i>Payment Account Hosting and Maintenance</i>	\$33.26 per month
<i>ACH/eCheck Returns</i>	\$10.00 per event
<i>Chargebacks</i>	\$25.00 per event

- 7.3. Fees do not include expenses, late fees or charges, or taxes, all of which shall be the responsibility of Client. In addition to the charges specified, Client shall be responsible for (a) all interchange and network provider fees, (b) all dues, fees, fines and assessments established and owed by Client to Visa and/or Mastercard, (c) for all costs and fees associated with changes to ATM protocol caused by Client's conversion to the Services, and (d) any increase in postage charges, provided that any increase in charges resulting from (a) through (d) shall not exceed the actual increase incurred by Consultant.
- 7.4. Consultant reserves the right to review and adjust all Client and convenience fee pricing on an annual basis in June. This adjustment may be consistent with the then most recent ECI adjustment or three percent (3%) whichever is greater. Items that will be considered in the review of fees may include, but are not limited to: regulatory changes, card association rate adjustments, card association category changes, bank/processor dues and assessments, average consumer payment amounts, and card type utilization.

**8. Payment Schedule**


- 8.1. All one-time project costs and the first-year service fees shall be paid as follows:
- 8.1.1. 60% of one-time costs shall be due within 30 days of the effective date of the Agreement.
  - 8.1.2. 30% of one-time costs shall be due within 60 days of the effective date of the Agreement.
  - 8.1.3. The final 10% shall be due within 30 days of full system delivery or first production use of the software, whichever comes first.
  - 8.1.4. The first-year service fees shall be due on the Go Live Date.
- 8.2. Any travel and lodging expenses are billed at cost as they are incurred. Such expenses shall be due within 30 days of the billing date.
- 8.3. Recurring software service fees will be invoiced each year on the anniversary of the effective date of the Agreement and shall be due within 30 days of the invoice date.
- 8.4. Payment processing service fees are invoiced monthly for the prior month's activity and shall be due within 30 days of the invoice date.

**IN WITNESS WHEREOF**, the parties hereto have entered into this Schedule Z to the MSA through their duly authorized representatives as of Aug 24, 2023.

Hinderliter De Llamas & Associates (HdL)

City of South Lake Tahoe, CA

By: Robert Gray  
Its: Director of Tax & Fee  
Administration

By:   
Its: City Manager

Sample Project Plan				
S. NO	Task	Task	Activity	Estimated Work Duration
1	Discovery and Data Gathering	Hand off call from Sales to Implementation with the client	Meet with Sales	2weeks
2			Request setup documentation (W9, GL code, logo, letters/renewal, application,	
3			Confirm funding model	
4		Review website for municipal code, download forms, fee schedule and screenprint BL webpages		
5		Data and Integration Review	Review integration requirements	
6			Review Historical data file requirements	
7		Determine Go Live date		
8		Receive requested documents/information		
9		Create Project Plan		
10	Project Kick Off	Conduct Internal Kick-off meeting		1week
11		Conduct Project Kick-off meeting		
12		Conduct Process Meeting with client		
13		Document workflow for business license and other city applications/renewal processes		
14		Sign off on workflow process		
15	Configuration/Data Conversion	Develop Reports	Create development tickets for development	4-6weeks
16			Receive reports from Dev	
17			Test Reports	
18		Sign off on Reports		
19		Create staging environment		
20		Request initial historical data file		
21		Create and send initial historical data file		
22		Receive and Complete data mapping and conversion		
23		Sign off data mapping file		
24		Application & Integration Configuration	Configure HdL Prime, setup city users	
25			Validate and approve configuration	
26			Configure other integration requirements	
27	Validate and approve data			
28	Pre-Production QA and Sign-off	Conduct end to end testing	Test rate types on desktop and web	2weeks
29			Test HdL Prime configuration	
30		Conduct Training		
31		Conduct UAT		
32	GO-LIVE	Conduct GO/NO GO meeting and decision with internal stakeholders		2-3 days
33		Apply Final Data	Create and Provide Final data	
34			Convert final data	
35			Validate final data	
36		Deploy Staging to Production		
37	Complete Production Setup			
38	Close Project or Phase	Formal acceptance of deliverable(s)		2-3 days
39		Conduct Lessons Learned		
40		Transition to Client Support		

## HINDERLITER DE LLAMAS & ASSOCIATES (HDL)

Tax and Fee Administration Services and Fees  
Transient Occupancy Tax Audits

### SCOPE OF SERVICES

Consultant will provide the following Services relative to Client's transient occupancy tax audits upon Client's request.

#### 1. Audit Services

- 1.1. Analyze Client transient occupancy tax ordinance and business procedures, and recommend possible improvements or best practices for processes, form design, and ordinance.
- 1.2. Analyze lodging provider data and review analysis findings with Client. Analysis will include the most recent thirty-six (36) months of tax filings along with supplemental data as available (including number of rooms, occupancy rate, physical condition, and business dynamics).
- 1.3. Recommend lodging providers who merit additional investigation or examination to determine their compliance with Client's ordinance.
- 1.4. Lodging providers identified by Consultant and approved by Client for audit are scheduled for a compliance analysis audit.
- 1.5. Review records of the lodging provider for information related to compliance with Client regulations (including endeavoring to validate taxable gross rents, exemptions, bank statements, daily/monthly summaries, and other relevant compliance-related information). Supporting documentation for relevant items such as exemptions will also be reviewed.
- 1.6. Generate lodging provider compliance report (including results of the compliance analysis audit and recommended actions). Review report with Client and determine next steps.
- 1.7. Notify deficient lodging providers of the findings as well as instructions for payment and appeal processes. Schedule appointments with lodging providers to review findings and educate regarding proper filing procedures in order to prevent future errors and deficiencies.
- 1.8. Send compliant lodging providers a letter of commendation, thanking them for their cooperation and compliance.
- 1.9. Invoice lodging providers found to be underreporting through the standard Client approved collections process.

### FEES

#### 2. Audit Services

- 2.1. Fees for performing audit Services are \$2,150,000 per property.
  - 2.1.1. Fees will be increased as of January 1st of each calendar year starting with January 1, 2025 with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change"). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.
- 2.2. Fees related to travel and lodging expenses are billed at cost and apply to all meetings (including implementation, training, operations and support).
- 2.3. Fees will be invoiced monthly to Client for Services performed during the prior month. Client will submit payment for any balance due to Consultant within 30 days of receiving the invoice.

3. **IN WITNESS WHEREOF**, the parties hereto have entered into this Schedule F to the MSA through their duly authorized representatives as of Aug 24, 2023.

**CONSULTANT:**

**CLIENT:**

Hinderliter De Llamas & Associates (HdL)

City of South Lake Tahoe, CA

By: *Robert Gray*  
Its: Director of Tax & Fee Administration

By: *J.I.*  
Joseph Irvin (Aug 24, 2023 07:52 PDT)  
Its: City Manager



**EXHIBIT B**

**COMPENSATION SCHEDULE SUMMARY**

**BUDGET**

Estimated fees (one-time costs not to exceed)	\$ 76,500.00
Recurring Annual Software Use and Hosting Fee	\$22,000.00
Travel and out-of-pocket expenses (travel expenses will be submitted at cost, per prior approval by the City)	TBD, upon approval
TOTAL (First Year, Not To Exceed)	\$76,500.00
Not to Exceed Annually starting Go Live Date (plus CPI)	\$22,000.00
Optional Services:	
Transient Occupancy Tax Audits (per audit)	\$2,150
Compliance Services (BL audit) (of all collected revenues)	40%
File conversion (maximum of 16 hours)	\$4,720

**EXHIBIT C**

**ANTI-LOBBYING CERTIFICATION**

**Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than \$10,000 and no more than \$100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant:

By: Robert Gray

Robert Gray, Director of Tax & Fee Administration



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
08/22/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b>  Marsh Affinity a division of Marsh USA LLC. PO BOX 14404 Des Moines, IA 50306-9686	<b>CONTACT NAME:</b> Marsh Affinity
	<b>PHONE (A/C, No, Ext):</b> 800-743-8130 <b>FAX (A/C, No):</b>
	<b>E-MAIL ADDRESS:</b> ADPTotalSource@marsh.com
	<b>INSURER(S) AFFORDING COVERAGE</b>
	<b>INSURER A:</b> AIU Insurance Company <b>NAIC #</b> 19399
	<b>INSURER B:</b>
	<b>INSURER C:</b>
	<b>INSURER D:</b>
	<b>INSURER E:</b>
	<b>INSURER F:</b>

<b>INSURED</b>  ADP TotalSource DE IV, Inc. 5800 Windward Parkway Alpharetta, GA 30005 L/C/F: Hinderliter de Llamas & Associates  120 S State College Blvd Suite 200 Brea, CA 92821
--

### COVERAGES      CERTIFICATE NUMBER:      REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS								
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$								
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$								
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$								
<b>A</b>	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	X	WC 034279274 CA	07/01/2023	07/01/2024	<table border="1"> <tr> <td>PER STATUTE</td> <td>OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$ 2,000,000</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$ 2,000,000</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$ 2,000,000</td> </tr> </table>	PER STATUTE	OTHER	E.L. EACH ACCIDENT	\$ 2,000,000	E.L. DISEASE - EA EMPLOYEE	\$ 2,000,000	E.L. DISEASE - POLICY LIMIT	\$ 2,000,000
PER STATUTE	OTHER														
E.L. EACH ACCIDENT	\$ 2,000,000														
E.L. DISEASE - EA EMPLOYEE	\$ 2,000,000														
E.L. DISEASE - POLICY LIMIT	\$ 2,000,000														

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
All worksite employees working for Hinderliter de Llamas & Associates paid under ADP TOTALSOURCE, INC.'s payroll, are covered under the above stated policy. WAIVER OF SUBROGATION IN FAVOR OF City of South Lake Tahoe AS RESPECTS OF JOB PERFORMED BY Hinderliter de Llamas & Associates AS REQUIRED BY WRITTEN CONTRACT. 120 STATE COLLEGE BLVD 120 STATE COLLEGE BLVD

### CERTIFICATE HOLDER

City of South Lake Tahoe 1901 Airport Road, Ste. 210 South Lake Tahoe, CA 96150
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### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
AUTHORIZED REPRESENTATIVE <i>Jo Phillips</i>

ACORD 25 (2016/03)

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WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be \_\_\_% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

WAIVER OF SUBROGATION IN FAVOR OF City of South Lake Tahoe AS RESPECTS OF JOB PERFORMED BY Hinderliter de Llamas & Associates AS REQUIRED BY WRITTEN CONTRACT.

Person or Organization

City of South Lake Tahoe
1901 Airport Road, Ste. 210
South Lake Tahoe, CA 96150

Job Description

120 STATE COLLEGE BLVD 120 STATE COLLEGE BLVD

Notes:

- 1. This endorsement may be used to waive the company's right of subrogation against named third parties who may be responsible for an injury.
2. The sentence in ( ) is optional with the company. It limits the endorsement to apply to specific jobs of the insured, and only to the extent that the insured is required to obtain this waiver.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 07/01/2023

Policy No. WC 034279274 CA Endorsement No.

Insured

Insurance Company AIU Insurance Company

ADP TotalSource DE IV, Inc.
5800 Windward Parkway
Alpharetta, GA 30005
L/C/F:
Hinderliter de Llamas & Associates
120 S State College Blvd Suite 200
Brea, CA 92821

Handwritten signature of J. H. M. 2007

Countersigned by





## ADDITIONAL REMARKS SCHEDULE

AGENCY Woodruff Sawyer		NAMED INSURED Hinderliter de Llamas & Associates HdL Software, LLC. 120 S. State College Blvd, Suite 200 Brea, CA 92821	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE	(Empty)	

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

Notice of Cancellation applies with respects General Liability to the extent provided in the attached form.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EARLIER NOTICE OF CANCELLATION  
PROVIDED BY US**

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

**Number of Days' Notice**     30    

(If no entry appears above, information required to complete this Schedule will be shown in the Declarations as applicable to this endorsement.)

For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in paragraph 2. of either the CANCELLATION Common Policy Condition or as amended by an applicable state cancellation endorsement, is increased to the number of days shown in the Schedule above.

City of South Lake Tahoe

1901 Airport Road, Ste. 210

South Lake Tahoe

CA

96150












# C-158-2023 HdL Companies

Final Audit Report

2023-08-24

Created:	2023-08-23
By:	jo Mcdonough (jmcdonough@cityofslt.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAJxY1h3Ps8GcU9acqaAXla3R5h1SeNpww

## "C-158-2023 HdL Companies" History

-  Document created by jo Mcdonough (jmcdonough@cityofslt.us)  
2023-08-23 - 4:53:52 PM GMT- IP address: 128.92.136.146
-  Document emailed to Sue Blankenship (sblankenship@cityofslt.us) for signature  
2023-08-23 - 5:06:48 PM GMT
-  Email viewed by Sue Blankenship (sblankenship@cityofslt.us)  
2023-08-23 - 5:09:03 PM GMT- IP address: 104.47.65.254
-  Document e-signed by Sue Blankenship (sblankenship@cityofslt.us)  
Signature Date: 2023-08-23 - 5:26:30 PM GMT - Time Source: server- IP address: 128.92.136.146
-  Document emailed to Heather Stroud (hstroud@cityofslt.us) for signature  
2023-08-23 - 5:26:32 PM GMT
-  Email viewed by Heather Stroud (hstroud@cityofslt.us)  
2023-08-23 - 11:11:06 PM GMT- IP address: 104.47.65.254
-  Document e-signed by Heather Stroud (hstroud@cityofslt.us)  
Signature Date: 2023-08-23 - 11:12:56 PM GMT - Time Source: server- IP address: 128.92.136.146
-  Document emailed to Joseph Irvin (jirvin@cityofslt.us) for signature  
2023-08-23 - 11:12:58 PM GMT
-  Email viewed by Joseph Irvin (jirvin@cityofslt.us)  
2023-08-24 - 2:52:09 PM GMT- IP address: 166.137.171.35
-  Document e-signed by Joseph Irvin (jirvin@cityofslt.us)  
Signature Date: 2023-08-24 - 2:52:36 PM GMT - Time Source: server- IP address: 166.137.171.35
-  Document emailed to robert gray (rgray@hdlcompanies.com) for signature  
2023-08-24 - 2:52:38 PM GMT

 Email viewed by robert gray (rgray@hdlcompanies.com)

2023-08-24 - 3:07:54 PM GMT- IP address: 104.47.73.126

 Document e-signed by robert gray (rgray@hdlcompanies.com)

Signature Date: 2023-08-24 - 9:59:00 PM GMT - Time Source: server- IP address: 47.156.107.171

 Agreement completed.

2023-08-24 - 9:59:00 PM GMT