

AGREEMENT TO PERFORM PROFESSIONAL SERVICES

This agreement for right-of-way appraisal and acquisition services ("Agreement") is made and entered in this 20th day of February, 2013 ("Effective Date"), by and between the City of Redlands, a municipal corporation ("City") and Paragon Partners Ltd. ("Consultant"). City and Consultant are sometimes individually referred to herein as a "Party" and, together, as the "Parties." In consideration of the mutual promises contained herein, City and Consultant agree as follows:

ARTICLE 1 – ENGAGEMENT OF CONSULTANT

- 1.1 City hereby engages Consultant to provide right-of-way appraisal and acquisition services for City (the "Services").
- 1.2 The Services shall be performed by Consultant in a professional manner, and Consultant represents that it has the skill and the professional expertise necessary to provide the Services to City at a level of competency presently maintained by other practicing professional consultants in the industry providing like and similar types of Services.

ARTICLE 2 – SERVICES OF CONSULTANT

- 2.1 The Services that Consultant shall perform are more particularly described in Exhibit "A," entitled "Scope of Services," which is attached hereto and incorporated herein by reference.
- 2.2 Consultant shall comply with applicable federal, state and local laws and regulations in the performance of the Services.
- 2.3 Consultant shall prepare complete appraisal reports as follows:

ARTICLE 3 – RESPONSIBILITIES OF CITY

- 3.1 City shall make available to Consultant information in its possession that may assist Consultant in performing the Services.
- 3.2 City designates Don Young, Principal Project Manager, as City's representative with respect to performance of the Services, and such person shall have the authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to performance of the Services.

ARTICLE 4 – PERFORMANCE OF SERVICES

- 4.1 Consultant shall perform and complete the Services in a prompt and diligent manner. Services shall be completed within one hundred eighty (180) calendar days after the Effective Date of this Agreement.

ARTICLE 5 – PAYMENTS TO CONSULTANT

- 5.1 The total compensation for Consultant's performance of the Services shall not exceed the amount of forty nine thousand nine hundred sixty five dollars (\$49,965). City shall pay Consultant on a time and materials basis up to the not to exceed amount, in accordance with Exhibit "B" entitled "Project Costs," and based upon the hourly rates shown in Exhibit "C," entitled "Rate Schedule." Both Exhibits "B" and "C" are attached hereto and incorporated herein by this reference.
- 5.1 Consultant shall submit monthly invoices to City describing the Services performed during the preceding month. Consultant's invoices shall include a brief description of the Services performed, the dates the Services were performed, the number of hours spent and by whom, and a description of reimbursable expenses related to the project. City shall pay Consultant no later than thirty (30) days after receipt and approval by City of Consultant's invoice.
- 5.2 All notices shall be given in writing by personal delivery or by mail. Notices sent by mail should be addressed as follows:

City
Don Young
Principal Project Manager
City of Redlands
1270 W Park Avenue, Bldg A
Redlands, CA 92373

Consultant
Neilia A. LaValle, President and CEO
5762 Bolsa Avenue
Suite 201
Huntington Beach, CA 92649

When so addressed, such notices shall be deemed given upon deposit in the United States Mail. Changes may be made in the names and addresses of the person to whom notices and payments are to be given by giving notice pursuant to this section 5.2.

ARTICLE 6 – INSURANCE AND INDEMNIFICATION

- 6.1 Insurance required by this Agreement shall be maintained by Consultant for the duration of its performance of the Services. Consultant shall not perform any Services unless and until the required insurance listed below is obtained by Consultant. Consultant shall provide City with certificates of insurance and endorsements evidencing such insurance prior to commencement of the Services. Insurance policies shall include a provision prohibiting cancellation or modification of the policy except upon thirty (30) days prior written notice to City.
- 6.2 Consultant shall secure and maintain Workers' Compensation and Employer's Liability insurance throughout the duration of its performance of the Services in accordance with the laws of the State of California, with an insurance carrier acceptable to City as described in Exhibit "D," entitled "Workers' Compensation Insurance Certification," which is attached hereto and incorporated herein by this reference.

- 6.3 Consultant shall secure and maintain comprehensive general liability insurance with carriers acceptable to City. Minimum coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate for public liability, property damage and personal injury is required. City shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by City.
- 6.4 Consultant shall secure and maintain professional liability insurance throughout the term of this Agreement in the amount of One Million Dollars (\$1,000,000) per claim made.
- 6.5 Consultant shall have business auto liability coverage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence, combined single limit bodily injury liability and property damage liability. This coverage shall include all Consultant owned vehicles used in connection with Consultant's provision of the Services, hired and non-owned vehicles, and employee non-ownership vehicles. City shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self insurance maintained by City.
- 6.6 Consultant shall defend, indemnify and hold harmless City and its elected officials, employees and agents from and against any and all claims, losses or liability, including attorneys' fees, arising from injury or death to persons or damage to property occasioned by and negligent act, omission or failure to act by Consultant, its officers, employees and agents in performing the Services.

ARTICLE 7 – CONFLICTS OF INTEREST

- 7.1 Consultant covenants and represents that it does not have any investment or interest in any real property that may be the subject of this Agreement or any other source of income, interest in real property or investment that would be affected in any manner or degree by the performance of Consultant's Services. Consultant further covenants and represents that in the performance of its duties hereunder, no person having any such interest shall perform any Services under this Agreement.
- 7.2 Consultant agrees it is not a designated employee within the meaning of the Political Reform Act because Consultant:
- A. Does not make or participate in:
- (i) the making or any City governmental decisions regarding approval of a rate, rule or regulation, or the adoption or enforcement of laws;
 - (ii) the issuance, denial, suspension or revocation of City permits, licenses, applications, certifications, approvals, orders or similar authorization or entitlements;
 - (iii) authoring City to enter into, modify or renew a contract;

- (iv) granting City approval to a contract that requires City approval and to which City is a party, or to the specifications for such a contract;
- (v) granting City approval to a plan, design, report, study or similar item;
- (vi) adopting, or granting City approval of policies, standards or guidelines for City or for any subdivision thereof.

B. Does not serve in a staff capacity with City and in that capacity, participate in making a governmental decision or otherwise perform the same or substantially the same duties for City that would otherwise be performed by an individual holding a position specified in City's Conflict of interest Code under Government Code section 87302.

7.3 In the event City officially determines that Consultant must disclose its financial interests, Consultant shall complete and file a Fair Political Practices Commission Form 700, State of Economic Interests with the City Clerks' office pursuant to the written instructions provided by the City Clerk.

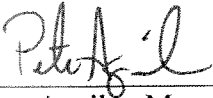
ARTICLE 8 – GENERAL CONSIDERATIONS

- 8.1 In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.
- 8.2 Consultant shall not assign any of the Services, except with the prior written approval of City and in strict compliance with the terms, and conditions of this Agreement.
- 8.3 Project related documents, records, drawings, designs, cost estimates, electronic data files, databases and any other documents developed by Consultant in connection with its performance of the Services, and any copyright interest in such documents, shall become the property of City and shall be delivered to City upon completion of the Services, or upon the request of City. Any reuse of such documents, and any use of incomplete documents, shall be at City's sole risk.
- 8.4 Consultant is for all purposes under this Agreement an independent contractor and shall perform the Services as an independent contractor. Neither City nor of its agents shall have control over the conduct of Consultant or Consultant's employees, except as herein set forth. Consultant shall supply necessary tools and instrumentalities required to perform the Services. Assigned personnel employed by Consultant are for its account only, and in no event shall Consultant or personnel retained by it be deemed to have been employed by City or engaged by City for the account of, or on behalf of City. Consultant shall have no authority, express by City for the account of, or on behalf of City. Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent, nor shall Consultant have any authority, express or implied, to bind City to any obligation.

- 8.5 Unless earlier terminated as provided for below, this Agreement shall terminate upon completion and acceptance of the Services by City; provided, however this Agreement may be terminated by City, in its sole discretion, by providing thirty (30) days prior written notice to Consultant (delivered by certified mail, return receipt requested) of City's intent to terminate. If this Agreement is terminated by City, an adjustment to Consultant's compensation shall be made, but (1) no amount shall be allowed for anticipated profit or unperformed Services, and (2) any payment due Consultant at the time of termination may be adjusted to the extent of any additional costs to City occasioned by any default by Consultant. Upon receipt of a termination notice, Consultant shall immediately discontinue its provision of the Services and, within five (5) days of the date of the termination notice, deliver or otherwise make available to City, copies (in both hard copy and electronic form, where applicable) of project related data, design calculations, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in performing the Services. Consultant shall be compensated on a pro-rata basis for Services completed up to the date of termination.
- 8.6 Consultant shall maintain books, ledgers, invoices, accounts and other records and documents evidencing costs and expenses related to the Services for a period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement. Such books shall be available at reasonable times for examination by City at the office of Consultant.
- 8.7 This Agreement, including the Exhibits incorporated herein by reference, represents the entire agreement and understanding between the Parties as to the matters contained herein, and any prior negotiations, written proposals or verbal agreements relating to such matters are superseded by this Agreement. Except as otherwise provided for herein, an amendment to this Agreement shall be in writing, approved by City and signed by City and Consultant.
- 8.8 This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- 8.9 If one or more of the sentences, clauses, paragraphs or sections contained in this Agreement is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate the remaining sentences, clauses, paragraphs or sections contained herein, unless to do so would deprive a Party of a material benefit of its bargain under this Agreement.

IN WITNESS WHEREOF, duly authorizes representative of the City and Consultant have signed in confirmation of this Agreement.

CITY OF REDLANDS

By: 
Pete Aguilar, Mayor

PARAGON PARTNERS LTD.

By: 
Neilia A. LaValle, President and CEO

ATTEST:

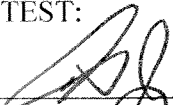

Sam Irwin, City Clerk

EXHIBIT "A"

SCOPE OF SERVICES

Consultant will provide the following:

- Property appraisals and revised legal description and exhibit maps for the following parcels:
 - APN 169-362-13
 - APN 169-362-11
 - APN 169-362-15
 - APN 292-157-16
 - APN 292-157-31
 - APN 292-157-05
 - APN 169-371-02
- Upon mutually agreed approval of appraisals by City, conduct all negotiations with the property owners of the listed parcels including, but not limited to conducting business with escrow and title companies, coordinating activities with other consultants and other miscellaneous parties to minimize disruptions and delays.
- Prepare and execute all necessary documents for right-of-way acquisition and recordation.
- Obtain all necessary construction easements from affected properties. See attached map
- The following general procedures will be utilized in the performance of the appraisal work.
 1. Right-of-way and property will be appraised in accordance with the Uniform Acquisition Act, USPAP and Title 25, California Code of Regulations.
 2. Prepare a complete self contained tabbed appraisal report in triplicate valuing the right of way take area. If a report is being prepared for multiple parcels, the report will be divided and labeled to identify the beginning of the narrative analysis and valuation for that parcel.
 3. The reports shall conform to the requirements promulgated by the Appraisal Foundation and known as the Uniform Standards of Professional Appraisal Practice, which are effective at the time the report is delivered to the City.
 4. The reports shall be prepared in conformity with the Eminent Domain Law and interpretive cases. Paragon will complete an Appraisal Summary Statement including the attachments using a form provided or approved by the City in order to comply with the requirements of California Government Code, Section 7267.2.
 5. The reports will contain the following: all real estate items (land, buildings, and appurtenant on-site improvements), exclusive of non-realty fixtures, equipment and

business inventory; pertinent property data; a date of value; discussions and conclusions of highest and best use; a narrative explanation of approaches to value; summary and tabulation of market data; analysis of market data and conclusions of value, including severance damages where applicable.

6. The appraiser will attend a “scoping session” meeting with the City, submit a draft report and attend a pre-submission conference with City staff, if required by staff.
 7. The appraiser will be available to testify in depositions or as an expert witness in any case in which such services would, in the City’s discretion, be required. Any such services will be billed on a time and material basis as approved by the City.
 8. Nothing contained in this Scope of Services shall be construed as relieving the appraiser from the performance of any work and/or inclusion of any item in the appraisal report that would otherwise be required for sound appraisal practices.
- Negotiation and Acquisition: Paragon’s acquisition services and procedures for public works projects are presented below. These procedures assure that property and interests in real property are acquired in accordance with applicable State and/or Federal guidelines and City policies. Specific City procedures for reporting, coordination, etc., are incorporated into these general procedures to ensure that the City’s goal and requirements are achieved.
 1. Paragon will review title reports and appraisal reports in sufficient detail to prepare for negotiations with property owners and other parties to acquire interests in the real property to be acquired.
 2. A complete and separate file for each parcel will be prepared and maintained. It will include a Parcel Diary of all pertinent information and contacts made relative to the acquisition negotiations.
 3. All offer letters, “Notices of Intent,” appraisal summary statements, acquisition agreements, deeds, legal descriptions, plats, copies of “The Public Acquisition Process” and any other required real property acquisition documents will be prepared in accordance with the City’s procedures.
 4. Paragon acquisition agents will set appointments with the appropriate parties for presentation of the formal written offers.
 5. The acquisition agents will contact and negotiate in “good faith” with each property owner, their agent or representative, tenants or lessees at appointed times convenient for them to present offers and explain the acquisition process. Negotiations with out of state or out of area property owners will be conducted only via mail, telephone, or e-mail.
 6. Receipted copies of offer letters and appraisal summary statements or the agents certification of the tender of said offer will be promptly delivered to the City.

7. The project manager will coordinate and manage the acquisition process with the City, legal counsel, the escrow company, the City's engineer and the appraiser.
 8. The project manager will coordinate and manage the acquisition process with the acquisition agents, the property owners and the City; and maintain project status and progress tracking reports.
 9. The project manager will promptly transmit all executed documents (acquisition agreements, etc.) to the City for acceptance and processing. A report summarizing the pertinent data relative to the transaction will be included. The Project Manager will coordinate opening of all escrow's monitor same, assist the escrow company in obtaining additional documentation as necessary, supervise the closing of all escrow's and review all closing statements for completeness and accuracy.
 10. The project manager will serve as liaison between the title company, escrow holder and the City.
 11. The project manager will prepare and deliver a written monthly progress report of the status of the acquisition of each parcel; and verbally communicate regularly with the City.
 12. The project manager will monitor and report progress of the project.
 13. The project manager will recommend condemnation action when negotiations have reached an impasse. The required justification will be submitted in writing to the City. Assistance to the City's legal counsel will be provided as necessary. However, Paragon's primary goal will be to reach a successful acceptance of the offer with each property owner. The project manager will work with the City and its legal counsel in recommending solutions to achieve acceptance of the offer.
 14. Paragon will provide condemnation support as directed. At such time that negotiations reach an impasse and eminent domain proceedings have commenced, Paragon will provide coordination and assistance necessary to aid the condemnation counsel on a time and material basis.
 15. Oral and written bi-lingual (Spanish) services will be provided as needed.
 16. The Project Manager will deliver completed original acquisition files with all pertinent information including the Parcel Diary and all notes to the City at the conclusion of the Project.
- On-Line Project Tracking: In addition to the activities discussed above, Paragon will provide the City with an on-line project tracking capability via a secure project-specific website. Project data will be readily accessible and will feature ongoing project file updates and continuous document tracking.

**EXHIBIT
"B"**



Paragon is pleased to provide the services as described above for an amount not to exceed \$49,965.00 based on the following cost breakdown and in accordance to the attached Schedule of Professional Fees.

1. Kick-off Meeting	Hours	Hourly Rate	Cost
Task 1 reflects estimated costs associated with the initial Project Kick-Off meeting with the City to verify reporting requirements, correspondence routing, day-to-day coordination, etc.			
Project Manager	3	\$150.00	\$450.00
Senior Acquisition Agent		\$95.00	\$0.00
Administrative Support		\$65.00	\$0.00
ODCs - Mileage, Cell Phone, etc.			\$100.00
Total Task 1	3		\$550.00
2. Revision of Plats and Legal Descriptions	Hours	Hourly Rate	Cost
Task 2 reflects estimated costs associated with the revision of Plats and Legal Descriptions.			
Senior Right of Way Engineer	7	\$120.00	\$840.00
Associate Right of Way Engineer	73	\$95.00	\$6,935.00
Title Supervisor	4	\$120.00	\$480.00
ODCs - Mileage, Cell Phone, etc.			
Total Task 2	84		\$8,255.00
3. Appraisal and Appraisal Coordination (7 Parcels)	Hours	Hourly Rate	Cost
Task 3 reflects estimated costs associated with managing and coordinating appraisals for 7 properties and the cost of 7 appraisals.			
Project Manager	6	\$150.00	\$900.00
Senior Acquisition Agent		\$95.00	\$0.00
Administrative Support	2	\$65.00	\$130.00
ODCs - Appraisal Services			\$14,490.00
ODCs - Mileage, Cell Phone, etc.			
Total Task 3	8		\$15,520.00
4. Review Title and Appraisal Items (7 parcels)	Hours	Hourly Rate	Cost
Task 4 reflects costs associated with reviewing title and appraisal items in preparation for negotiations with the 5 different owners of 7 parcels.			
Project Manager	6	\$150.00	\$900.00
Senior Acquisition Agent	5	\$95.00	\$475.00
Administrative Support		\$65.00	\$0.00
ODCs - Preliminary Title Reports (7 @ \$725)			\$5,075.00
ODCs - Mileage, Cell Phone, etc.			\$100.00
Total Task 4	11		\$6,550.00
5. File set-up and maintenance, Document Preparation (7 parcels)	Hours	Hourly Rate	Cost
Task 5 reflects costs associated with setting up parcel files and preparing acquisition documents for 7 parcels.			
Project Manager	2	\$150.00	\$300.00
Senior Acquisition Agent	7	\$95.00	\$665.00
Administrative Support	10	\$65.00	\$650.00
ODCs - Mileage, Cell Phone, etc.			\$200.00
Total Task 5	19		\$1,815.00



Dragon Partners Ltd

6. Offer Presentation (7 parcels/5 Owners)	Hours	Hourly Rate	Cost
Task 6 reflects estimated costs associated with presenting offers to acquire right of way for 7 parcels/5 Owners.			
Project Manager	2	\$150.00	\$300.00
Senior Acquisition Agent	10	\$95.00	\$950.00
Administrative Support	2	\$65.00	\$130.00
Appraisal Costs			
ODCs - Mileage, Cell Phone, etc.			\$500.00
Total Task 6	14		\$1,880.00
7. Conduct Negotiations (7 Parcels)	Hours	Hourly Rate	Cost
Task 7 reflects estimated costs associated with negotiating the acquisition of property from 5 Owners for 7 parcels.			
Project Manager	10	\$150.00	\$1,500.00
Senior Acquisition Agent	80	\$95.00	\$7,600.00
Corporate Broker	2	\$175.00	\$350.00
Administrative Support		\$65.00	\$0.00
ODCs - Mileage, Cell Phone, etc.			\$1,100.00
Total Task 7	92		\$10,550.00
8. Escrow Coordination	Hours	Hourly Rate	Cost
Task 8 reflects the cost of the coordination time to open and monitor escrows.			
Project Manager		\$150.00	\$0.00
Senior Acquisition Agent	5	\$95.00	\$475.00
Administrative Support	5	\$65.00	\$325.00
ODCs - Mileage, Cell Phone, etc.			\$100.00
Total Task 8	10		\$900.00
9. Monthly Progress Meetings and Reporting for 3 Months (7 Parcels)	Hours	Hourly Rate	Cost
Task 9 reflects estimated costs associated with developing 3 monthly progress reports and personal attendance at one (1) monthly progress meeting.			
Project Manager	12	\$150.00	\$1,800.00
Senior Acquisition Agent		\$95.00	\$0.00
Administrative Support	5	\$65.00	\$325.00
ODCs - Mileage, Cell Phone, etc.			\$500.00
Total Task 9	17		\$2,625.00
10. Close Out and Transmit Completed Files	Hours	Hourly Rate	Cost
Task 10 reflects estimated costs associated with transmitting completed acquisition files to the City upon completion of acquisition services.			
Project Manager	3	\$150.00	\$450.00
Senior Acquisition Agent	5	\$95.00	\$475.00
Administrative Support	3	\$65.00	\$195.00
ODCs - Mileage, Cell Phone, etc.			\$200.00
Total Task 10	11		\$1,320.00



Paragon Partners Ltd.

COST SUMMARY	Hours	Hourly Rate	Cost
Project Manager	44	\$150.00	\$6,600.00
Corporate Broker	2	\$175.00	\$350.00
Senior Acquisition Agent	112	\$95.00	\$10,640.00
Senior Right of Way Engineer	7	\$120.00	\$840.00
Associate Right of Way Engineer	73	\$95.00	\$6,935.00
Title Supervisor	4	\$120.00	\$480.00
Administrative Support	27	\$65.00	\$1,755.00
ODC's - Preliminary Title Reports		\$5,075.00	\$5,075.00
ODC's - Appraisal Services			\$14,490.00
ODCs - Mileage, Cell Phone, etc.			\$2,800.00
Total Labor and Expenses	269		\$49,965.00

Basis for Cost Estimate and Key Assumptions

1. The City will provide updated surveys (if necessary) in order for Paragon to complete seven (7) pairs of revised plats and legal descriptions. The existing plats and legal descriptions that need to be revised do not require major changes.
2. The City will be responsible for all recording fees and other title and escrow fees.
3. The City will provide appraisal mapping for all parcels. Paragon is to provide revised plats and legal descriptions. The Right of Way Certification Map and other certification services will be provided by others.
4. The cost of any additional appraisals required will be quoted on a case by case basis.
5. No dual nor review appraisals are necessary.
6. Appraisals include land only and the improvements with the partial takes. No buildings and related parking areas will be significantly impacted.
7. Negotiation and appraisal fees quoted include negotiations and appraisal up until the Resolution of Necessity, if any. Negotiation and/or condemnation support services after the Resolution of Necessity will be quoted on a time and materials basis.
8. No relocation services are required.
9. Does not include notary or recording fees. If required, this will be charged as an additional cost item.
10. There is no federal funding involved in the Project.
11. Escrows will close in 30 days or less.
12. The project schedule is 4.5 months.
13. The City will be responsible for negotiations and acquisitions of any railroad right of way necessary for the Project.
14. The City will be responsible for the identification, acquisition, and relocation of any impacted utilities necessary for the Project.
15. If additional parcel negotiations are requested, the following unit price applies, per parcel: \$7,500.00 inclusive of Preliminary Title Report, Appraisal, Plat and Legal Description, and all of the Negotiation tasks.

**EXHIBIT
"C"**



Dragon Partners Ltd.

Schedule of Professional Fees

Classification	Hourly Rate
Principal/Project Director/Corporate Broker	\$175.00
Project Manager	\$150.00
Principal Acquisition Agent	\$115.00
Senior Acquisition Agent	\$ 95.00
Acquisition Agent	\$ 85.00
Principal Relocation Agent	\$115.00
Senior Relocation Agent	\$ 95.00
Relocation Agent	\$ 85.00
Senior Title Agent	\$ 95.00
Title Agent	\$ 85.00
Escrow Coordinator	\$ 75.00
Right of Way Engineer, P.E.	\$140.00
Senior Right of Way Engineer	\$120.00
Associate Right of Way Engineer / GIS Specialist	\$ 95.00
Right of Way Engineering Technician	\$ 75.00
Senior Appraiser	\$140.00
Associate Appraiser	\$125.00
Administrative Support	\$ 65.00
Office Clerk	\$ 50.00
IT Support	\$125.00
Depositions and Court Testimony	\$250.00
Direct Charges	
Copies (Xerox) @ \$0.15 each	Pagers/Cellular @ Cost
D & E Size Copies @ \$5.00 each	Air Travel & Lodging @ Cost
Real Estate Data Services @ Cost + 15%	Mileage @ \$0.55 per mile*
Telephone/Fax @ Cost	Sub-Consultants @ Cost + 15%
Postage/FedEx @ Cost	Other Expenses @ Cost + 15%

*Or current IRS allowable

Terms of Payment – Net 30 days. Invoices will be submitted monthly. All rates are effective as of January 1, 2013. Rates will be revised annually on January 1, 2014 to reflect increases in the cost of living and current business conditions. Overtime for applicable labor classifications will be charged at 1.5 times the hourly rate in accordance with California law.

Exhibit "D"

**WORKERS' COMPENSATION INSURANCE CERTIFICATION TO PERFORM
PROFESSIONAL SERVICES**

Every employer except the State, shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurer duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations, a certificate of consent to self-insure, either as an individual employer or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code §1861).

Paragon Partners Ltd.

By: 
Neilia A. LaValle, President and CEO


Date: