

## AGREEMENT FOR VALUATION APPRAISAL SERVICES

THIS AGREEMENT is made and entered into this 21st day of April, 1997, by and between the City of Redlands, a Municipal Corporation, hereinafter referred to as "City", and DESMOND, MARCELLO & AMSTER, a California Corporation, hereinafter referred to as "Consultant".

### ARTICLE I

#### SERVICES TO BE PERFORMED

Consultant shall, at the request of the City Manager, provide the City General Counsel or Special Counsel, goodwill loss and fixture and equipment appraisal reports ("reports") as outlined in Attachment 1.

### ARTICLE II

#### PERFORMANCE OF SERVICES

Upon receipt of the request for work, Consultant shall meet with the appropriate City personnel, as designated by the City Manager, to discuss the work required and any special instructions of the City which may pertain to a particular business.

ARTICLE III  
CONSENT OF AND RELEASE BY OWNERS

City shall, prior to appraising any privately-owned property, secure written consent to conduct such appraisal from the tenant, occupant or person in possession.

ARTICLE IV  
COMPENSATION

For Consultant's services, City shall pay Consultant at the following rates:

<u>Appraiser Category</u>	<u>Standard Hourly Rate</u>	<u>Court Hourly Rate</u>
Principal	\$200 - \$250	\$275 - \$350
Senior Manager	\$175 - \$200	\$225 - \$275
Manager	\$150 - \$175	\$200 - \$275
Senior Analyst	\$125 - \$150	\$175 - \$200
Financial Analyst	\$100 - \$125	\$150 - \$175
Analyst	\$ 50 - \$100	\$100 - \$150

Provided, however, that the City shall pay Consultant for a minimum of four (4) hours whenever Consultant is called to testify in a judicial proceeding.

Consultant's work shall be performed by employees of Desmond, Marcello & Amster under the direct supervision of a senior qualified appraiser.

ARTICLE V  
METHOD OF PAYMENT

Consultant shall present monthly itemized invoices for services rendered under this Agreement. The invoices shall indicate the number of hours worked, and shall in addition include the businesses for which said services were performed.

ARTICLE VI  
CONFIDENTIALITY

All reports prepared by Consultant are being prepared to serve as a basis for negotiation and to assist the City Attorney in preparation for litigation. Consultant acknowledges that reports are confidential and shall take all necessary steps to insure that Consultant and its employees do not divulge said reports or the information therein contained to anyone other than the members of the City, the City staff, and Special and General Counsel of the City.

ARTICLE VII  
TERMINATION

This Agreement shall be effective from April 21, 1997 to and including April 20, 1998. City reserves the right to terminate this Agreement, at its sole discretion, without cause, by giving ten (10) days written Notice of Termination to Consultant. Should City terminate this Agreement pursuant to this Article,

City will pay Consultant for services rendered to the date Consultant received Notice of Termination.

#### ARTICLE VIII

##### ASSIGNMENT

This Agreement is not assignable except upon approval by resolution of the City and any purported assignment not approved by resolution shall be void.

#### ARTICLE IX

##### OWNERSHIP OF DOCUMENTS

All sketches, documents, drawings, tracings, field survey notes, computations, detail and other material prepared by Consultant shall become the property of City at the time of their preparation and shall be delivered to City by Consultant at the request of the City. Consultant agrees not to use said documents for any other purposes without the written authorization of the City.

#### ARTICLE X

##### INSURANCE

Consultant shall, prior to commencing any activities under this Agreement, secure and maintain during the term of this Agreement general comprehensive, public liability and property damage insurance in an amount not less than \$1,000,000 for injuries, including accidental death and damage to property, combined single limit. Such public liability and property insurance shall include vehicle coverage.

ATTACHMENT 1  
DESMOND, MARCELLO & AMSTER  
BUSINESS VALUATIONS  
400 CORPORATE POINTE, SUITE 700  
CULVER CITY, CALIFORNIA 90230  
(310) 216-1400  
FAX: (310) 216-0800

April 21, 1997

Ms. Marjie Pettus  
Human Services Director  
City of Redlands  
35 Cajon Street, Suite 20  
P.O. Box 3005  
Redlands, CA 92373

Re: *Proposal for Appraisal Services  
Eureka Street Widening Project*

Dear Ms. Pettus:

As you requested, submitted herein is Desmond, Marcello & Amster's ("DM&A") proposal to provide goodwill loss and fixture and equipment appraisal services in regard to five businesses located on North Eureka Street in the city of Redlands. It is my understanding that these businesses may be impacted by the City of Redlands' Eureka Street Widening Project. The purpose of the fixture and equipment appraisal services is to determine the value in place of the movable and immovable furniture, fixtures and equipment of each of the businesses. The purpose of the goodwill loss appraisal services is to estimate the loss of goodwill which each business may suffer as a result of a partial taking of the underlying property.

In providing appraisal services, DM&A will perform the following:

- Inspect each business facility;
- Interview the business owners;
- Review and analyze the historical financial statements of each business;
- Inventory all movable and immovable fixtures and equipment;
- Coordinate with the real estate appraiser to avoid duplication of compensation;
- Coordinate with the relocation specialist to determine the feasibility of relocation for each business;
- Perform pricing research;
- Perform market research to determine the external influences and marketability of each business;
- Implement commonly utilized valuation methodology to estimate the fair market value in place of all movable and immovable furniture, fixtures and equipment; and

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- Implement commonly utilized valuation methodology to provide an estimate of the loss of goodwill which may occur to each of the businesses as a result of a partial taking of the property which houses them.

The analysis and conclusions of the goodwill loss studies will be provided in brief letter appraisals with attached schedules. This format is appropriate for settlement negotiations, but not for court submittal. The fixture and equipment appraisal reports will be provided in full narrative form and will be appropriate for settlement negotiations and court submittal. Assuming we receive cooperation from each of the business owners, the fixture and equipment appraisals can be completed within four weeks of receiving your authorization to proceed. The goodwill loss studies can be finalized within four to six weeks of receiving your authorization.

DM&A's fees for appraisal services are based upon standard hourly rates. These rates vary depending upon the individual assigned and function performed. Standard rates range from \$100 to \$210 per hour. Rates for deposition, court preparation and appearances range from \$175 to \$275 per hour. We bill progressively as the engagement proceeds, and invoices are payable upon receipt. Based upon the scope of the assignment, we anticipate the following fees:

<u>Business</u>	<u>Goodwill Fee Estimate</u>	<u>Fixture and Equipment Fee Estimate</u>
David's Paint, 606 North Eureka	\$5,000	\$3,200
Richard's Welding, 516 North Eureka	\$4,500	\$2,700
HCH Construction, 506 North Eureka Street	\$3,000	\$1,400
Hayden Architects, AIA, 506 North Eureka Street	\$3,000	\$1,400
Nu-Lite Company, 508 North Eureka Street	\$3,000	\$1,400

The above fees are exclusive of any time which may be required for preparation of full narrative goodwill loss appraisal reports, review of opposing appraisal reports, deposition, court preparation or testimony. Fees for these services are based upon the appropriate hourly rate. If, during the course of our engagement, we anticipate the fees will exceed those contained herein for reasons beyond our control, we will contact you immediately for your authorization to proceed.

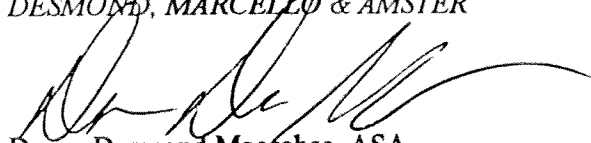
I have enclosed a copy of our standard contract for your perusal. If it meets with your approval, please sign both copies and return one for our files.

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If you have any questions on the foregoing or on the contract, please do not hesitate to contact me. We look forward to being of service to the City of Redlands on this project.

Very truly yours,

*DESMOND, MARCELLO & AMSTER*

A handwritten signature in black ink, appearing to read 'Donna Desmond Maccabee', with a long, sweeping horizontal line extending to the right.

Donna Desmond Maccabee, ASA  
Vice President

DDM/epm

Enclosure

Insurance certificates naming the City of Redlands, the City Council and each member thereof, its officers, agents and employees, as additional insured, shall be presented to the City Attorney's Office for approval. Said certificates shall provide that said insurance shall not be subject to cancellation without thirty (30) day's prior written notice to the City. Said insurance shall contain an endorsement acknowledging that said insurance shall be primary and non-contributing with any policy or policies carried by the City.

CITY OF REDLANDS

By: 

Swen Larson, Mayor

ATTEST:

By: 

Lorrie Poyzer, City Clerk

DESMOND, MARCELLO & AMSTER

By: 

DATE OF EXECUTION

4/21/97

APPROVED AS TO FORM:

By: N/A

City General Counsel

DATE OF EXECUTION:

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