

2. COMPENSATION

- 2.1. Contract Sum. For the services rendered pursuant to this Agreement, the Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of Eighty Thousand Dollars (\$80,000.00) *in any one fiscal year* (July 1-June 30) (the "Maximum Annual Contract Sum"), except as provided in Section 1.8. This provision shall also apply in the event that the City exercises its right to extend the Term of this Agreement pursuant to Section 3.4 hereof. The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with the percentage of completion of the services, (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, but not exceeding the Maximum Annual Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expense, transportation expense approved by the Contract Officer in advance, and no other expenses and only if specified in the Schedule of Compensation. The Maximum Annual Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City; Consultant shall not be entitled to any additional compensation for attending said meetings.
- 2.2. Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation, in any month in which Consultant wishes to receive payment, no later than the first (1st) working day of such month, Consultant shall submit to the City in the form approved by the City's Administrative Services General Manager, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.3, City shall pay Consultant for all expenses stated thereon which are approved by City pursuant to this Agreement no later than the last working day of the month.
- 2.3. Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City Council of the City for the purposes of this Agreement. The availability of funding is affected by matters outside the City's control, including other governmental entities. Accordingly, the City has the option to void the whole Agreement or to amend the Agreement to reflect unanticipated reduction in funding, for any reason.

3. PERFORMANCE SCHEDULE

- 3.1. Time of Essence. Time is of the essence in the performance of this Agreement.
- 3.2. Schedule of Performance. Consultant shall commence the services pursuant to this Agreement on or about July 1, 2010, and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D," if any, and incorporated herein by this reference.
- 3.3. Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended

