

**FINANCIAL SERVICES AGREEMENT
BETWEEN
THE CITY OF ISLETON
AND
PRENTICE|LONG, PC**

THIS AGREEMENT for financial services (“Agreement”) is entered into by and between the City of Isleton, a municipal corporation (“City”), and Prentice|Long, PC through Jessica Bigby, Chief Financial Officer (“CPA”), effective January 1, 2026 (“Effective Date”).

SECTION 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, CPA shall provide to City the services described in the Scope of Work attached hereto and incorporated herein as Exhibit A.

1.1 Term. The term of this Agreement shall begin on the Effective Date and shall end on December 31, 2026, unless the term of the Agreement is otherwise terminated as provided for herein.

1.2 Standard of Performance. CPA shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession Certified Public Accountant (CPA) in the geographical area in which CPA practices its profession. CPA shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in CPA’s profession.

1.3 Time. CPA shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary and prudent to meet the standard of performance provided in Section 1.2 above and to satisfy CPA’s obligations hereunder.

SECTION 2. COMPENSATION. City hereby agrees to pay CPA the amounts described in Exhibit B, notwithstanding any contrary indications that may be contained in CPA’s proposal, for services described in this Agreement and for reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and CPA’s proposal regarding the amount of compensation, this Agreement shall prevail. City shall pay CPA for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to CPA for services rendered pursuant to this Agreement. CPA shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, CPA shall not bill City for duplicate services performed by more than one person.

CPA and City acknowledge and agree that compensation paid by the City to CPA under this Agreement is based upon CPA’s estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of CPA. Consequently, the parties further agree that compensation hereunder is intended to include the cost of contributions to any pensions and/or annuities to which the CPA and its employees, agents, and subcontractors may be

eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 Invoices. CPA shall submit invoices monthly during the term of this Agreement based on the amount specified in Exhibit B and for reimbursable costs incurred. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- A copy of the applicable time entries or time sheets showing the name of the person performing the work, the hours spent by each person, a brief description of the work;
- The total number of hours of work performed under the Agreement by CPA; and
- Reimbursable expenses as applicable.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services to be performed for the following month and for authorized reimbursable costs incurred, as described in Exhibit B.

2.3 Reimbursable Expenses. Reimbursable expenses are specified in Exhibit B, and expenses not listed in Exhibit B are not chargeable to the City.

2.4 Payment of Taxes. CPA is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.5 Payment upon Termination. In the event that the City or CPA terminates this Agreement, the City shall compensate CPA for all outstanding costs and reimbursable expenses incurred prior to termination. CPA shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

SECTION 3. FACILITIES AND EQUIPMENT. CPA shall provide all equipment and facilities necessary to perform the services described in this Agreement.

SECTION 4 STATUS OF CPA.

4.1 Independent Contractor. At all times during the term of this Agreement, CPA and all assigned personnel shall be an independent contractor(s) and shall not be an employee of City. City shall have the right to control CPA insofar as the results of CPA's services rendered pursuant to this Agreement and assignment of personnel pursuant to this Agreement; however, otherwise City shall not have the right to control the means by which CPA accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, CPA and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to any compensation, benefit, or any incident of employment by City, including, but not limited to, eligibility to enroll in the California Public Employees Retirement System (PERS)

as an employee of City and entitlement to any contribution to be paid by City of employer contributions and/or employee contributions for PERS benefits. City understands and agrees that CPA and assigned personnel will serve other clients.

4.2 California Tort Claims Act. Notwithstanding the foregoing provisions, should CPA or any of its attorneys, professionals, or staff be named as parties to any civil action or administrative proceedings brought by any third party, based on advice the CPA or such individuals have given to City or actions they have taken on behalf of the City, the City shall defend and indemnify CPA and such individuals in the same manner in which it must defend City Employees pursuant to the California Tort Claims Act, California Government Code section 810 *et seq.* However, the City shall have no duty to defend or indemnify CPA or any of its attorneys, professionals, or staff if the advice given or actions taken did not occur within the course and scope of their duties under this Agreement.

SECTION 5. LEGAL REQUIREMENTS

5.1 Governing Law. The laws of the State of California shall govern this Agreement.

5.2 Compliance with Applicable Law. CPA and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.

5.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, CPA and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

5.4 Licenses and Permits. CPA represents and warrants to City that CPA and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. CPA represents and warrants to City that CPA and its employees, agents, and any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

5.5 Nondiscrimination and Equal Opportunity. CPA shall not discriminate on the basis of a person's race, religion, color, national origin age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by CPA under this Agreement. CPA shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

SECTION 6. TERMINATION AND MODIFICATION.

6.1 Termination. Either party may cancel this Agreement at any time and without cause upon thirty (30) days prior written notification to the other party.

In the event of termination, CPA shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon CPA delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to CPA or prepared by or for CPA or the City in connection with this Agreement.

6.2 Amendments. The parties may amend this Agreement only by a writing signed by both parties.

6.3 Assignment and Subcontracting. City and CPA acknowledge and agree that this Agreement contemplates personal performance by CPA and is based upon a determination of CPA's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of CPA. CPA may not assign the Agreement or any interest therein without the prior written approval of the Board of Supervisors. CPA shall not subcontract any portion of the performance contemplated and provided herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

6.4 Options Upon Breach by CPA. If CPA materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

6.4.1 Immediately terminate the Agreement;

6.4.2 Retain the plans, specifications, memoranda, correspondence, and any other work product prepared by CPA pursuant to this Agreement; and

6.4.3 Retain a different CPA to complete the work described in Exhibit A not finished by CPA.

SECTION 7. KEEPING AND STATUS OF RECORDS.

7.1 Records Created as Part of CPA's Performance. All reports, data, maps, models, charts, studies, photographs, memoranda, plans, specifications, records, files, or any other documents or materials, in electronic or any other form, that CPA prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of City. CPA hereby agrees to deliver those documents to City upon termination of the Agreement, or earlier as may be requested by City. It is understood and agreed that the documents and other materials, including, but not limited to, those described above or prepared pursuant to this Agreement, are

prepared specifically for the City and are not necessarily suitable for any further or other use. City and CPA agree that, until final approval by City, all data, plans, specifications, reports, memorandums, and other documents are confidential and will not be released to third parties without prior written consent of both parties.

7.2 CPA's Books and Records. CPA 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 the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the CPA pursuant to this Agreement.

7.3 Inspection and Audit of Records. Any records or documents that this Agreement requires CPA to maintain shall be made available for inspection, audit, and/or copying at any time during normal business hours, upon oral or written request of the City.

SECTION 8. MISCELLANEOUS PROVISIONS.

8.1 Attorney's Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

8.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the Superior Court for the County of Sacramento.

8.3 Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjusted shall remain in full force and effect. The individuality in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

8.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

8.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

8.6 CPA Clients and Conflict of Interest. It is acknowledged by City that CPA may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place CPA in a "conflict of interest," as that term is defined in the rules

of professional responsibility governing CPA's professionalism, unless such conflict may be waived by City and City chooses to waive such conflict in writing.

CPA shall not employ any City official in the work performed to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

8.7 Solicitation. CPA agrees not to solicit business at any meeting, focus group, or interview related to this Agreement either orally or through any written materials.

8.8 Notices.

Any written notices to CPA shall be sent to:

Prentice|Long, PC
Margaret Long
2240 Court Street
Redding, CA 96001

Any written notices to City shall be sent to:

City Manager
City of Isleton
101 2nd Street
Isleton, CA 95641

8.9 Integration. This Agreement, including the attachments, represents the entire and integrated agreement between City and CPA and supersedes all prior negotiations representations, or agreements, either written or oral.

8.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

8.11 Authorized Signature. Each person and party signing this Agreement warrants that he/she has the authority to execute this Agreement on behalf of the principal and that the party will be bound by such signature.

[signature page to follow]

The parties have executed this Agreement as of the Effective Date.

CITY

CPA

City of Isleton

Prentice|Long, PC

By: _____
David Kent, Chair/Mayor

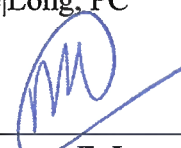
By:  _____
Margaret E. Long, Partner

EXHIBIT A
Scope of Work

The following services shall be provided under this Agreement:

- Provide City Council services as assigned.
- Assist and provide financial guidance to City departments and agencies.
- Assist in Chapter 9 bankruptcy proceedings as necessary.

Exhibit B

COMPENSATION

City shall compensate CPA as follows:

CPA shall bill the City for all services provided at the hourly rate of \$125.00.

Additional services provided for the City by Prentice Long's clerical staff will be provided at an hourly rate of \$30.00 to \$55.00 depending on the level of services provided. Services will be discussed and approved by city management prior to subcontracting.

In addition to the above, a 2% administrative fee shall be paid based on the amount of monthly fees billed during the month to cover phone, fax and copying charges, in lieu of these being billed separately. This 2% administrative charge shall also include charges such as computerized legal research, postage, or other incidental service fees.

Reimbursable Costs and Expenses

- | | |
|--|--|
| 1. Travel expenses for
trips and appointments | Best available rate for
overnight stays, meals,
per diem at City/IRS
policies |
| 2. Extraordinary postage or overnight
delivery costs when expedited delivery is
necessary. | Actual Cost |

The reimbursable costs and expenses shall be paid by City within thirty (30) days of receipt of an invoice from CPA which includes such costs and/or expenses.