TREASURER'S COMPLIANCE AUDIT
FOR THE COUNTY OF ORANGE
TREASURER-TAX COLLECTOR

This Agreement to perform annual audits, including quarterly agreed upon procedures engagement of the Orange County Treasurer's compliance with California Government Code sections 27130 through 27137 and the provisions of the Orange County Treasurer's Investment Policy Statement for the County of Orange, Treasurer-Tax Collector (this "Agreement"), is made and entered into as of the date fully executed by and between Moreland & Associates (the "Contractor"), with a place of business at 1201 Dove St., Suite 680, Newport Beach, CA 92660and the County of Orange, a political subdivision of the State of California (the "County").

RECITALS

WHEREAS, Moreland & Associates, Inc. responded to a Request for Proposal (RFP) #TEZ0000008 for the solicitation to perform the annual audits including quarterly agreed upon procedures engagement of the Orange County Treasurer's compliance with applicable provisions of the California Government Code and the Orange County Treasurer's Investment Policy Statement; and

WHEREAS, Moreland & Associates, Inc. represented that its services shall meet or exceed the requirements and specifications of the RFP; and

WHEREAS, the County Board of Supervisors has authorized the Purchasing Agent or his designee to enter into this Agreement.

NOW, THEREFORE, the parties mutually agree as follows:

ARTICLES

1. Scope Of Agreement

This Agreement specifies the contractual terms and conditions by which the County will procure Services from Moreland & Associates, Inc.. **The Services include the detailed Scope of Work, which is set forth and incorporated herein as Exhibit A.**

2. Term Of Agreement

This Agreement is effective on the date in which this Agreement is executed by both parties and approved by the Board of Supervisors, and shall continue in full force and effect per the schedule set forth in Exhibit F, Project Schedule, until all milestones, tasks and/or services therein are completed by the for the calendar years ended December 31, 2004 through December 31, 2006 unless earlier terminated as provided herein. The Purchasing Agent or designee may authorize an extension of this Agreement to cover years ending December 31, 2007 and/or December 2008, upon written concurrence of both parties.

3. Amendments/Changes/Extra Work

Neither party may make any changes to this Agreement without the other party's prior written consent. In the event that there are new or unforeseen County requirements, the County with the Moreland & Associates, Inc.'s concurrence may request amendment changes at any time without changing the intent of this Agreement.

If County-initiated changes or changes in laws or government regulations affect price, Moreland & Associates, Inc.'s ability to deliver Services, or the project schedule, Moreland & Associates, Inc. shall give the County written notice no later than seven calendar days from the date the law or regulation went

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4. Terminate this Agreement.

The remedies for breach set forth in this Agreement are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this Agreement does not preclude resort by either party to any other remedies provided by law.

22. Consent To Breach Not Waiver

No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to waiver of, or excuse for any other different or subsequent breach.

23. Contingent Fees

Moreland & Associates, Inc. warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees of Moreland & Associates, Inc. or bona fide established commercial or selling agencies maintained by Moreland & Associates, Inc. for the purpose of securing business.

For breach or violation of this warranty, the County shall have the right to immediately terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee from Moreland & Associates, Inc..

24. Audit/Inspection

Moreland & Associates, Inc. agrees to permit the County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Moreland & Associates, Inc. for the purpose of auditing or inspecting any aspect of performance under this Agreement. The inspection and/or audit will be confined to those matters connected with the performance of this Agreement including, but not limited to, the costs of administering this Agreement. The County will provide reasonable notice of such an audit or inspection.

The County reserves the right to audit and verify Moreland & Associates, Inc.'s records before final payment is made.

Moreland & Associates, Inc. agrees to maintain records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is required by law. Moreland & Associates, Inc. agrees to allow interviews of any employees or others who might reasonably have information related to such records.

Should Moreland & Associates, Inc. cease to exist as a legal entity, Moreland & Associates, Inc.'s records pertaining to this Agreement shall be forwarded to any surviving entity in a merger or acquisition or, in the event of liquidation, to the County's Project Manager. A surviving entity shall be required to assume this Agreement in writing, or the County may terminate this Agreement.

25. Contractor's Safety Standards And Work Hours

Moreland & Associates, Inc. shall ensure compliance with all safety and hourly requirements for employees in accordance with all applicable federal, state and local safety laws and regulations.