

Exhibit 3

AMENDMENT NO. 2

TO AGREEMENT FOR CONTRACT SERVICES

THIS AMENDMENT TO THE AGREEMENT FOR CONTRACT SERVICES (“Amendment No. 2”) by and between the CITY OF CARSON, a California municipal corporation (“City”) and CARL WARREN & COMPANY, a California limited liability company (“Consultant”) is effective as of the ___ day of _____, 2022, except as otherwise provided below.

RECITALS

A. City and Consultant entered into that certain Agreement for Contractual Services effective as of October 1, 2019 (“Agreement”), whereby Consultant agreed to act as the City’s Third Party Claims Administrator for administration of City self-insured general liability claims for a term of three (3) years, with the option to extend the term for up to two (2) additional one-year periods; and

B. On January 4, 2022, City and Consultant entered into Amendment No. 1 to the Agreement to address changes to the Schedule of Compensation; and

C. Consultant converted its business from a corporation to a limited liability company, and thereby transferred or assigned all of its rights, interests, duties, and obligations under the Agreement from Consultant as a corporation to Consultant as a limited liability company, effective August 31, 2020; and

D. Section 4.5 of the Agreement provides that “neither this Agreement nor any interests herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without prior written approval of City.” Absent an amendment, the Agreement does not permit a transfer from Consultant as a corporation to Consultant as a limited liability company that is effective as of August 31, 2020. However, the City is amenable to the requested assignment, as is Consultant. Therefore, the City and Consultant now see fit to enter into this Amendment No. 2 to add an exception to Section 4.5 of the Agreement to authorize a transfer and assignment of Consultant’s rights, interests, duties and obligations under the Agreement from Consultant as a corporation to Consultant as a limited liability company, effective retroactively as of August 31, 2020; and

E. City and Consultant now desire to amend the Agreement to: (1) provide for the City to exercise the first of its two one-year options to extend the term of the Agreement, thereby extending the term of the Agreement for an additional one-year period, expiring September 30, 2023; (2) increase compensation by \$63,516.24 to cover the costs for the extension period, for a total not-to-exceed Contract Sum of \$343,465.68; and (3) reflect Consultant’s conversion from a corporation to a limited liability company.

TERMS

1. **Contract Changes.** The Agreement is amended as provided herein (new text is identified in ***bold italics***, deleted text in ~~strike through~~).

A. Section 2.1, “Contract Sum,” is hereby amended to read as follows:

“Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed the following amount: (1) ***Three Hundred Forty-Three Thousand Four Hundred Sixty-Five Dollars and Sixty-Eight Cents (\$343,465.68)*** ~~Two Hundred Seventy-Nine Thousand Nine Hundred Forty-Nine Dollars and Forty-Four Cents (\$279,949.44)~~; plus (2) Eighteen percent (18%) of the net recovery from subrogation claims as set forth in Section I of Exhibit “C” (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.8. In the event City exercises ~~one or both~~ of its options to extend the Term of this Agreement pursuant to Section 3.4, the Contract Sum shall be increased for such option period(s) by the amounts set forth in Section I of Exhibit “C.””

B. Section 3.4, Term, is hereby amended as follows:

“Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding ***September 30, 2023*** ~~three (3) years from the date hereof~~, except as otherwise provided in the Schedule of Performance (Exhibit “D”). At City’s option, and upon execution of a written agreement between the Parties, the foregoing Term may be extended for up to ~~one~~ ***two (2)*** one-year extension periods.”

C. Section 4.5, “Prohibition Against Subcontracting or Assignment,” is hereby amended as follows, effective retroactively as of August 31, 2020:

“The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. ***Notwithstanding the foregoing, and as a sole exception thereto, City approves of, and Consultant agrees to, the assignment and transfer of the rights, interests, duties, and obligations of “Consultant” under this Agreement from Carl Warren & Company, a California corporation, to Carl Warren & Company, LLC, a California limited liability company, as requested and agreed to by said parties pursuant to the conversion of Carl Warren & Company, a California corporation to Carl Warren & Company, LLC, a California limited liability company, effective August 31, 2020.*** No approved transfer shall release the

Consultant or any surety of Consultant of any liability hereunder without the express consent of City.”

D. The Agreement is hereby amended to change the stated business form of Consultant such that the term “Consultant,” as used in this Agreement, shall be construed, commencing from and after August 31, 2020, to mean and refer to “Carl Warren & Company, LLC, a California limited liability company.”

E. Section I of Exhibit “C,” Schedule of Compensation, is hereby amended to read in its entirety as follows:

“I. Consultant shall perform the Services at the following rates:

	YEAR	ANNUAL RATE
A.	Contract Year 1 (10/1/19 – 9/30/20)	\$57,288
B.	Contract Year 2 (10/1/20 – 9/30/21)	\$59,293.08
C.	Contract Year 3 (10/1/21 – 9/30/22)	\$63,368.36
D.	Option Year 1 Contract Year 4 (10/1/22 – 9/30/23)	\$63,516.24
E.	Option Year-2 (10/1/23 – 9/30/24)	\$65,739.36”

2. **Continuing Effect of Agreement.** Except as amended by this Amendment No. 2 and Amendment No. 1, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment No. 2, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this Amendment No. 2 and Amendment No. 1 to the Agreement.

3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to City that, as of the date of this Amendment No. 2, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Consultant that, as of the date of this Amendment No. 2, Consultant is not in default of any material term of the Agreement and that there have been no

events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 2.

5. **Authority.** The persons executing this Amendment No. 2 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment No. 2 on behalf of said party, (iii) by so executing this Amendment No. 2, such party is formally bound to the provisions of this Amendment No. 2, and (iv) the entering into this Amendment No. 2 does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 on the date and year first-above written.

CITY:

CITY OF CARSON, a municipal corporation

Lula Davis-Holmes, Mayor

ATTEST:


Dr. Khaleah K. Bradshaw, City Clerk


APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Sunny K. Soltani, City Attorney
[ndp]

CONSULTANT:

CARL WARREN & COMPANY, a California limited liability company

By: 
Name: Angelique King
Title: Vice President of Claims

By: 
Name: Richard McAbee
Title: Chief Marketing Officer
Address: 11209 N. Tatum Blvd., Suite 130
Phoenix, AZ 85028

If Consultant is a limited liability company, any one of the following options will satisfy City's signature requirements pursuant to the Corporations Code. Option A: One signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. Option B: Signatures required from two managers unless the LLC is managed by one manager per its articles of organization, in which case only one signature from that

manager is required. Option C: One signature required from any member unless the LLC is manager-managed per its articles of organization. Option D: One signature required from any manager if the LLC is manager-managed per its articles of organization. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF ORGANIZATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, 2022 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	_____
_____ TITLE(S)	_____ TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	
<input type="checkbox"/> <input type="checkbox"/> GENERAL	
<input type="checkbox"/> ATTORNEY-IN-FACT	_____
<input type="checkbox"/> TRUSTEE(S)	_____ NUMBER OF PAGES
<input type="checkbox"/> GUARDIAN/CONSERVATOR	
<input type="checkbox"/> OTHER _____	_____
SIGNER IS REPRESENTING:	_____ DATE OF DOCUMENT
(NAME OF PERSON(S) OR ENTITY(IES))	

_____	_____ SIGNER(S) OTHER THAN NAMED ABOVE

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES))	NUMBER OF PAGES
_____	DATE OF DOCUMENT
_____	SIGNER(S) OTHER THAN NAMED ABOVE