

AGREEMENT FOR PROPERTY APPRAISAL SERVICES

This agreement for appraisal services ("Agreement") is made and entered into this 21st day of September, 2012 ("Effective Date"), by and between the City of Redlands ("City"), and BOZ Enterprises, Inc., dba Boznanski & Company ("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 perform appraisal services (the "Services") to determine the fair market value of certain properties located in the City of Redlands which are identified in Exhibit "A" attached hereto. Consultant shall also include within the appraisal reports a statement of appropriate contingent and limiting conditions, if any. The specific Services to be performed by Consultant are more particularly described in Consultant's "Scope of Services," which is attached hereto as Exhibit "B."
- 1.2 Consultant shall prepare and deliver to City five separate Self-Contained Appraisal Reports complete appraisal and summary reports in compliance with the Uniform Standards of Professional Appraisal Practice. Consultant shall deliver to City three (3) copies of each appraisal report.
- 1.3 Consultant's obligation to provide the Services to City is personal in nature, and shall not be delegated or assigned without City's prior written consent.
- 1.4 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.
- 1.5 Consultant shall comply with all applicable Federal, State and local laws and regulations in the performance of this Agreement including, but not limited to, the Americans with Disabilities Act and the Fair Employment and Housing Act.

ARTICLE 2 - RESPONSIBILITIES OF CITY

- 2.1 City shall make available to Consultant information in its possession that may assist Consultant in performing the Services.
- 2.2 City will make provision, and/or secure permission, for Consultant to enter upon the Property, as reasonably required by Consultant, to perform the Services.
- 2.3 City designates its Development Services Director, or his designee, as City's representative with respect to Consultant's performance of the Services. The Development Services

Director 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 3 - PERIOD OF SERVICE

- 3.1 Consultant shall perform the Services in a prompt and diligent manner and shall complete the Services within one week from the City's formal notification to proceed. This Agreement will be considered terminated by City upon Consultant's completion of the Services and their acceptance by City. City assumes no liability for Services performed or costs incurred prior to the date of the notice to proceed, or subsequent to this Agreement's termination date.

ARTICLE 4 - PAYMENT AND NOTICE

- 4.1 The total compensation for Consultant's performance of the Services is Five Thousand Dollars (\$5,000). Payment by City to Consultant shall be made within thirty (30) days after receipt and approval by City of Consultant's invoice, by warrant payable to Consultant.
- 4.2 All notices shall be given in writing by personal delivery or by mail. Notices, sent by United States mail should be addressed as follows:

City: Oscar Orci
Development Services Director
PO Box 3005
Redlands, CA 92373
(909) 798-7598 (Telephone)
(909) 335-4779 (Facsimile)
oorci@cityofredlands.org

Consultant: Carl W. Boznanski
Boznanski & Company
253 North Rampart, Suite A
Orange, CA 92868
(714) 634-3813 (Telephone)
(213) 532-3807 (Facsimile)

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 who notices and payments are to be given by giving notice pursuant to this section.

ARTICLE 5 - INSURANCE AND INDEMNIFICATION

- 5.1 All 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 pursuant to this Agreement unless and until all 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. All insurance policies shall include a

provision prohibiting cancellation of the policy or modification of the policy's coverage limits except upon thirty (30) days prior written notice to City.

- 5.2 **Consultant shall secure and maintain Workers' Compensation and Employer's Liability insurance throughout the duration of its performance of the Services, in an amount which meets the statutory requirement with an insurance carrier acceptable to City.**
- 5.3 **Comprehensive General Liability Insurance. Consultant shall secure and maintain in force throughout the duration of the Agreement 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.**
- 5.4 **Professional Liability Insurance. Consultant shall secure and maintain professional liability insurance throughout the duration of this Agreement in the amount of One Million Dollars (\$1,000,000) per claim made.**
- 5.5 **Business Auto Liability Insurance. Consultant shall have business auto liability coverage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. This coverage shall include all Consultant owned vehicles used on the project, 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.**
- 5.6 **Consultant shall indemnify, hold harmless and defend City and its appointed 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 any act, omission or failure to act by Consultant, its officers, employees and agents in performing the Services.**

ARTICLE 6 - CONFLICTS OF INTEREST

- 6.1 **Consultant covenants and represents that it does not have any investment or interest in the real property that is the subject of this Agreement or any other source of income, interest in real property or any investment which 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.**
- 6.2 **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 of 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 any City permits, licenses, applications, certifications, approvals, orders or similar authorizations or entitlements;
- (iii) authorizing 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 all 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.

6.3 In the event City officially determines that Consultant must disclose its financial interests by completing and filing a Fair Political Practices Commission Form 700, Statement of Economic Interests, Consultant shall file the subject Form 700 with the City Clerk's office pursuant to the written instructions provided by the Office of the City Clerk.

ARTICLE 7 – CONFIDENTIALITY

7.1 Consultant understands and agrees that the Services, conclusions and appraisal reports are confidential in nature. Neither the appraisal reports nor the opinions therein shall be disclosed to anyone other than City's general counsel or City staff assisting City's counsel. The appraisal reports, together with other documents required by the Agreement, shall be submitted to City's general counsel in the same manner as notices are given pursuant to this Agreement. Consultant understands and agrees that its duty of confidentiality to the City does not end upon on the termination of this Agreement.

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 use of in-house counsel by a Party.

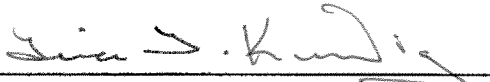
- 8.2 Consultant shall not assign any of the Services to be performed under this Agreement, except with the prior written approval of City and in strict compliance with the terms, provisions and conditions of this Agreement.
- 8.3 Copies of all documents, records, drawings, designs, cost estimates, electronic data files, databases, and other documents developed by Consultant pursuant to this Agreement, and any copyright interest in such documents, shall become the property of City and shall be delivered City upon the request of City. Any reuse of such documents and any use of incomplete documents will be at City's sole risk.
- 8.4 Consultant is for all purposes an independent contractor. Consultant shall supply all tools and instrumentalities required to perform the Services. All personnel employed by Consultant are for its account only, and in no event shall Consultant or any 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.
- 8.5 Unless earlier terminated, as provided for below, this Agreement shall terminate upon completion and acceptance of the Services by City.
- 8.6 This Agreement may be terminated by City, in its sole discretion and without cause, by providing two (2) business days' prior written notice to Consultant (delivered by certified mail, return receipt requested) of intent to terminate.
- 8.7 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.
- 8.8 Upon receipt of a termination notice, Consultant shall immediately discontinue all services affected, 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 any data, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in performing the Services required by this Agreement. Consultant shall be compensated on a pro-rata basis for work completed up until notice of termination.
- 8.9 Consultant shall maintain books and accounts of all payroll costs and expenses related to the Services. Such books shall be available at all reasonable times for examination by City at the office of Consultant.
- 8.10 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. Any amendment to this Agreement shall be in writing, approved by City and signed by City and Consultant.

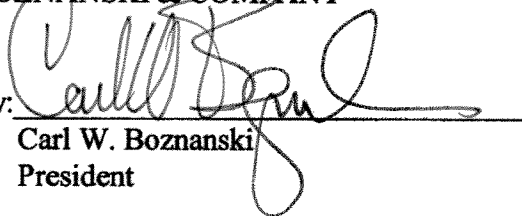
8.11 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

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

CITY OF REDLANDS

BOZ ENTERPRISES, INC., dba
BOZNANSKI & COMPANY

By: 
Tina Kundig
Finance Director/City Treasurer

By: 
Carl W. Boznanski
President

Attest:


Sam Irwin, City Clerk

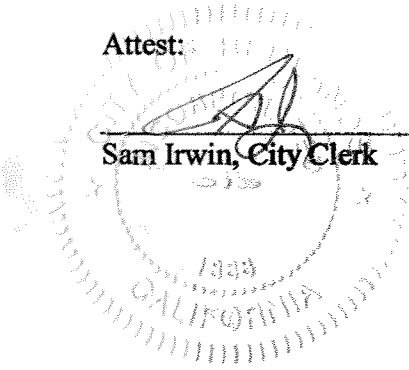


EXHIBIT
"A"

Open Space Purchase Proposals



Legend

	Jeinto Parcel
	Allen Parcel
	Thompson Parcel
	Marissa Parcel
	City Boundary
	Parcels

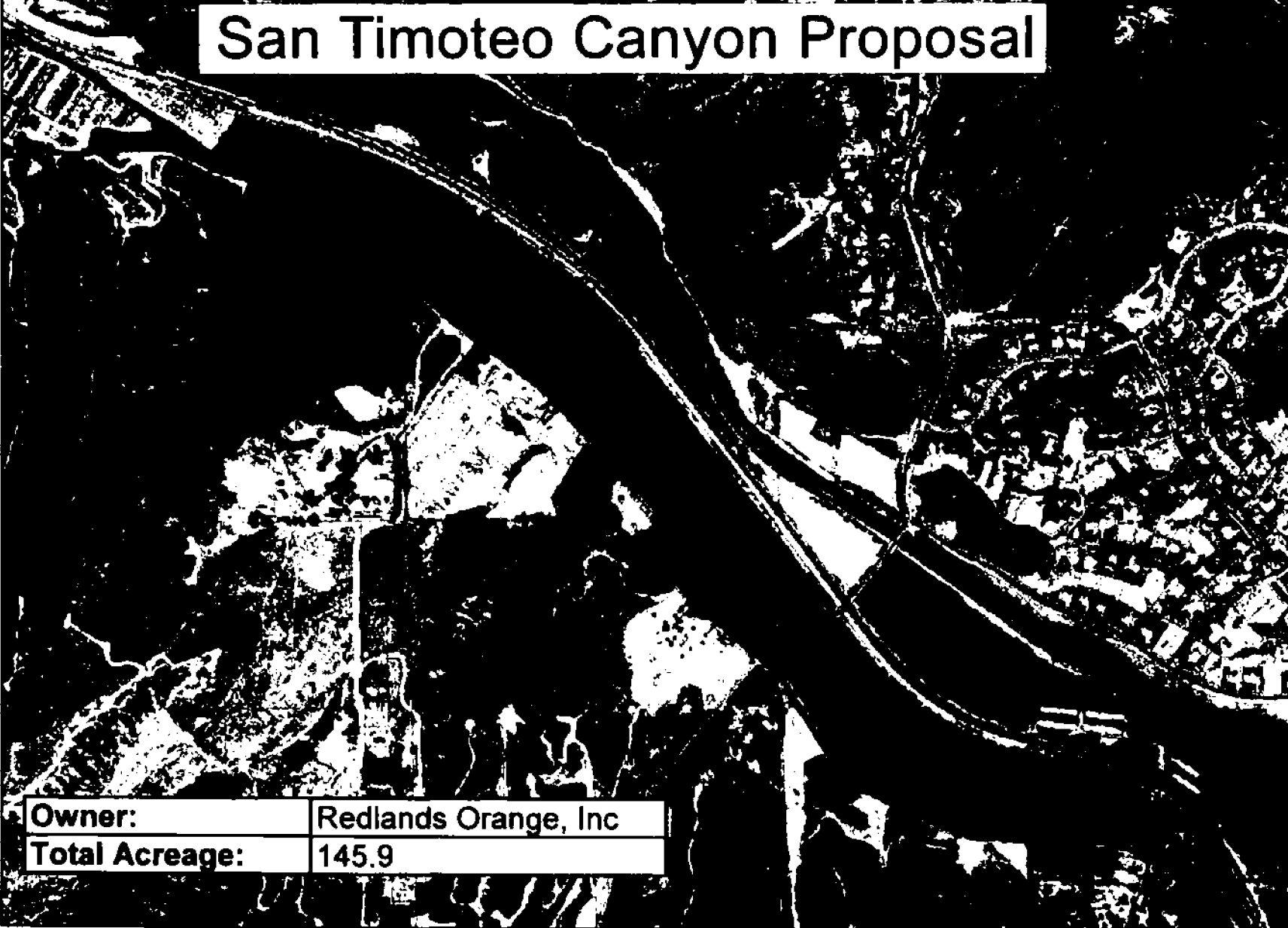
This map was prepared by the City of Redwood, and while it is intended to be accurate, the City of Redwood does not warrant its accuracy. It is provided for informational purposes only. It is not intended to be used as a legal document. The City of Redwood is not responsible for any errors or omissions. It is provided for informational purposes only. It is not intended to be used as a legal document.



Owner	Cumulative Area	APN Numbers
Allen	10 Acres	0300-231-24
Jacinto	99.94 Acres	0301-191-13, 0301-143-36
Thompson	172 Acres	0300-231-31, 0300-231-36, 0300-241-15
Marissa	186 Acres	0300-241-17, 0300-241-18, 0300-241-19, 0300-241-20















City of Redwood

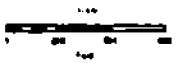
San Timoteo Canyon Proposal



Legend

Redlands Orange, Inc
<all other values>

APN, Lot Acres	
	01 7523102, 5.95
	01 7523103, 9.5
	01 7523202, 22.57
	01 7524104, 7.5
	01 7524105, 14.82
	01 7524202, 0.21
	01 7525105, 1
	02 9409106, 8.68
	02 9409107, 5.5
	02 9409113, 1.27
	02 9409136, 5.13
	02 9409138, 3.04
	02 9409141, 32.23
	02 9410122, 28.9



Owner:	Redlands Orange, Inc
Total Acreage:	145.9



Exhibit "B"

SCOPE OF SERVICES

Within the limits of your direction, the undersigned will send letters to the property owners informing them of my direction to appraise and requesting any opportunity to inspect these properties. In preparation of these appraisals, we would expect to receive as much data pertaining to the parcels. This would include leases, tax information, a title report, and any other special circumstances pertaining to these parcels.

Within the boundary of the properties being appraised, we will note the locational and economic characteristics influencing the subject parcels. We will have discussions with City officials regarding zoning, building age and area, traffic, utilities, etc. We will consider existing leases on the properties. Based on all of these investigations, a highest and best use conclusion will be arrived at for the sites. The properties will be valued, as existing, in order to come up with an overall property value, based on sales in the nearby areas of comparable property, either as vacant or as site improved, similar to the subject. These sales will be investigated and individually enumerated through the official records of the county. We would also utilize the Income Approach based on market rent and market rates of return. Because of the age and apparent condition of these improvements, the Cost-Summation Approach will probably not be utilized.

Outcoming from our investigation will be five separate Self-Contained Appraisal Reports, for the properties being evaluated. This report will describe the circumstances surrounding the appraisal assignment of the environs, which influence the appraised property. Then the appraised properties will be identified as to ownership, Assessor's information, physical description, zoning, highest and best use, and present use. Finally, comparable data. We will consider the Market, Cost and Income approaches to value, as appropriate. Existing site and building improvements, if any, will be considered. Ultimately a market value will be assigned to the properties as of the specified date of value. Appropriately supportive maps and photographs will be contained in the narrative appraisal reports. Three copies of each of the bound reports will be prepared.