

**CONTINUANCE AND THIRD AMENDMENT TO AGREEMENT
INNOVATIVE CLAIM SOLUTIONS, INC.**

This CONTINUANCE AND THIRD AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, INNOVATIVE CLAIM SOLUTIONS, INC., a California corporation, ("CONSULTANT"). CITY and CONSULTANT are hereinafter collectively referred to as "Parties."

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Continuance and Third Amendment to Agreement is entered into based upon City of Morgan Hill City Council Approval on September 2, 2015.
2. CITY and CONSULTANT entered into that certain Consultant Agreement made as of July 1, 2011, for consultant services for a maximum compensation of sixty two thousand dollars (\$62,000.00) ("CONSULTANT AGREEMENT").
3. CITY and CONSULTANT entered into that certain First Amendment to Agreement made as of June 24, 2013 for consultant services for a maximum compensation of ninety six thousand nine hundred thirteen dollars (\$96,913.00) ("FIRST AMENDMENT"); and
4. CITY and CONSULTANT entered into that certain Second Amendment to Agreement made as of September 26, 2014 for consultant services for a maximum compensation of one hundred thirty two thousand eight hundred seventy three dollars (\$132,873.00) ("SECOND AMENDMENT"); and
5. The CONSULTANT AGREEMENT, FIRST AMENDMENT and SECOND AMENDMENT are attached to this CONTINUANCE AND THIRD AMENDMENT as Exhibit A; and
6. The Parties hereto acknowledge that the CONSULTANT AGREEMENT, as amended by the FIRST AMENDMENT, and as further amended by the SECOND AMENDMENT (collectively, the "ORIGINAL AGREEMENT") expired by its terms on June 30, 2015. The Parties desire to continue the ORIGINAL AGREEMENT from June 30, 2015 to June 30, 2016.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Continuation of Term.** The ORIGINAL AGREEMENT expired by its terms as of June 30, 2015, and the Parties to the ORIGINAL AGREEMENT expressly agree that the term of the ORIGINAL AGREEMENT shall be continued from June 30, 2015 and extended to June 30, 2016.
2. **Amendments:** All terms and conditions of the ORIGINAL AGREEMENT, as amended, as attached as Exhibit "A," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from July 11, 2011 until June 30, 2016. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both parties to this Agreement."

B. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

"4.1. Amount. CITY shall pay CONSULTANT an annual fee of thirty five thousand nine hundred sixty dollars (\$35,960.00) for the period July 1, 2014 through June 30, 2015 and an annual fee of thirty seven thousand thirty nine dollars (\$37,039.00) for the period July 1, 2015 through June 30, 2016. The overall compensation under this Agreement shall not exceed one hundred sixty nine thousand nine hundred twelve dollars (\$169,912.00)."

2. **Conflicts.** In the event of a conflict between the terms and provisions of this Continuance and Third Amendment to Agreement and the terms and provisions of the ORIGINAL AGREEMENT or any earlier amendment, the terms of this Continuance and Third Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

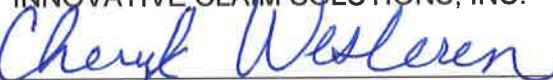
City Clerk
Date: _____

City Manager
Date: _____

APPROVED AS TO FORM:

INNOVATIVE CLAIM SOLUTIONS, INC.

City Attorney
Date: _____


By: Cheryl Westernen
Title: President and COO

Date: _____

By: Gary Archibald
Title: CFO

Date: _____