AGENDA

CITY COUNCIL - REGULAR MEETING
CITY OF BANNING, CALIFORNIA

September 8, 2026
5:00 p.m.
In Chambers

Council Chambers
99 E. Ramsey Street
Banning, CA 92220

The following information comprises the agenda for the regular meeting of the Banning City Council, a joint meeting of the City Council and Banning Utility Authority, and the Banning City Council sitting in its capacity as the Banning Successor Agency Board.

This meeting is being held via Zoom so that members of the public may observe and participate in this meeting electronically. If you participate in this meeting via Zoom, you are agreeing to abide by the City's Zoom Community Standards for Public Meetings (provided in full on the last page of the agenda). *Esta reunión se lleva a cabo en la Cámara y a través de Video/Teleconferencia en Zoom para que los miembros del público puedan observar y participar en esta reunión de manera electrónica. Si elige participar en esta reunión a través de Zoom, acepta cumplir con los Estándares comunitarios de Zoom para reuniones públicas de la ciudad (que se proporcionan en su totalidad en la última página de la agenda).*

To observe and participate in the online video portion of the meeting through your personal computer or device, follow this link:
https://us02web.zoom.us/j/82012644588?pwd=GwdLNir0X6fHkhlgVjAjRUQf1C6yoz.1

Dial in: +1 669 900 9128

Meeting ID: 820 1264 4588
Password: 1913-92220

Join Via Audio/Passcode: 8464147627 - *9 raise hand

Per the City of Banning Manual of Procedural Guidelines, matters taken up by the Council before 10 p.m. may be concluded, but no new matters shall be taken up except upon a majority vote of the council members present and voting. Such an extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

TELECOMMUTING LOCATION
Council Member Sheri Flynn will participate remotely from the following location:
7604 Solari Drive
Austin, TX 78744

1. CALL TO ORDER

1.1 **INVOCATION**
Performed by Pastor Baylark of First Community Baptist Chruch

1.2 **PLEDGE OF ALLEGIANCE**

1.3 **ROLL CALL**

2. AGENDA APPROVAL

2.1 **AGENDA APPROVAL**

3. PRESENTATIONS

3.1 Proclamation - Constitution Week

Recommendation: Staff respectfully recommends City Council proclaim September 17 through 23, 2026 as Constitution Week.

3.2 Proclamation - Hispanic Heritage Month

Recommendation: Staff respectfully recommends City Council proclaim September 15 - October 15, 2026 as Hispanic Heritage Month.

4. REPORT ON CLOSED SESSION

Phaedra Norton, City Attorney

5. PUBLIC COMMENTS, CORRESPONDENCE, APPOINTMENTS, AND REPORTS

5.1 **PUBLIC COMMENTS**

5.2 **CORRESPONDENCE**

5.3 **APPOINTMENTS**

5.4 **CITY COUNCIL COMMITTEE REPORTS**

5.5 **ANNOUNCEMENTS OF CITY COUNCIL MEMBERS**

5.6 **CITY MANAGER'S REPORT**

5.7 **CITY ATTORNEY'S REPORT**

6. CONSENT ITEMS

The following items have been recommended for approval and will be acted upon simultaneously, unless a member of the City Council/Banning Utility Authority/Successor Agency Board wishes to remove an item for separate consideration.

6.1 Consideration and Approval of the following City Council Meeting Minutes:

- June 23, 2026 Closed Session
- July 14, 2026 Closed Session
- July 30, 2026 Closed Session
- August 25, 2026 Closed Session
- August 25, 2026 Workshop

Recommendation: Approve the Meeting Minutes of:

- June 23, 2026 Closed Session
- July 14, 2026 Closed Session
- July 30, 2026 Closed Session
- August 25, 2026 Closed Session
- August 25, 2026 Workshop

6.2 Accept as Complete Various Improvements Related to the Atwell Specific Plan Development and Authorize a 90% Reduction of the Improvement Bonds and Exoneration of Monumentation Bonds
Recommendation: City Council accept as complete various improvements related to the Atwell Specific Plan Development and authorize a 90% reduction in the improvement bonds and exoneration of Monumentation Bonds.

6.3 Receive and File the Cash and Investments Report for the month of July 2026
Recommendation: That the City Council receive and file the Cash and Investments Report for the month of July 2026, in accordance with California Government Code Section 53646.

6.4 Consideration of Resolution 2026-115, Awarding Professional Services Agreements to CBRE, Inc., Santolucito Dore Group, Inc. and Epic Land Solutions for On-Call Real Property Appraisal Services in a Total Aggregate Not-to-Exceed Amount of $50,000, with Renewal Options, and Rejecting All Other Proposals
Recommendation: Adopt Resolution 2026-115

6.5 Consideration of Resolution 2026-123 for the FY 2025/2026 Heath and Safety Code (HSC) 13146.4 Annual Inspection Report of Certain Occupancies Pursuant to Sections HSC 13146.2 and 13146.3
Recommendation: Adopt Resolution 2026-123

6.6 Consideration of Resolution 2026-124, a Resolution of the Banning City Council accepting Community Development Block Grant (CDBG) Funds for Fiscal Year 2026/2027 in the amount of $158,987.
Recommendation: Adopt Resolution 2026-124

7. PUBLIC HEARINGS

8. REPORTS OF OFFICERS

9. DISCUSSION ITEMS

9.1 Discussion and Direction Regarding Provisions of Banning Municipal Code (BMC) Chapter 8.48 (Nuisances) That Address Overgrown Vegetation
Recommendation: Direct Staff to prepare a draft ordinance amending Chapter 8.48 of the Banning Municipal Code revising one or more of the issues discussed above and return to City Council for introduction and adoption; OR
Take no action and retain Chapter 8.48 in its current form.

9.2 Consideration of Resolution 2026-125, Awarding Professional Services Agreements to Spicer Consulting Group, LLC for Community Facility District and Tax Consulting Services in a Not-to-Exceed Amount of $526,000 for a Five-Year Term and Rejecting All Other Proposals
Recommendation: Adopt Resolution 2026-125

10. ITEMS FOR FUTURE AGENDAS

10.1 **NEW ITEMS**
1. Stagecoach Town USA discussion (Royce) August 2026

10.2 **EXISTING ITEMS**
1. Streamline Procurement Policy (Flynn) August 2025
2. Maintenance and replacement of street signs. (Flynn) March 2026
3. Rename the Arthur Welch Community Center back to the National Guard Armory (Flynn) April 2026
4. Smoke Shop Moratorium (Miller) April 2026

5. Special Event Fee Schedule and Permit Process Review (Miller) May 2026
6. Review and discussion of the Censure Policy to ensure conformance with the City of Banning Manual of Procedural Guidelines and the Banning Municipal Code (Flynn) June 2026

11. ADJOURNMENT

Next Regular Meeting – September 22, 2026

Zoom Community Standards for Public Meetings

By participating in this meeting on Zoom, you are agreeing to abide by the City of Banning's Community Standards for Public Meetings. Zoom attendees that fail to adhere to these standards may be removed from the meeting room.

- Your microphone must remain on mute, and you may only unmute your microphone when/if you are recognized by the Mayor.
- Your camera must be turned off unless/until you are recognized by the Mayor.
- To indicate a desire to make Public Comment, you must use the Raise Hand function. The Mayor will not recognize those who have not used the Raise Hand function.
- Public Comment from Zoom attendees will immediately follow in-person comment from members of the public in Council Chambers.
- If you fail to adhere to these community guidelines, **you may be removed** for disrupting the meeting occurring in Council Chambers. You may rejoin the meeting but may be removed for each violation of these community standards.
- The chat function will be disabled for all City Council meetings on Zoom.

Estándares comunitarios de Zoom para Reuniones Públicas

Al participar en esta reunión en Zoom, usted acepta cumplir con los Estándares Comunitarios para Reuniones Públicas de la ciudad de Banning. Los que atienden por Zoom que no cumplan con estos estándares pueden ser retirados de la sala de reuniones.

- Su micrófono debe permanecer en silencio, y solo puede reactivar su micrófono cuando / si es reconocido por el alcalde.
- Su cámara debe estar apagada a menos que sea reconocido por el alcalde.
- Para indicar el deseo de hacer un Comentario Público, debe utilizar la función Levantar la mano. El alcalde no reconocerá a quienes no hayan utilizado la función Levantar la mano.
- Los comentarios públicos de lo que atienden por Zoom seguirán inmediatamente los comentarios en persona de los miembros del público en las Cámaras del Consejo.
- Si no cumple con estas pautas de la comunidad, es posible que lo destituyan por interrumpir la reunión que tiene lugar en las Cámaras del Consejo. Puede volver a unirse a la reunión, pero es posible que lo eliminen por cada violación de estos estándares de la comunidad.
- La función de chat estará deshabilitada para todas las Reuniones del Ayuntamiento en Zoom.

AFFIDAVIT • DECLARACIÓN JURADA

IT IS HEREBY CERTIFIED under the laws of the State of California that the above agenda was posted on the City's website (www.banningca.gov) as well as the Bulletin Board at Banning City Hall, located at 99 E Ramsey Street, Banning, CA 92220, at least 72 hours in advance of the meeting.

Vickie Sellers

Vickie Sellers, Elected City Clerk
Secretaria Municipal Electa

PUBLIC NOTICE • NOTICIA PÚBLICA

Meeting Agendas and Notices

Interested in receiving email and/or text notifications of upcoming City Council meetings? Sign up for meeting notifications through the City's website. Pursuant to amended Government Code §54957.5(b), staff reports and other public records related to open session agenda items are available on the City's website (www.banningca.gov/).

Public Comment

Agenda Items

Any member of the public may address this meeting of the City Council on any item appearing on the agenda. A five-minute limitation shall apply to each member of the public and no member of the public shall be permitted to share their time with any other person.

Non-Agenda Items

Any member of the public may address this meeting of the City Council on any item which does not appear on the regular meeting agenda but is of interest to the general public and is an item upon which the City Council may act. A three-minute limitation shall apply to each member of the public and no member shall be permitted to share their time with any other person. No action shall be taken, nor discussion held by the City Council, on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of §54954.2 of the Government Code.

Special Assistance/Accessibility Requests

In compliance with the Americans with Disabilities Act, any member of the public may request that the agenda and agenda packet be mailed to them. If you need special assistance to participate in this meeting (such as translation services), please contact the City Clerk's Office. Advanced notification of at least 48 hours prior to the meeting will allow the city to make arrangements to ensure your accessibility.

¿Necesita servicios de traducción para participar? Contacto Oficina del Secretario de la Ciudad.

CONTACT • CONTACTO

City Clerk's Office | 951-922-3102 | CityClerks@banningca.gov
99 East Ramsey Street, Banning, California 92220

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Sandra Calderon, Deputy City Clerk**
MEETING DATE:	**September 8, 2026**
SUBJECT:	**Proclamation - Constitution Week**

STAFF RECOMMENDATION:

Staff respectfully recommends City Council proclaim September 17 through 23, 2026 as Constitution Week.

BACKGROUND:

Constitution Week is an American observance to commemorate the 1787 adoption of the United States Constitution. It runs annually from September 17 - proclaimed as Constitution Day and Citizenship Day in the United States - through September 23.

JUSTIFICATION:

n/a

FISCAL IMPACT:

n/a

ATTACHMENTS:

1. Proclamation_-_Constitution_Week.pdf
2. Constitution Week_Educational Programs.pdf

CITY OF BANNING
OFFICE OF THE MAYOR

Proclamation

WHEREAS *in 1890, the Daughters of the American Revolution (DAR) was formed to promote education and patriotism; and*

WHEREAS *in 1955, DAR petitioned Congress to set aside September 17-23 annually to be dedicated for the observance of Constitution Week; and*

WHEREAS *the Constitution of the United States of America, the guardian of our liberties, embodies the principles of limited government in a Republic dedicated to rule by law; and*

WHEREAS *September 17, 2026, marks the two hundred and thirty-ninth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and*

WHEREAS *it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it.*

NOW THEREFORE*, the City of Banning City Council do hereby proclaim:*

September 17 – 23, 2026

as

Constitution Week

in the City of Banning and encourage the citizens of our community to join us in this special observance.

BE IT PROCLAIMED *this 8th day of September, 2026.*

Richard Royce, Mayor

Educational Programs

Constitution Week

The United States Constitution stands as a testament to the tenacity of Americans throughout history to maintain their liberties and freedoms and to ensure those unalienable rights to every American.

The tradition of celebrating the Constitution was started by the Daughters of the American Revolution. In 1955, DAR petitioned Congress to set aside September 17-23 annually to be dedicated for the observance of Constitution Week. The resolution was later adopted by the US Congress and signed into public law on August 2, 1956 by President Dwight D. Eisenhower.

The aims of the celebration are to:

- Emphasize citizen's responsibilities for protecting and defending the Constitution.
- Inform people that the Constitution is the basis for America's great heritage and the foundation for our way of life.
- Encourage the study of the historical events which led to the framing of the Constitution in September 1787.

Constitution Week is a great time to learn more about this important document and to celebrate the freedoms it gave us. Get involved by encouraging young people to sign the Constitution Week Proclamation Pledge and to ask your local community officials to issue a proclamation about Constitution Week. Consider organizing a group to participate in Bells Across America.

For additional information about Constitution Week, please contact your local DAR chapter or visit DAR.org: local DAR chapter.

The Daughters of the American Revolution is a non-profit, non-political volunteer women's service organization. DAR members are dedicated to promoting historic preservation, education, and patriotism in communities across the nation. All students are invited to participate and learn more about the educational programs the DAR offers. Educators, parents and students are encouraged to contact their local DAR chapters for more detailed information on these program.

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Sandra Calderon, Deputy City Clerk**
MEETING DATE:	**September 8, 2026**
SUBJECT:	**Proclamation - Hispanic Heritage Month**

STAFF RECOMMENDATION:

Staff respectfully recommends City Council proclaim September 15 - October 15, 2026 as Hispanic Heritage Month.

BACKGROUND:

National Hispanic Heritage Month is annually observed from September 15 to October 15 in the United States for recognizing the contributions and influence of Hispanic culture to the nation's achievements, culture, and history.

JUSTIFICATION:

n/a

FISCAL IMPACT:

n/a

ATTACHMENTS:

1. Proclamation_-_Hispanic_Heritage_Month.pdf

CITY OF BANNING
OFFICE OF THE MAYOR

Proclamation

WHEREAS, *the United States has observed "Hispanic Heritage Week" since 1968 and "Hispanic Heritage Month" since 1988; and*

WHEREAS, *Hispanic Heritage Month celebrates the histories, cultures, and contributions of those whose ancestors were indigenous to North America as well as Spain, Mexico, the Caribbean, and Central and South America; and*

WHEREAS, *the purpose of Hispanic Heritage Month is to create awareness of the 500 years of cultural contributions of people of Hispanic Heritage to the American culture; and*

WHEREAS, *many people of Hispanic Heritage have and continue to serve this community as leaders, organizers, first responders, teachers, healthcare professionals, athletes, inventors, entrepreneurs and more; and*

WHEREAS, *the City of Banning is fortunate to have a large number of residents of Hispanic Heritage who strengthen our culture, economy, and contribute to our daily lives; and*

WHEREAS, *the City wishes to honor their achievements while continuing efforts to ensure the City is a welcoming and inclusive place with opportunities for all.*

NOW THEREFORE*, the City Council of the City of Banning, does hereby proclaim:*

Hispanic Heritage Month
September 15 – October 15, 2026

in the City of Banning and encourages citizens of Banning to increase their cultural awareness by learning the important contributions of people of Hispanic Heritage to the City of Banning.

BE IT PROCLAIMED *this 8th day of September 2026.*

Richard Royce, Mayor

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Sandra Calderon, Deputy City Clerk**
MEETING DATE:	**September 8, 2026**
SUBJECT:	**Consideration and Approval of the following City Council Meeting Minutes:** • **June 23, 2026 Closed Session** • **July 14, 2026 Closed Session** • **July 30, 2026 Closed Session** • **August 25, 2026 Closed Session** • **August 25, 2026 Workshop**

STAFF RECOMMENDATION:

Approve the Meeting Minutes of:

- June 23, 2026 Closed Session
- July 14, 2026 Closed Session
- July 30, 2026 Closed Session
- August 25, 2026 Closed Session
- August 25, 2026 Workshop

BACKGROUND:

After every meeting, the City Clerk's Office prepares meeting minutes. The City Council reviews and approves these minutes either as presented or with modifications.

JUSTIFICATION:

These minutes have been prepared as summary minutes in accordance with City Council Resolution 2025-22 and Government Code Section 36814, 4801, and 54953 (c)(2).

FISCAL IMPACT:

None

ATTACHMENTS:

1. 2026 06 23_Closed Session_DRAFT.pdf
2. 2026 07 14_CCMinutes_CS.pdf
3. 2026 07 30_CCMinutes_CS.pdf
4. 2026 08 25_Closed Session_DRAFT.pdf
5. 2026 08 25_CCMinutes_WS.pdf

MINUTES

CITY COUNCIL – SPECIAL MEETING (CLOSED SESSION)

JUNE 23, 2026

1. CALL TO ORDER – 2:00 p.m.

COUNCIL MEMBERS PRESENT: Mayor Richard Royce
Mayor Pro Tem Cindy Barrington
Council Member Sheri Flynn
Council Member Leroy Miller

COUNCIL MEMBERS ABSENT: Council Member Colleen Wallace

OTHERS PRESENT: Phaedra Norton, City Attorney
Elizabeth Gibbs, City Manager
Vickie Sellers, City Clerk
Sandra Calderon, Deputy City Clerk

2. PUBLIC COMMENTS - ***Agenda Items Only***

There were no public comments.

3. CLOSED SESSION

3.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8.
Property: Banning Municipal Airport consisting of approximately 232.41 acres comprised of APNs 541-240 -009; 541-250 -009; 541-140-003; 532-150-002; 532-150-003; 532-150- 004; 532- 130 -012; 532-130-018; 532-130-011; 532-180- 034.
Agency Negotiator: City Manager Elizabeth Gibbs or her designee.
Negotiating Parties: City of Banning as potential Lessor and Industrial Enterprises, LLC as potential Lessee.
Under Negotiations: Price and Terms of proposed ground lease.

3.2 CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL INITIATION OF LITIGATION
Pursuant to Government Code Section 54956.9(d)(4). Four potential cases.

3.3 CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION –
Pursuant to Government Code Section 54956.9(d)(2) and/or (3) Two (2) Potential Case

3.4 CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Agency Designated Representative Elizabeth Gibbs or her designee
Employee Organizations: International Brotherhood of Electrical Workers- General unit. International Brotherhood of Electrical Workers – Utilities. Teamsters. Banning Police Officers Association. Banning police management association. Unrepresented Employees: Non-

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Management Confidential Employees Group; Management Confidential Employees Group as defined in Council Resolution 2024-137.

Council Members recessed to Closed Session at 4:02 p.m. to discuss the items listed.

4. ADJOURNMENT

Council Member Flynn motioned to adjourn, seconded by Council Member Miller. The motion carried by roll call vote, with Council Member Wallace absent. The meeting adjourned at 4:37 p.m.

Minutes prepared by:

Sandra Calderon

Sandra B. Calderon
Deputy City Clerk

These minutes have been prepared as Summary Minutes in accordance with City Council Resolution 2025-22 and Government Code Sections 36814, 40801, and 54953(c)(2).

The entire discussion of this meeting may be viewed here:

https://banningca.granicus.com/player/clip/325?view_id=1&redirect=true

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MINUTES

CITY COUNCIL – SPECIAL MEETING (CLOSED SESSION)

JULY 14, 2026

1. CALL TO ORDER – 7:11 p.m.

COUNCIL MEMBERS PRESENT:	Mayor Richard Royce Mayor Pro Tem Cindy Barrington (remote) Council Member Sheri Flynn (remote) Council Member Leroy Miller Council Member Colleen Wallace
COUNCIL MEMBERS ABSENT:	None
OTHERS PRESENT:	Phaedra Norton, City Attorney Art Vela, Public Works Director Vickie Sellers, City Clerk Sandra Calderon, Deputy City Clerk

2. PUBLIC COMMENTS - ***Agenda Items Only***

None.

3. CLOSED SESSION

3.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8.
Property: Banning Municipal Airport consisting of approximately 232.41 acres comprised of APNs 541-240 -009; 541-250 -009; 541-140-003; 532-150-002; 532-150-003; 532-150- 004; 532- 130 -012; 532-130-018; 532-130-011; 532-180- 034.
Agency Negotiator: City Manager Elizabeth Gibbs or her designee.
Negotiating Parties: City of Banning as potential Lessor and Industrial Enterprises, LLC as potential Lessee.
Under Negotiations: Price and Terms of proposed ground lease.

3.2 CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL INITIATION OF LITIGATION
Pursuant to Government Code Section 54956.9(d)(4). Three (3) potential cases.

3.3 CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Agency Designated Representative Elizabeth Gibbs or her designee
Employee Organizations: International Brotherhood of Electrical Workers- General unit. International Brotherhood of Electrical Workers – Utilities. Teamsters. Banning Police Officers Association. Banning police management association. Unrepresented Employees: Non-Management Confidential Employees Group; Management Confidential Employees Group as defined in Council Resolution 2024-137.

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3.4 CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code 54956.8 Property: A.C. Dysart Park, APN: 537-190-016
2101 W. Victory Avenue, Banning, CA
Negotiating Parties: City of Banning and Mayra Alejandrina Esquivel
Agency Negotiator: Elizabeth Gibbs, City Manager or Designee
Under Negotiations: Price and Terms of Payment

Council Members recessed to Closed Session at 7:15 p.m. to discuss the items listed.

The City Council reconvened in open session at 9:09 p.m., all Council Members present (Barrington and Flynn remote).

CLOSED SESSION REPORT

Assistant City Attorney Norton reported that there was no reportable action on Items 3.1, 3.3, or 3.4. She stated for Item 3.2, there was direction given to initiate litigation on one of the items under 3.2, by a unanimous vote of the Council.

4. ADJOURNMENT

MOTION
Council Member Wallace moved and Council Member Miller seconded a motion to adjourn the meeting. The question was called and the motion carried unanimously.

The meeting adjourned at 9:12 p.m., and the City Council continued with its regular meeting agenda.

Minutes prepared by:

Sandra Calderon

Sandra B. Calderon
Deputy City Clerk

These minutes have been prepared as Summary Minutes in accordance with City Council Resolution 2025-22 and Government Code Sections 36814, 40801, and 54953(c)(2).

The entire discussion of this meeting may be viewed here:

https://banningca.granicus.com/player/clip/329?view_id=1&redirect=true

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MINUTES

CITY COUNCIL – SPECIAL MEETING (CLOSED SESSION)

JULY 30, 2026

1. CALL TO ORDER – 3:03 p.m.

COUNCIL MEMBERS PRESENT:	Mayor Richard Royce Mayor Pro Tem Cindy Barrington Council Member Leroy Miller Council Member Colleen Wallace
COUNCIL MEMBERS ABSENT:	Council Member Sheri Flynn
OTHERS PRESENT:	Phaedra Norton, City Attorney Elizabeth Gibbs, City Manager Vickie Sellers, City Clerk Sandra Calderon, Deputy City Clerk

2. PUBLIC COMMENTS - ***Agenda Items Only***

Frank Connolly expressed opposition to the pending litigation filed by City Treasurer Gladys 'Sue' Savage and urged the City to vigorously defend the action and seek recovery of its legal costs.

3. CLOSED SESSION

3.1 CONFERENCE WITH LEGAL COUNSEL
Significant Exposure to Litigation – Pursuant to Government Code Section 54956.9(d)(2) or (3) – four (4) cases
3.2 CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Name of Case: Gladys 'Sue' Savage v. Elizabeth Gibbs, in her official capacity as Banning City Manager, Vickie Sellers, in her official capacity as Banning City Clerk, and DOES 1 through 20, inclusive; Riverside County Superior Court, Case No. CVRI 2603995

3.3 CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Agency Designated Representative: Elizabeth Gibbs or her designee
Employee Organizations: International Brotherhood of Electrical Workers – General Unit; International Brotherhood of Electrical Workers – Utilities; Teamsters; Banning Police Officers Association; Banning Police Management Association. Unrepresented Employees: Non-Management Confidential Employees Group; Management Confidential Employees Group, as defined in Council Resolution 2024-137.

3.4 CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: Banning Municipal Airport, consisting of approximately 232.41 acres, comprised of APNs 541-240-009; 541-250-009; 541-140-003; 532-150-002; 532-150-003; 532-150-004; 532-130-012; 532-130-018; 532-130-011; and 532-180-034.

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Agency Negotiator: City Manager Elizabeth Gibbs or her designee. Negotiating Parties: City of Banning as potential Lessor and Industrial Enterprises, LLC as potential Lessee. Under Negotiations: Price and terms of proposed ground lease.

City Manager Gibbs stated she would recuse herself from Item 3.2 because the matter involved her and noted that she had left the room during public comments concerning that item.

Council Members recessed to Closed Session at 3:07 p.m. to discuss the items listed.

The City Council reconvened in open session at 9:11 p.m., Council Member Flynn absent.

CLOSED SESSION REPORT

Assistant City Attorney Norton reported that there was no reportable action on Items 3.1 through 3.4.

4. ADJOURNMENT

MOTION
Council Member Wallace moved and Council Member Miller seconded a motion to adjourn the meeting. The question was called and the motion carried 4-0, Council Member Flynn absent.

The meeting adjourned at 9:13 p.m.

Minutes prepared by:

Sandra Calderon

Sandra B. Calderon
Deputy City Clerk

These minutes have been prepared as Summary Minutes in accordance with City Council Resolution 2025-22 and Government Code Sections 36814, 40801, and 54953(c)(2).

The entire discussion of this meeting may be viewed here:

https://banningca.granicus.com/player/clip/336?view_id=1&redirect=true

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MINUTES

CITY COUNCIL – SPECIAL MEETING (CLOSED SESSION)

AUGUST 25, 2026

1. CALL TO ORDER – 3:00 p.m.

COUNCIL MEMBERS PRESENT: Mayor Richard Royce
Mayor Pro Tem Cindy Barrington -arrived at 3:01 p.m.
Council Member Leroy Miller
Council Member Wallace

COUNCIL MEMBERS ABSENT: Council Member Sheri Flynn

OTHERS PRESENT: Phaedra Norton, City Attorney
Elizabeth Gibbs, City Manager
Vickie Sellers, City Clerk
Sandra Calderon, Deputy City Clerk

2. PUBLIC COMMENTS - ***Agenda Items Only***

There were no public comments.

3. CLOSED SESSION

3.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Government Code Section 54956.8.
Property: Banning Municipal Airport consisting of approximately 232.41 acres comprised of APNs 541-240 -009; 541-250 -009; 541-140-003; 532-150-002; 532-150-003; 532-150- 004; 532- 130 - 012; 532-130-018; 532-130-011; 532-180- 034.
Agency Negotiator: City Manager Elizabeth Gibbs or her designee.
Negotiating Parties: City of Banning as potential Lessor and Industrial Enterprises, LLC as potential Lessee.
Under Negotiations: Price and Terms of proposed ground lease.

3.2 CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL INITIATION OF LITIGATION Pursuant to Government Code Section 54956.9(d)(4). One (1) potential case.

3.3 CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Agency Designated Representative Elizabeth Gibbs or her designee
Employee Organizations: International Brotherhood of Electrical Workers- General unit. International Brotherhood of Electrical Workers – Utilities. Teamsters. Banning Police Officers Association. Banning police management association. Unrepresented Employees: Non-Management Confidential Employees Group; Management Confidential Employees Group as defined in Council Resolution 2024-137.

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3.4 CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Government Code Section 54956.8
Property: Land Parcels Located East of the Banning Bench Area; APN's 531-090-014, 531-060-059, 531-100-011, 531-110-011, 535-080 -018, POR 531-100-008 and 531-110-012 Agency Negotiator: Elizabeth Gibbs or designee

Council Members recessed to Closed Session at 3:02 p.m. to discuss the items listed.

Mayor Royce recused himself from the discussion of item 3.4 due to a potential conflict of interest involving his real property interest.

4. ADJOURNMENT

Council Member Miller motioned to adjourn, seconded by Mayor Pro Tem Barrington. The motion carried by roll call vote, with Council Member Flynn absent. The meeting adjourned at 4:36 p.m.

Minutes prepared by:

Sandra Calderon
Sandra B. Calderon
Deputy City Clerk

These minutes have been prepared as Summary Minutes in accordance with City Council Resolution 2025-22 and Government Code Sections 36814, 40801, and 54953(c)(2).

The entire discussion of this meeting may be viewed here:

https://banningca.granicus.com/player/clip/340?view_id=1&redirect=true

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MINUTES

CITY COUNCIL – SPECIAL MEETING (WORKSHOP)

AUGUST 25, 2026

1. CALL TO ORDER – 4:38 p.m.

COUNCIL MEMBERS PRESENT:	Mayor Richard Royce Mayor Pro Tem Cindy Barrington Council Member Leroy Miller Council Member Colleen Wallace
COUNCIL MEMBERS ABSENT:	Council Member Sheri Flynn
OTHERS PRESENT:	Phaedra Norton, City Attorney Elizabeth Gibbs, City Manager Ralph Wright, Parks and Recreation Director Vickie Sellers, City Clerk Sandra Calderon, Deputy City Clerk

2. WORKSHOP

2.1 Candidate Interviews and Appointments to the Banning Youth Council
Recommendation: Interview qualified candidates and make five (5) appointments to the Banning Youth Council.

Ralph Wright, Parks and Recreation Director, reported that six candidates had been scheduled for interviews. Illiana Guichard withdrew her application because of other commitments, and Jayden Salgado was unable to attend because of a high school sports commitment but remained interested in a future interview opportunity.

The City Council interviewed Xochitl Hernandez, Nathaly Spindola-Santos, Daniel Garcia, and Emma Pennington. Each candidate was asked why they wished to serve, what volunteer or community experience they had, and what they believed were the most significant challenges facing teenagers.

Ms. Hernandez discussed using her experience in the California Cadet Corps, National Honor Society, church activities, and community service to help address the lack of accessible social and community resources for local youth. Ms. Spindola-Santos emphasized youth inclusion, safety, and mental-health support and described her participation in AVID, National Honor Society, school clubs, fundraising, and community cleanups.

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Mr. Garcia expressed interest in college and career-readiness programs and discussed his experience assisting with sports activities and fundraisers. He identified expectations placed on teenagers as a challenge that can affect confidence and future goals. Ms. Pennington emphasized inclusion and accessibility and described volunteer service at Redlands Community Hospital, participation in the Possibilities Club, and experience with football and technical-theater programs.

In response to Ms. Pennington's question regarding current Youth Council projects, staff identified ongoing community cleanups at Roosevelt Williams Park, a mural project, planning for an annual skate jam, and opportunities for new members to propose additional projects.

No appointments were made during the workshop.

3. PUBLIC COMMENTS - *Agenda Items Only*

There were no public comments.

4. ADJOURNMENT

MOTION
Council Member Wallace moved and Council Member Miller seconded a motion to adjourn the meeting. The question was called and the motion carried 4-0-1, Council Member Flynn absent.

The meeting adjourned at 4:55 p.m.

Minutes prepared by:

Sandra Calderon

Sandra B. Calderon
Deputy City Clerk

These minutes have been prepared as Summary Minutes in accordance with City Council Resolution 2025-22 and Government Code Sections 36814, 40801, and 54953(c)(2).

The entire discussion of this meeting may be viewed here:

https://banningca.granicus.com/player/clip/341?view_id=1&redirect=true

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CITY OF BANNING
STAFF REPORT

TO: **CITY COUNCIL**

FROM: **Elizabeth Gibbs, City Manager**

PREPARED BY: **Nate Smith, Deputy Director of Public Works/City Engineer**
Art Vela, Director of Public Works

MEETING DATE: **September 8, 2026**

SUBJECT: **Accept as Complete Various Improvements Related to the Atwell Specific Plan Development and Authorize a 90% Reduction of the Improvement Bonds and Exoneration of Monumentation Bonds**

STAFF RECOMMENDATION:

City Council accept as complete various improvements related to the Atwell Specific Plan Development and authorize a 90% reduction in the improvement bonds and exoneration of Monumentation Bonds.

BACKGROUND:

On May 24, 2024, City Council adopted Resolution 2024-77 approving Final Tract Map 37388-4, authorizing staff to sign the map and subdivision improvement agreements, release the map for recordation, and accept the performance and labor and material bonds for public improvements.

As conditions of approval for the Atwell Specific Plan development, Tri Pointe Homes was required to sign subdivision improvement agreements and to submit bonds to assure the City that the required public improvements are constructed according to City standards and specifications. These public improvements include onsite street, sewer, water, and non-potable water.

JUSTIFICATION:

Staff has verified through inspections that the required public improvements were completed per City standards and specifications and recommends that City Council accept the improvements as complete and authorize the 90% bond reduction for the following bonds:

Bond #	Bond Amount	Improvements
30219395	$107,489.04	TR37388-4 Apex Street 2B On-site Water Improvements
30219396	$63,577.51	TR37388-4 Apex Street 2B On-site Non-Potable Water Improvements
30219394	$282,008.52	TR37388-4 Apex Street 2B On-site Street Improvements
30219409	$1,381,560.68	TR37388-4 PA14-1 Street Improvements
30219410	$566,341.89	TR37388-4 PA14-1 Water Improvements

30219411	$586,061.53	TR37388-4 PA14-1 Sewer Improvements

The remaining 10% of the bond amounts will remain for a period of 12 months (maintenance period) at which point the 10% balance will be released and the improvements will become City owned and maintained improvements.

Staff has verified through inspections that the required public improvements were completed per City standards and specifications and recommends that City Council accept the improvements as complete and authorize the 100% bond exoneration for the following bonds:

Bond #	Bond Amount	Improvements
30219412	$37,924.68	TR37388-4 PA14-1 Monumentation

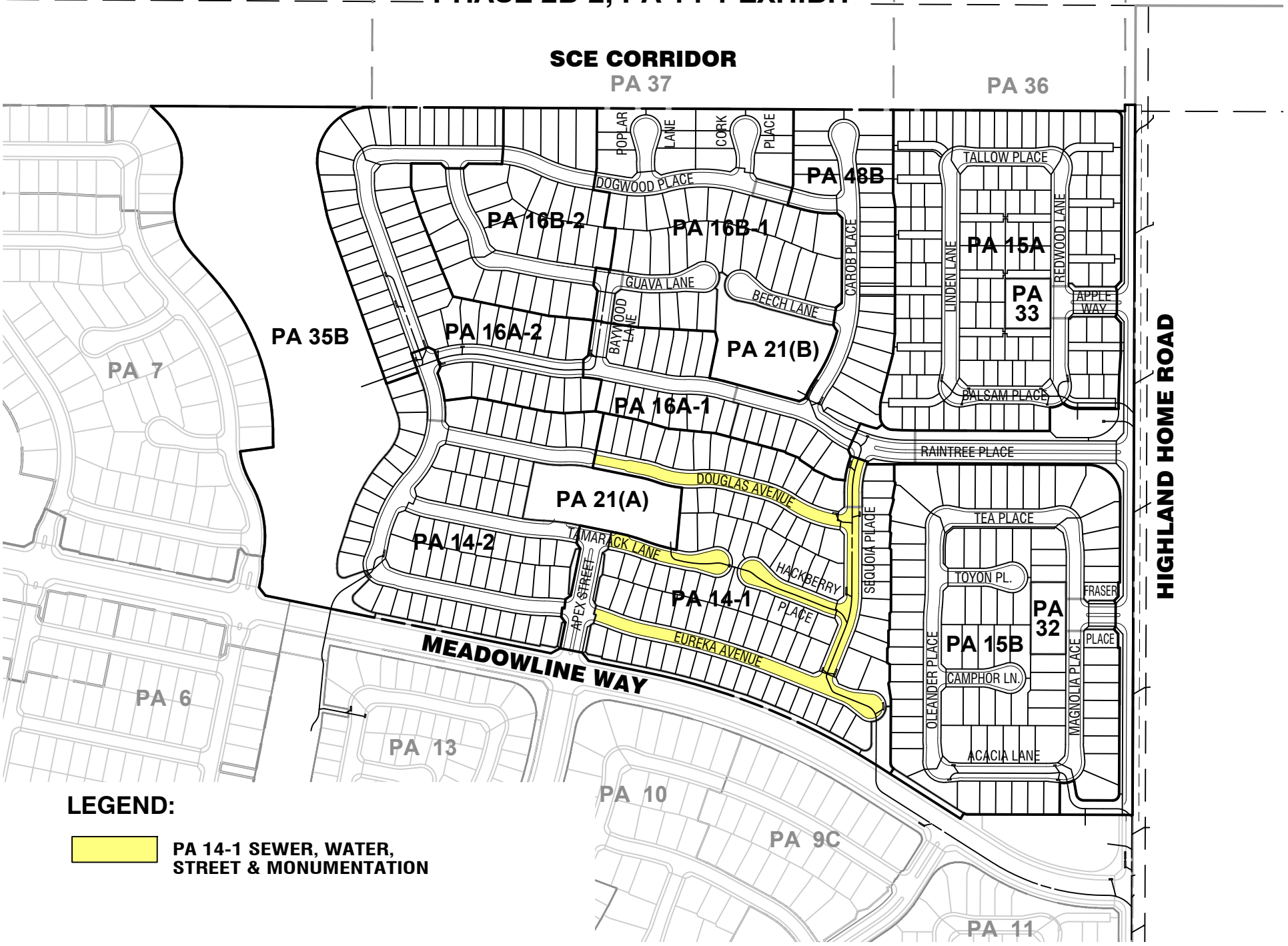
FISCAL IMPACT:

Not Applicable

ATTACHMENTS:

1. Atwell TR 37388-4 Improvement Exhibit.pdf
2. Atwell TR 37388-4 SIA, Street, Sewer, Water Bonds.pdf
3. Apex Street Improvement Exhibit.pdf
4. Apex Street Street, Water, NP Water Bonds.pdf

PHASE 2B-2, PA 14-1 EXHIBIT



LEGEND:

PA 14-1 SEWER, WATER, STREET & MONUMENTATION

CITY OF BANNING

SUBDIVISION IMPROVEMENT AGREEMENT

* * * * * * SUBDIVISION REFERENCE DATA * * * * * *

[ ] FINAL TRACT MAP NO. 37388-4 ("Final Map" herein)

[ ] PARCEL MAP NO. _____("Parcel Map" herein)

NAME OR TRACT NUMBER OF SUBDIVISION ("Subdivision" herein): ATWELL – 37388-4 PA 14-1

NAME AND ADDRESS OF SUBDIVIDER(S): TRI POINTE HOMES, IE-SD
1250 CORONA POINTE CT, #600

CORONA, CA 92879

CITY COUNCIL RESOLUTION OF APPROVAL NO. _____ ("Resolution of Approval" herein)

DATE(S) THAT IMPROVEMENT PLANS WERE APPROVED BY THE CITY ENGINEER: _____

IMPROVEMENT/PLAN NO.:
37388-4 Monumentation PA14-1
37388-4 Street Improvements PA14-1
37388-4 Water Improvements PA14-1
37388-4 Sewer Improvements PA14-1

ESTIMATED TOTAL COSTS:

IMPROVEMENTS	$ 1,381,560.68
	$ 566,341.89
	$ 586,061.53
GRADING	$
MONUMENTATION	$ 37,924.68
TOTAL:	$ 2,571,888.78

FORM OF IMPROVEMENT SECURITY:

[ ] AAA Corporate surety bonds

[ ] Deposit of money

NAME AND ADDRESS OF CORPORATE SURETY (if applicable):

The Continental Insurance Company
(Name of Corporate Entity)

2 Park Plaza, Suite 400
(Street Address)

Irvine	CA	92614
(City)	(State)	(Zip)

SURETY BOND NUMBERS (if applicable):

37388-4 Monumentation PA14-1 - Bond#: 30219412

37388-4 Street Improvements PA14-1 - Bond #: 30219409

37388-4 Water Improvements PA14-1 - Bond #: 30219410

37388-4 Sewer Improvements PA14-1 - Bond #: 3029411

EFFECTIVE DATE OF AGREEMENT:

_____
(to be inserted by City)

COMPLETION PERIOD: All improvements of Tract _____ (including the complete water and sewer system in _____ Street) with the exception of the roadway (street) improvements on _____ Street, shall be completed within two years from the Effective Date of the Agreement. _____ Street roadway (street) construction (so that _____ Street is a continuous route from _____ to _____) shall be constructed prior to the Certificate of Occupancy for development of lots ____and ____ of Tract _____.

* *

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SUBDIVISION IMPROVEMENT AGREEMENT

THIS SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into by and between the City of Banning, a municipal corporation ("City"), and the Subdivider whose name and address is set forth above in the Subdivision Reference Data.

RECITALS

A. Subdivider has presented to the City for approval and recordation a Final Map, identified above in the Subdivision Reference Data, of a proposed subdivision pursuant to the Subdivision Map Act of the State of California and the City's ordinances and regulations as such ordinances and regulations are vested under the development agreement recorded in the official records of the County of Riverside on July 17, 2012 as Document No. 2012-0332888 ("Development Agreement") relating to the filing, approval and recordation of subdivision maps (collectively referred to herein as the "Subdivision Laws").

B. A tentative map of the Subdivision was previously approved by City, subject to the Subdivision Laws and to the City's standard requirements as vested under the Development Agreement and conditions of approval contained in the City Council's Resolution of Approval, a copy of which is on file in the Office of the City Clerk and which is incorporated herein by this reference.

C. The Subdivision Laws establish, as a condition precedent to the approval of a Final Map, that the Subdivider comply with the City Council's Resolution of Approval and either (i) complete, in compliance with applicable City standards, all of the improvements and land development work required by the Subdivision Laws and the City Council's Resolution of Approval; or (ii) enter into a secured agreement with the City to complete the improvements and land development work within a period of time specified by the City.

D. In consideration of approval of the Final Map for the Subdivision by the City Council, Subdivider desires to enter into this Agreement whereby Subdivider promises to install and complete, at its sole expense, except as otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, all public improvement work required by the City as set forth on the Improvement Plans (as defined below) for the proposed Subdivision. Subdivider has secured this Agreement by improvement security required by the Subdivision Laws and approved by the City. In any conflict between the terms in this Agreement and the Development Agreement, the Development Agreement shall be the controlling document.

E. Improvement Plans, and related specifications, numbered as designated above in the Subdivision Reference Data, for the construction, installation and completion of the Improvements identified in Schedule A hereto, have been prepared by the Subdivider, approved by the City Engineer, and are on file in the office of the City Engineer. Said Improvement Plans, and related specifications, subsequently modified by the mutual written agreement of the parties, are hereby referred to as the "Improvement Plans" and are incorporated herein by this reference.

Any improvement to be constructed pursuant to the Improvement Plan is hereby referred to individually as an "**Improvement**" and collectively as the "**Improvements**".

NOW, THEREFORE, in consideration of the approval and recordation by the City Council of the Final Map of the Subdivision, Subdivider and City agree as follows:

1. SUBDIVIDER'S OBLIGATION TO CONSTRUCT IMPROVEMENTS

A. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, and in compliance with the provisions of the Subdivision Laws, the Improvement Plans, conditions of approval of the Tentative Map, and all applicable City standards and fees, and in a good and workmanlike fashion, furnish, construct, install and guarantee (as set forth in Section 3) the Improvements, Grading, and Monumentation described on the tentative map and in the City Council's Resolution of Approval relating thereto (collectively, the "Improvements").

B. To the extent necessary to construct the Improvements, as determined by the City Engineer, the Subdivider shall acquire and dedicate, or pay the reasonable, documented cost of acquisition by City of, all rights-of-way, easements and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances. If the Subdivider is unable to acquire such rights-of-way, easements and other interests in real property by negotiation, then Subdivider shall, within 120 days of Final Map approval, enter into a condemnation agreement with City pursuant to Government Code Section 66462.5, by which the City will commence the process for the acquisition of the rights-of-way, easements or other real property.

C. Subject to any time extensions granted in accordance with Section 4, Subdivider shall complete all Improvements within its respective "Completion Period" specified in the Subdivision Reference Data; provided, however, that if the City Engineer reasonably determines in good faith that accelerated construction of the Improvements is essential in order to protect the public health, welfare and safety, the City Engineer shall give Subdivider not less than fifteen (15) business days' prior written notice to commence or accelerate installation and construction of such Improvements, or any portion thereof. The notice shall be in writing, and shall describe the work to be done by Subdivider, the time within which the work will commence, the period within which the work will be completed and identify the reasons that such early commencement is essential in order to protect the public health, welfare and safety. All or any portions of said Improvements may be required to be constructed or completed at a specified time, providing the foregoing criteria is met. If the Subdivider objects to the commencement or acceleration of the Improvements as specified by the City Engineer, Subdivider may appeal the decision of the City Engineer to the City Council. Any such appeal shall be filed with the City Clerk within 10 days after receipt by Subdivider of the written notice from the City Engineer.

D. If the Improvements to be constructed by Subdivider include monumentation, such monumentation shall be installed not later than thirty (30) days after the City's acceptance of all other Improvements pursuant to Section 2. As used herein,

"monumentation" shall mean the setting of survey monuments and tie points in accordance with the Subdivision Laws, and the delivery to the City Engineer of tie notes for said points.

E. Subdivider shall , at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, replace or repair all public improvements, public utility facilities, and surveying or subdivision monuments which are destroyed or damaged as a result of any work performed by Subdivider under this Agreement during or after the Completion Period. Any such replacement or repair shall be subject to the approval of the City Engineer.

F. In addition to, and separate from, the indemnity obligations contained in Section 9 of this Agreement, and without limiting the City's remedies under general construction defect law, Subdivider shall be responsible for the care, repair and maintenance of the applicable portion of the Improvements until the latter of the following time periods: (i) the Improvements or applicable portion thereof is accepted in writing by the City; or (ii) the expiration of the required one-year guarantee and warranty period as specified herein; or (iii) the expiration of any applicable period of time requiring the care, repair and maintenance of the applicable Improvement specified in the Development Agreement (not including the term of any Development Agreement). Neither City, nor its officers, agents and employees, shall have any liability for any accident, loss or damage to the Improvements and that may result from the construction of the Improvements prior to their completion and written acceptance by the City

G. In addition to, and separate from: (1) the indemnity obligations contained in Section 7 of this Agreement, (2) the care, repair and maintenance provisions under paragraph E of this Section 1 of this Agreement; and (3) the warranty and guarantee provisions of Section 3 of this Agreement, Subdivider shall repair and correct, or be liable to the City for any cost to repair and correct, any defect in the construction of the Improvements that is identified by City within in accordance with general construction defect law ten (10) years after City's acceptance of the Improvement, provided the City provides written notice to Subdivider of the existence of the defect within that the time period under law, and the defect is caused directly or indirectly by the design, construction, functionality, installation, assembly or workmanship of Subdivider. Nothing contained in this paragraph is intended to limit or otherwise waive any right or cause of action under applicable construction defect law that City may assert against Subdivider.

H. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all applicable fees required by City ordinance or resolution and all taxes required by law.

I. Not less than seven (7) days prior to commencement of work on the Improvements, Subdivider shall give written notice to the City Engineer of the date fixed for such commencement of work in order that the City Engineer shall have adequate time to schedule all necessary inspections.

J. SUBDIVIDER shall pay all applicable City fees and costs stipulated in the latest fee resolution as adopted by the City Council from time to time as required for the development of the SUBDIVISION including but not limited to the following:

1. Building Permit Fees --- to be paid at the time of building permit issuance;

2. Final Map Plan Check Fees --- to be paid at time of submittal of final map for plan check and resubmittal of revised final map for plan check;

3. Final Map Moratorium Fees --- to be paid from cash deposit established at time of filing final map;

4. Plan Check and Review Fees --- to be paid from cash deposit established at time of filing improvement plans for plan check;

5. Encroachment Permit Fees --- to be paid at time of application for encroachment permit;

6. Inspection Fees --- to be paid from cash deposit established at time of construction permit issuance; and

7. Grading Permit Fee --- to be paid from cash deposit established at time of grading permit issuance.

K. Subdivider shall provide City with final Record Drawings of all plans developed for the Subdivision, showing all changes and as built conditions as specified in the Tentative Tract Map Conditions of Approval, and shall provide electronic image files of those final Record Drawings consistent with electronic image file size and type specifications of the City prior to the acceptance of improvements and release of bonds or other security.

2. INSPECTION OF WORK AND FINAL ACCEPTANCE

A. Subdivider shall at all times maintain proper facilities and safe access for inspection of the Improvements by the City Engineer and other City personnel and inspection consultants.

B. Upon completion of the work on all or any category of the Improvements, the Subdivider may request a final inspection by the City Engineer. Within forty-five (45) days of receipt of the written letter request, the City Engineer shall inspect the Improvements and provide written notice to Subdivider of the list of items which have been found to be incomplete and the list of items which have been found to be complete. If the City Engineer determines that all or any specified category of the Improvements have been completed in accordance with this Agreement and in compliance with the Improvement Plans and all applicable City standards, then the City Engineer shall acknowledge that determination in a report to the City Council. If the Improvements that are completed are to be dedicated to or owned by the City (Improvements within City right of way and property for public use), the City Engineer's determination shall be

submitted to the City Council for final acceptance by the City, unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. If the Improvements that are completed are to be dedicated to or owned by a public entity other than the City, the Subdivider's written request shall be submitted to the applicable public entity or other owner, for final acceptance. Subdivider shall bear all costs of inspection and determination of completeness in accordance with City's formally adopted and applicable fees and rates.

C. Acceptance of all or any specified category of the Improvements by the City Council shall be made upon recommendation and certification of the City Engineer following inspection of said Improvements pursuant to subparagraph B above. The City Council shall act upon the City Engineer's recommendation that such public Improvements have been completed unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. Acceptance by the City or by the governing body of the entity that is to accept dedication or ownership of the public improvements shall not constitute a waiver by the City or such other public entity of any defects in the public Improvements.

3. GUARANTEE AND WARRANTY OF THE IMPROVEMENTS

A. If, within a period of one year following acceptance by the City of the applicable Improvements specified in Schedule A, any Improvements or part of any Improvements specified in Section A furnished, installed or constructed by the Subdivider, or any of the work performed under this Agreement by Subdivider, fails to comply with any requirements of this Agreement, or the Subdivision Laws, or the Improvement Plans and related specifications, the Subdivider shall, without delay and without cost to the City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements. Subdivider's obligations hereunder shall include the repair, replacement or reconstruction of all irrigation systems and all trees, shrubs, ground cover and landscaping for such one year.

B. Should the Subdivider fail or refuse to act promptly or in accordance with subparagraph A above, or should the exigencies of the situation require repair, replacement, or reconstruction to be undertaken before the Subdivider can be notified and can perform the necessary work, then the City may, in its discretion, make the necessary repairs or replacements or perform the necessary reconstruction and draw upon the Subdivider's improvement security to reimburse itself for the costs incurred. If the Subdivider's improvement security does not cover the total cost of such repair, replacement, or reconstruction, the Subdivider shall reimburse the City for any excess costs incurred.

C. The security furnished for the faithful performance of the Subdivider's obligation to construct and install the Improvements described herein shall include the Subdivider's liability and obligation hereunder to provide the one-year guarantee and warranty of the Improvements.

4. TIME EXTENSIONS

A. Upon a showing by the Subdivider of good cause therefor, the duration of the Completion Period for the Improvements (or any of them) may be extended by the City Engineer in writing. As used herein, "good cause" may include, without limitation, delay resulting from, arising out of or relating to an act of the City; acts of God or force majeure, strikes, boycotts or similar job actions by employees or labor organizations which prevent the conduct of the work; findings made by a governmental entity that the site of a particular Improvement is of archeological significance or requires further permitting and approval; and/or actions or failure to act of native American monitor(s); and, the order of any court.

B. A time extension may be granted without notice to any surety or sureties of the Subdivider and shall not affect the validity of this Agreement nor release the surety or sureties on any bond given as an improvement security pursuant to this Agreement.

C. As a condition of any time extension provided for herein, the City Engineer, may require the Subdivider to furnish new or modified improvement security guaranteeing performance of this Agreement, as extended, in an increased amount as necessary to compensate for any projected increase in the Estimated Total Cost of Improvements, as determined by the City Engineer.

5. IMPROVEMENT SECURITY

A. Prior to City's execution of this Agreement, Subdivider shall provide as security to the City:

1. For Performance and Guarantee: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider assures faithful performance under this Agreement and guarantees the Improvements for one year after the completion and acceptance of the applicable portion of such Improvements, against any defective workmanship or materials or any unsatisfactory performance, pursuant to Section 3 hereof.

2. For Payment: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider guarantees payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to them or to the Subdivider.

B. If the improvement security is a corporate surety bond and, in the opinion of the City, any surety or sureties thereon become insufficient, because (i) the surety becomes

insolvent; (ii) the surety's bond rating is downgraded; (iii) the surety declares bankruptcy; or (iv) the surety is no longer deemed to be an admitted surety in California by the California Department of Insurance, or (v) the form of the surety or the amount is found by City to be in error or materially insufficient, the Subdivider shall renew or replace any such surety bond with good and sufficient surety or sureties within thirty (30) days after receiving from City written demand therefor.

C. The amount of security for performance, payment and warranty obligations provided by this section shall not include the cost of monumentation, as required by Government Code Section 66497 so long as a separate cash deposit or security acceptable to the City Engineer for the estimated cost of monumentation has been submitted to the City.

D. Improvement security consisting of corporate surety bonds, in a form accepted by the City Attorney, shall be filed with the City Engineer and then kept on file with the City Clerk. If a corporate surety bond is replaced by another approved bond, the replacement shall be submitted to the City Engineer and, upon filing with the City Clerk, shall be deemed to have been made a part of and incorporated into this Agreement. Upon submission to the City Engineer and then filing with the City Clerk of a replacement bond, the former improvement security shall be released following written approval of the City Engineer.

E. Modifications of the Improvement Plans and related specifications, and modifications of the Improvements, not exceeding ten percent (10%) of the original Estimated Total Cost of the Improvements, shall not relieve or release any improvement security furnished by Subdivider pursuant to this Agreement. If any such modifications exceed ten percent (10%) of the Estimated Total Cost of the Improvements, Subdivider shall furnish additional improvement security for performance and guarantee, and for payment, as required by subparagraph A above, for one hundred percent (100%) of the revised Estimated Total Cost of the Improvements.

F. Subject to any time extensions granted in accordance with Section 4 herein, the Subdivider shall be in default if the Subdivider has not completed all improvements within two years from the Execution Date of the Agreement and has not repaired any defects in the completed Improvements within the one-year guarantee and warranty period.

Alternatively, in the event of a default by the Subdivider pursuant to Section 10, and after written notice to Subdivider and reasonable opportunity to cure, City, at its sole option, shall have the right, without limiting any other rights and/or remedies available to City at law or in equity, to draw upon or utilize the improvement security furnished herewith to construct and install the Improvements itself. If City exercises this right, the release of any unused portion of such improvement security shall be in accordance with the procedures outlined in Section 6 herein, including any retention necessary for the one-year guarantee period.

6. REDUCTION OR RELEASE OF IMPROVEMENT SECURITY

A. All public Improvements (Improvements that are to be owned or dedicated to the City or other public entity as distinguished from those owned by a private community

association) shall be first completed, deemed completed by the City Engineer and then accepted as complete by the City prior to release of sureties. All private Improvements (Improvements that are to be owned by a private community association and not dedicated or owned by the City or other public entity) shall be first completed and then accepted as complete in writing by the City Engineer.

B. Partial releases or reductions in the Subdivider's improvement (performance) security may be authorized prior to the City's acceptance of all Improvements required hereunder, as follows:

1. At the time that the Subdivider believes that the obligation to perform the work for which security was required is complete, the Subdivider may notify the City in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the City shall review and comment or approve the completion of the required work within forty-five (45) days. If the City does not agree that all work has been completed in accordance with the plans and specifications for the Improvements, it shall supply a list of all remaining work to be completed within this 45-day period.

2. Within forty-five (45) days of receipt of the list of remaining work from the local agency, the Subdivider may then provide cost estimates for all remaining work for review and approval by the City. Upon receipt of the cost estimates, the City shall then have forty-five (45) days to review, comment, and approve, modify, or disapprove those cost estimates. The City shall not be required to engage in this process of partial release more than once between the start of work and completion and acceptance of all work; however, nothing in this section prohibits the City from allowing for multiple and phased partial releases as it otherwise deems appropriate.

3. If the City approves the cost estimate, the City shall release all performance security except for security in an amount up to two hundred percent (200%) of the cost estimate of the remaining work. The process allowing for a partial release of performance security shall occur when the cost estimate of the remaining work does not exceed twenty percent (20%) of the total original performance security unless the City allows for a release at an earlier time. Substitute bonds or other security may be used as a replacement for the performance security, subject to the approval of the City. If substitute bonds or other security is used as a replacement for the performance security released, the release shall not be effective unless and until the City receives and approves that form of replacement security. A reduction in the performance security, authorized under this section, is not, and shall not be deemed to be, an acceptance by the City of the completed improvements in and of itself, and the risk of loss or damage to the Improvements and the obligation to maintain the Improvements shall remain the sole responsibility of the Subdivider until the applicable required public Improvements have been accepted by the City in writing and all other required improvements have been fully completed in accordance with the plans and specifications for the improvements.

4. The Subdivider shall complete the works of Improvement until all remaining items are accepted by the City.

5. Upon the completion of the Improvements, the Subdivider, or his or her assigns, shall be notified in writing by the City within forty-five (45) days.

6. Within sixty (60) days of the issuance of the notification by the City Engineer, any remaining performance security, except ten percent (10%) of the original amount of the security to guarantee and warrant the Improvements for the one-year guarantee and warranty period, shall be released within sixty (60) days of the issuance of the written statement of completion.

C. Security securing the payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall, after passage of the time within which claims of lien are required to be recorded pursuant to Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code and after acceptance of the work, be reduced to an amount equal to the total claimed by all stop notice claimants for whom stop notices have been filed with the City, and if no claims have been filed, the security shall be released in full.

D. The partial release provisions of this Section 6 shall not apply to any required guarantee and warranty period required by Section 66499.9 for the guarantee or warranty nor to the amount of the security deemed necessary by the local agency for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees. Security furnished to guarantee and warrant the Improvements against any defective work or labor done or defective materials furnished, shall be released within thirty (30) days after the completion of the one-year period following completion and acceptance of all Improvements.

E. If Subdivider's obligations relating to any Improvements are subject to the approval of another governmental agency, the City shall not release the improvement (performance) security therefor until the obligations are performed to the satisfaction of such other governmental agency. Such agency shall have sixty (60) days after receipt of written notice from the Subdivider of the Subdivider's performance of the obligation to register its satisfaction or dissatisfaction. If at the end of that period it has not registered its satisfaction or dissatisfaction, it shall be conclusively deemed that the Subdivider's performance of the obligation was done to its satisfaction, and such improvement security shall be promptly released.

F. In the event the time periods for action by the City specified in this Section conflict with a shorter or longer time period for such actions as provided in Government Code Section 66499.7, the time periods in Government Code Section 66499.7 shall control.

7. INDEMNIFICATION OF CITY BY SUBDIVIDER

A. Neither the City, nor its officers, agents and employees, shall be liable or responsible for any accident, injury, loss or damage to either property or person attributable to or arising out of the defective design, construction, functionality, installation assembly or improper

maintenance including, without limitation, the use of defective methods, materials or workmanship (collectively "Subdivider's Faults") of the Improvements by Subdivider, its officers, employees and agents. Subdivider shall indemnify, hold harmless and defend the City, its officers, agents and employees, from and against any and all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including attorneys' fees, arising directly or indirectly out of or attributable to Subdivider's Faults.

B. Subdivider's obligations under this Section 7 are not conditioned or dependent upon whether the City, or its officers, agents and employees, prepared, supplied or reviewed any Improvement Plans or related specifications in connection with the Subdivision or the Improvements, or has insurance or other indemnification covering any of these matters.

C. Subdivider's obligation to indemnify, hold harmless and defend the City under this Section 7 shall extend to injuries to persons and damages to or alleged taking of property resulting from the Subdivider's Faults, and the Improvements required herein, and shall likewise extend to claims asserted by adjacent property owners based upon the diversion of waters caused by the Subdivider's defective design or defective construction of public drainage systems, streets, and other public facilities or improvements. Except for a City Directive as defined below, the City's acceptance of the Improvements shall not constitute an assumption by the City of any responsibility or liability for any damage or alleged taking of property referenced herein. City shall not be responsible or liable for the design or construction of the Subdivision or the Improvements constructed or installed pursuant to the approved Improvement Plans or the Final Map, regardless of any act or omission by the City in approving the Improvement Plans or the Final Map, unless the particular Improvement design was required by the City over the written objection of the Subdivider, which objection stated that the Improvement design was potentially dangerous or defective and set forth an alternative design (a "City Directive"). After City's acceptance of the Improvements, the Subdivider shall remain obligated to correct or eliminate all dangerous conditions created by defects in design, construction or Subdivider's Faults (other than those required by a City Directive); provided, however, that Subdivider shall not be responsible for routine maintenance as specified in Section 1(F) of this Agreement. Subdivider's indemnity obligations hereunder shall remain in effect for ten (10) years following acceptance of the respective Improvement(s) by the City Council. Subdivider acknowledges and agrees that Subdivider shall be responsible and liable for the Subdivider's Faults with respect to the Improvements and other work done pursuant to this Agreement, unless same is due to a City Directive. City shall not be liable for any acts or omissions in approving, reviewing, checking, correcting or modifying any Improvement Plans or related specifications, or in inspecting, reviewing or approving any work or construction of Improvements, unless same is due to a City Directive. The Subdivider's improvement security shall not be required to secure the Subdivider's obligations under this subparagraph C beyond the one-year guarantee and warranty period, unless the City Engineer provides notice to Subdivider prior to the expiration of the one-year period of the existence of, or continued existence of, defects in the improvements, in which case the portion of the improvement security to guarantee and warranty the improvements against defective work shall not be released and shall remain in place until the City Engineer provides written confirmation that the defects have been cured and corrected. The indemnity shall be effective retroactively to the earliest recordation date of the Final Map.

D. Subdivider shall pay and satisfy any judgment, award or decree that may be rendered against City, its officers, officials, employees, agents, representatives and volunteers (collectively hereinafter "City and City Personnel") to the extent of the indemnity provided above, in any such suit, action, or other legal proceeding, provided City gives Subdivider prompt written notice of such claim and allows Subdivider to undertake the defense thereof, and provided further that City cooperates in any such suit, action, or other legal proceeding, but shall retain its right to reject a settlement that the City deems, in its sole and absolute discretion, to be contrary to the interests of the City.

E. Subdivider's obligation to indemnify shall not be restricted to Insurance proceeds, if any, received by the City and City Personnel.

F. Subdivider, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against City and City Personnel to the extent of the indemnity above provided.

8. INSURANCE

The following coverages will be provided by Subdivider and maintained on behalf of City and in accordance with the requirements set forth herein. If Subdivider performs construction activities through a general contractor, some or all of these insurance requirements for the period of construction may be satisfied by the general contractor's insurance coverages. In such case, Subdivider shall maintain during this same construction period, and after the construction period, the coverages shown below as "Insurance After Construction." In addition, Subdivider may elect to obtain, for all or any portion of the Project, an "Owner-Controlled Wrap Up" insurance policy in satisfaction of the insurance requirements for general contractors and subcontractors provided it satisfies all of the insurance requirements below for general contractors and subcontractors. Throughout these specifications, the word "Subdivider" refers to the Party responsible to provide the coverages as specified and, depending on context, may refer either to Subdivider or to a separate General Contractor.

A. Insurance During Construction. Subdivider shall provide the following insurance during construction of the Improvements. Insurance requirements may be met through insurance provided by Subdivider's General Contractor:

1. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL Form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO Form CG 20 10 11 85 or other revision of the CG 20 10 form if available from the insurer and reasonably acceptable to the City, not limiting coverage for the additional insured to "ongoing operations" or in any way excluding coverage for completed operations. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City.

Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground property damage.

2. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting date no later than and an ending date no earlier than those of the underlying coverages. The Named Insured (Subdivider or General Contractor as appropriate) may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits and complies with all other requirements listed here.

3. Business Auto Coverage. Business Auto Coverage shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

4. Workers' Compensation/Employer's Liability. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars ($1,000,000) per accident or disease. Employer's liability coverage shall be scheduled under the umbrella or excess liability policy described above. This policy shall be endorsed to waive any right of subrogation with respect to City, its officers, employees or agents.

5. Builder's Risk Insurance. Builder's Risk Insurance covering all real and personal property for "all risks" of loss or "comprehensive perils" coverage including but not limited to the perils of earth movement, including earthquake (if required by Subdivider's lender or if available at commercially reasonable rates) and flood for all Improvements.

B. Insurance After Construction. Upon completion of construction of the Improvements, and for the required one-year guarantee and warranty period for Improvements and the required 10-year indemnification period, Subdivider at Subdivider's expense shall maintain or cause to be maintained the following insurance:

1. Commercial Property Insurance. Commercial Property Insurance covering the Improvements. Coverage shall be at least as broad as the Insurance Services Offices broad causes of loss form CP 10 20, and reasonably approved of in writing by the City. Coverage shall be sufficient to insure 100% of the replacement value and there shall be no coinsurance provisions. The policy shall include an inflation guard endorsement, 100% rents coverage, contents coverage, coverage for personal property of others, ordinance or law and increased cost of construction coverage. Subdivider also agrees to provide builder's all-risk insurance using an inland marine form during the period of any major alteration or improvement, using the broadest form available.

The insurance coverage for the peril of earthquake required for this project is subject to availability on the open market at commercially reasonable premium cost, as determined by mutual agreement between Subdivider and City. If such earthquake insurance coverage should, after diligent effort by Subdivider, be unobtainable at such mutually determined commercially reasonable premium cost, then Subdivider shall obtain the maximum insurance reasonably obtainable at commercially reasonable premium cost (if any) and give notice to City of the extent of Subdivider's inability to obtain, in full, the required insurance, and in such event, Subdivider's obligation to procure and maintain such insurance may be excused, subject to City's verification of inability to obtain the required insurance. Subdivider and City agree that a premium cost of earthquake insurance coverage of up to 150% of the premium cost paid by Subdivider for such coverage on the Effective Date (to be adjusted over time based on the Consumer Price Index,) shall constitute a commercially reasonable premium cost. Non-availability at commercially reasonable premium cost must be documented by a letter from Subdivider's insurance broker or agent indicating a good faith effort to place the required insurance and showing, at a minimum, the names of the insurance carriers and the declinations or quotations received from each.

2. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO form CG 20 10 or equivalent if available from the insurer and reasonably acceptable to the City. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City until the warranty period specified in this Agreement expires.

3. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting

date no later than and an ending date no earlier than those of the underlying coverages. Subdivider may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits.

4. Workers Compensation Insurance. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars per accident or disease. Employer's liability coverage shall be scheduled under any umbrella or excess liability policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects City, its employees or agents.

5. Business Auto Coverage. Business Auto Coverage for vehicles owned, operated or maintained in any way connected with the project, shall be written on ISO Business Auto Coverage form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella or excess liability policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

C. Provisions Pertaining to Insurance Provided by Subdivider

1. All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

2. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any Party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

3. All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Subdivider, and Subdivider's employees, or agents, from waiving the right of subrogation prior to a loss. Subdivider waives its right of subrogation against City.

4. None of the policies required herein shall be in compliance with these requirements if they include any limiting endorsement that has not been first submitted to City and approved in writing by the City.

5. Unless otherwise approved by City, Subdivider's insurance and insurance provided by any contractor or subcontractor relating to the construction of the Improvements shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of at least "A-:VII." Self-insurance will not comply with these insurance specifications unless expressly approved in writing by the City.

6. In the event any policy of insurance required under this Agreement does not comply with these requirements and Subdivider does not cure the non-compliance within thirty (30) days after written notice from City (or Subdivider does not provide reasonable evidence of such cure within such period), or if the insurance is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any reasonable premium paid by City will be promptly reimbursed by Subdivider.

7. Subdivider agrees to provide evidence of the insurance required herein, satisfactory to City, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to Subdivider's general liability and umbrella liability policies using ISO Form CG 20 10 11 85. Certificate(s) are to reflect that the insurer will provide 30 days' notice of any cancellation of coverage and policies are to have a "cancellation endorsement" to the same effect. Subdivider agrees to provide copies of any endorsements modifying coverage in any way upon request from City.

8. Subdivider shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage.

9. Any actual or alleged failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard.

10. Subdivider agrees to require all subcontractors or other parties (but not including a general contractor) hired for this project to construct the Improvements to purchase and maintain insurance for general liability (minimum limit $1,000,000 per occurrence), automobile liability ($1,000,000 per accident) and workers' compensation (statutory benefits). Prior to the issuance of the Certificate of Completion for each Phase, Subdivider shall, upon request by City, provide the City with copies of all insurance policies, certificates and endorsements related to such Phase.

11. Subdivider agrees to monitor and review all coverage required by this Section and assumes all responsibility for ensuring that such coverage is provided as required here. Subdivider agrees to obtain certificates evidencing such coverage. Subdivider agrees that upon request, all agreements with subcontractors or others with whom Subdivider contracts with on behalf of City, and all certificates of insurance

obtained in compliance with this paragraph will be submitted to City for review upon request by City. Failure of City to request copies of such documents will not impose any liability on City, or its employees.

12. Subdivider agrees to require that no contract used by any general contractor or subcontractor in connection with construction of the Improvements, or contracts Subdivider enters into on behalf of City, will reserve the right to charge back to City the cost of insurance required by this Agreement.

13. Where appropriate (such as in the case of automobile insurance coverages), coverage will not be limited to the specific location designated as the Property.

14. Subdivider agrees to provide notice to City of any claim or loss against Subdivider that includes City as a defendant promptly after Subdivider receives written notice or obtains knowledge thereof. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City. City agrees to provide similar notice to Subdivider of any such claims it is notified of respecting the Property.

15. Subdivider agrees not to attempt to avoid its defense and indemnity obligations to City, and its officers, employees, agents by using as a defense Subdivider's statutory immunity under workers' compensation and similar statutes.

16. Subdivider agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and that there will be no cross liability exclusions that preclude coverage for suits between Subdivider and City or between City and any other insured or Named Insured under the policy, or between City and any Party associated with City or its employees.

17. If Subdivider or any contractor or subcontractor is a Limited Liability Company, general liability coverage must apply so that the Limited Liability Company and its Managers, Members, Affiliates, and their employees are insureds.

18. Subdivider shall require General Contractor to maintain commercial general liability, and if necessary, commercial umbrella liability insurance with a limit of not less than $15,000,000 for each occurrence, until the warranty period specified in this Agreement expires.

19. Subdivider agrees to obtain and provide to City evidence of professional liability coverage for Architects, Engineers or other design professionals working on the Improvements. The limit of liability required is subject to City approval, but in no event to be less than $1,000,000 per claim and in the aggregate, and Subdivider shall use reasonable efforts to require and cause such professionals to maintain coverage with respect to each occurrence for at least three years following substantial completion of the work and, in the event Subdivider is unable to do so, Subdivider shall promptly inform the City of the scope of such efforts and the reasons that it was unable to do so. If

Subdivider requests that the City approve a lower limit for any particular design professional Subdivider seeks to employ on the Improvements, City will evaluate each such request based on City's perception of liability exposure associated with the work that would be performed by that design professional.

20. To the extent a particular coverage or policy form or specification is not reasonably available from Subdivider's insurer or would result in an additional premium that is extraordinary or unreasonably disproportionate to the premium for the policy as a whole, then Subdivider shall provide substantially similar coverage reasonably acceptable to City for which the cost is not extraordinary or unreasonably disproportionate.

9. OWNERSHIP OF THE IMPROVEMENTS

A. Ownership of all or any category of the Improvements constructed and installed by the Subdivider pursuant to this Agreement and shown on the Map to be dedicated to the public shall vest, as applicable, in the City (or other specified governmental agency) upon acceptance of said Improvements by the City. The acceptance of the Improvements shall either be shown by a certificate on the Final Map or by subsequent resolution accepting the Improvements adopted by the City pursuant to Government Code Section 66477.2 and recorded with the County Recorder or by other writing.

B. The Subdivider shall at all times prior to the acceptance of the Improvements by the City, give good and adequate warning to the public of each and every dangerous and defective condition caused by the construction of the Improvements and shall take all steps reasonably necessary to protect the public from such dangerous or defective conditions. The Subdivider agrees and understands that until acceptance of the Improvements by the City in writing, each Improvement and Improvement area that is offered for dedication shall be under the charge of the Subdivider, and the Subdivider may close all or a portion of any street or area whenever necessary to protect the public during the construction of the Improvements.

10. PREPARATION AND RECORDATION OF CC&RS.

A. The Subdivider shall establish a Homeowners Association for the residential areas of the Final Map owned by Subdivider, and to pay all costs associated with the creation of the associations.

B. The Subdivider shall prepare and record Covenants, Conditions, and Restrictions (CC&Rs) which obligate each homeowners association to provide for maintenance of the shared facilities, improvements, and landscaping within the boundaries of the associations in perpetuity in accordance with the Development Agreement and conditions of approval. The CC&Rs shall describe the homeowners association and the City's responsibilities and rights, and shall be subject to the approval of the City prior to recordation.

C. The Subdivider shall implement applicable provisions of the Mitigation Monitoring and Reporting Program.

11. DEFAULT AND BREACH BY THE SUBDIVIDER AND REMEDIES OF THE CITY

A. Upon the occurrence of any of the following events, the Subdivider shall be deemed to be in default under this Agreement:

1. Subject to any time extensions granted in accordance with Section 4, failure to complete construction and installation of the Improvements or any of them by the completion date set forth above in the Subdivision Reference Data;

2. Failure to promptly correct or cure any defect in the Improvements or any of them (other than a City Directive) during the one-year guarantee and warranty period as required by Section 3.A or failure to commence correction or cure of any such defect or failure to diligently prosecute same to completion, in each instance following receipt by Subdivider of written notice that such defect exists;

3. Subject to any time extensions granted in accordance with Section 4, failure to perform substantial construction work of the Improvements or any of them, after commencement of work on same, for a period of thirty (30) days after Subdivider's receipt of written notice thereof from the City;

4. Insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, whether voluntary or involuntary, and such is not cured or discharged within a period of thirty (30) days;

5. Commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance by the Subdivider in lieu or in avoidance of foreclosure, within thirty (30) days after receipt by Subdivider of written notice thereof from the City; or

6. Failure to perform any other obligations in accordance with the terms and provisions of this Agreement within thirty (30) days after receipt by Subdivider of written notice thereof from the City.

B. City reserves to itself all remedies available to it at law or in equity for any breach of Subdivider's obligations under this Agreement. City shall have the right, without limitation of other rights or remedies, after written notice to Subdivider and a reasonable opportunity for Subdivider to cure any such alleged default, to draw upon or utilize any improvement security furnished hereunder to complete the Improvements or otherwise mitigate City's damages in the event of Subdivider's default.

C. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, the City may serve written notice of any such default upon the surety on any corporate surety bond furnished as improvement security hereunder, and request that said surety take over and complete the Improvements herein specified. If such surety, within thirty (30) days after service of such notice of default, does not give the City

written notice of its intention to perform this Agreement, or does not commence such performance within thirty (30) days after notice to the City of such intention to perform, the City may take over the work and prosecute the same to completion, by contract or by any other method the City deems advisable, for the account and at the expense of the Subdivider and its surety.

D. Subdivider acknowledges that the Estimated Total Costs and Improvement Security amounts set forth herein may not reflect the actual cost of construction or installation of the Improvements, and, consequently, City's damages for Subdivider's default shall be measured by the actual cost of completing the required Improvements. If the damages incurred by the City in taking over and completing the Improvements exceeds the principal amount of the improvement security, then the Subdivider shall reimburse the City in the amount of such excess damages.

E. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, City may, without liability for so doing, take possession of, and utilize in completing the Improvements, such materials, appliances, plant and other property belonging to Subdivider as may be on the site of the work and necessary for the performance of the work. Subdivider hereby consents to such entry by the City and its representatives, including contractors, following written notice to Subdivider upon the real property in the Subdivision owned by Subdivider and necessary for City to enter or access under this Agreement, in the event the City elects to maintain or complete the work on the Improvements following Subdivider's default.

F. Subdivider acknowledges and agrees that approval of the Final Map for the Subdivision conferred substantial rights upon the Subdivider, including the right to sell, lease or finance lots within the Subdivision, and that such approval constitutes the final act necessary to permit the division of land within the Subdivision. As a result, City will be damaged to the extent of the cost of construction or installation of the Improvements upon Subdivider's failure to perform its obligations under this Agreement, which failure is not promptly remedied by sureties or by Subdivider.

G. The City's failure to take an enforcement action with respect to a default, or to declare a default or breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of the Subdivider.

H. If City sues to compel Subdivider's performance of this Agreement, or to recover damages or costs incurred in completing or maintaining the work on the Improvements, and is the prevailing party, Subdivider agrees to pay all reasonable attorneys' fees and other costs and expenses of litigation incurred by the City in connection therewith, even if Subdivider subsequently resumes and completes the work.

12. RELATIONSHIP OF THE PARTIES

Neither Subdivider, nor any of Subdivider's contractors, employees or agents, are or shall be deemed to be, agents of the City in connection with the performance of Subdivider's obligations under this Agreement.

13. ASSIGNMENT

A. Subdivider shall not assign this Agreement, or any portion thereof without the prior written consent of the City in accordance with the Development Agreement. Any attempted or purported assignment in violation of this subparagraph A shall be null and void and shall have no force or effect.

B. The sale or other disposition of the Subdivision shall not relieve Subdivider of its obligations hereunder. If Subdivider intends to sell the Subdivision, or any portion thereof (except for the sale of individual lots with homes to individual purchasers), to any other person or entity, the Subdivider may request an assignment or novation of this Agreement and a substitution of improvement security. Upon the City's approval of the assignment or novation and substitution of improvement security, the Subdivider may request a release or reduction of the improvement security furnished pursuant to this Agreement.

14. NOTICES

All notices required or provided for in this Agreement shall be in writing and delivered in person or by mail, postage prepaid, and addressed as follows:

If to the City:	Art Vela Director of Public Works/City Engineer City of Banning 99 E. Ramsey Drive Banning, California 92220
If to the Subdivider:	To the address set forth above in the Subdivision Reference Data, or to such other address as may subsequently be designated in written notice to the City.

Notice shall be effective on the date that it is delivered in person, or, if mailed, three (3) days after the date of deposit in the United States Mail.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties with respect to its subject matter. All modifications, amendments, or waivers of any terms of this Agreement shall be in writing and signed by the duly authorized representatives of the parties. In the case of the City, the duly authorized representative, unless otherwise specified herein, shall be the City Engineer.

16. SEVERABILITY

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.

17. INCORPORATION OF SUBDIVISION REFERENCE DATA AND RECITALS

The Subdivision Reference Data and the Recitals are incorporated into this Agreement.

18. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California.

19. EFFECTIVE DATE OF THE AGREEMENT

This Agreement shall be and become effective as of the date that it is executed by a duly authorized officer or employee of the City, it being the intention of the parties that the Subdivider shall first execute this Agreement and thereafter submit it to the City. The City shall insert the effective date in the Subdivision Reference Data in all counterparts of this Agreement and shall transmit a fully executed counterpart to the Subdivider.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the dates set forth below their respective signatures.

[Note: All signatures must be acknowledged by a notary public and the acknowledgement must be attached. If signed by a Corporation, the signatures of two Corporate officers are required, unless a resolution of the Corporation's Board of Directors is provided indicating that the signature of the one signatory is sufficient to bind the Corporation.]

SUBDIVIDER

By: _____

Print Name: Michael C. Taylor

Title: Division President

Date: 5·15·24

CITY

CITY OF BANNING

_____

MAYOR

ATTEST:

_____ (SEAL)

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES FRS01
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

CITY CLERK

Approved as to form:

_____

CITY ATTORNEY

Bond No. 30219409
Premium: $5,112 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

37388-4 PA14-1 Street Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: 37388-4 PA14-1 Street Improvements; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of One Million Three Hundred Eighty-One Thousand Five Hundred Sixty and 68/100 Dollars ($ 1,381,560.68), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Michael C. Taylor
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona, CA. 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: May 15, 2024

"SURETY"

The Continental Insurance Compay
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

THE CONTINENTAL INSURANCE COMPANY

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027 FRS01

Signature Edelmira Gonzales (Seal)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: May 15, 2024

APPROVED:

City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 15 2024 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 15th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219409
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

37388-4 PA14-1 Street Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: 37388-4 PA14-1 Street Improvements; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of ** Dollars ($1,381,560.68), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

One Million Three Hundred Eighty-One Thousand Five Hundred Sixty and 68/100

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Michael C. Taylor
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona, CA. 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: May 15, 2024

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES FRS01
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

(Street Address)

Irvine, CA 92614

(City) (State) (Zip)

By: Michelle Haase

(Signature of authorized officer)

Michelle Haase,
Attorney-in-Fact

(Title of officer)

Date: _____

APPROVED:

_____

City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 15 2024 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 15th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219410
Premium: $2,095 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

37388-4 PA14-1 Water Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: 37388-4 PA14-1 Water Improvements; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Five Hundred Sixty-Six Thousand Three Hundred Forty-One and 89/100 Dollars ($ 566,341.89), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Michael C. Taylor
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona, CA. 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 5·15·24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027 FRS01

Signature Edelmira Gonzales (Seal)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: May 15, 2024

APPROVED:

City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 15 2024 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 15th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219410
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

37388-4 PA14-1 Water Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: 37388-4 PA14-1 Water Improvements; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of ** Dollars ($566,341.89), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

Five Hundred Sixty-Six Thousand Three Hundred Forty-One and 89/100

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Michael C. Taylor
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona, CA. 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 5·15·24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES FRS01
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

(Street Address)

Irvine, CA 92614

(City) (State) (Zip)

By: Michelle Haase

(Signature of authorized officer)

Michelle Haase,
Attorney-in-Fact

(Title of officer)

Date: May 15, 2024

APPROVED:

City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 15 2024 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

WITNESS my hand and official seal.

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

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- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 15th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219411
Premium: $2,168 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

37388-4 PA14-1 Sewer Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: 37388-4 PA14-1 Sewer Improvements; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Five Hundred Eighty-Six Thousand Sixty-One and 53/100 Dollars ($ 586,061.53), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Michael C. Taylor
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona, CA. 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 5.15.24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES FRS01
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: May 15, 2024

APPROVED:

_____
City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 15 2024 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
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- ☐ Other ____

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  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CFO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 15th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219411
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

37388-4 PA14-1 Sewer Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: 37388-4 PA14-1 Sewer Improvements; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of ** Dollars ($586,061.53), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

Five Hundred Eighty-Six Thousand Sixty-One and 53/100

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Michael C. Taylor
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona, CA. 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 5·15·24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES FRS01
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

(Street Address)

Irvine, CA 92614

(City) (State) (Zip)

By: Michelle Haase

(Signature of authorized officer)

Michelle Haase,
Attorney-in-Fact

(Title of officer)

Date: May 15, 2024

APPROVED:

City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 15 2024 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  ____
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 15th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219412
Premium: $140 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

37388-4 PA14-1 Monumentation
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc. (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows: 37388-4 PA14-1 Monumentation ; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Thirty-Seven Thousand Nine Hundred Twenty-Four and 68/100 Dollars ($ 37,924.68), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Michael C. Taylor
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona, CA. 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 5.15.24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027 FRS01

Signature Edelmira Gonzales (Seal)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)

Michelle Haase,
Attorney-in-Fact
(Title of officer)

Date: May 15, 2024

APPROVED:

_____
City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 15 2024 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 15th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219412
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

37388-4 PA14-1 Monumentation
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows: 37388-4 PA14-1 Monumentation; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of **Thirty-seven Thousand Nine Hundred Twenty-Four and 68/100** Dollars ($ 37,924.68), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Michael C. Taylor
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona, CA. 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 5·15·24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400

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 Riverside)

On 05/15/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

(Street Address)

Irvine, CA 92614

(City) (State) (Zip)

By: Michelle Haase

(Signature of authorized officer)

Michelle Haase,
Attorney-in-Fact

(Title of officer)

Date: May 15, 2024

APPROVED:

City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 15 2024 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknolwedgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 15th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

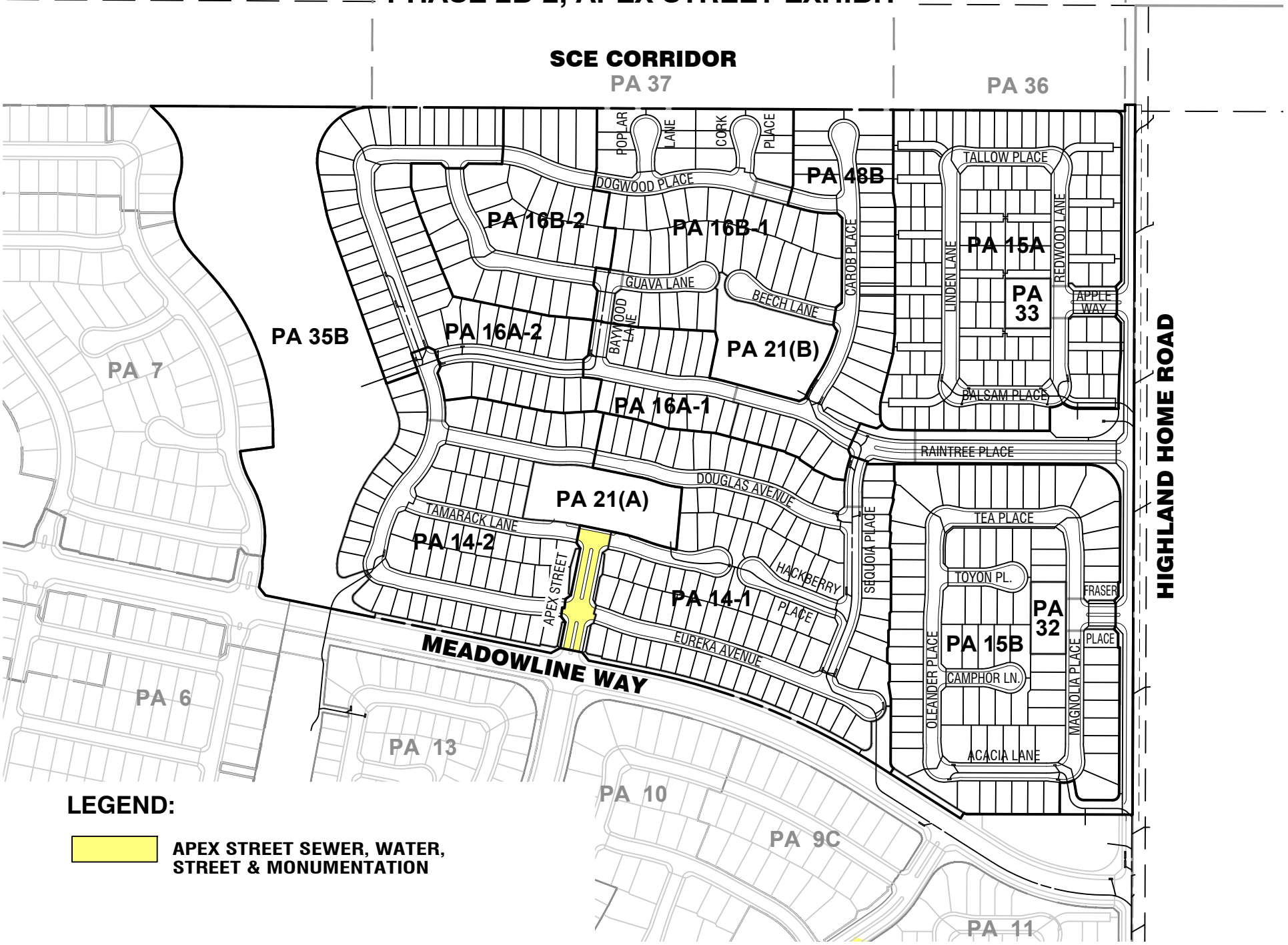
"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

PHASE 2B-2, APEX STREET EXHIBIT



LEGEND:

APEX STREET SEWER, WATER, STREET & MONUMENTATION

CITY OF BANNING

SUBDIVISION IMPROVEMENT AGREEMENT

* * * * * * SUBDIVISION REFERENCE DATA * * * * * *

[ ] FINAL TRACT MAP NO. 37388-4 ("Final Map" herein)

[ ] PARCEL MAP NO. _____("Parcel Map" herein)

NAME OR TRACT NUMBER OF SUBDIVISION ("Subdivision" herein):	ATWELL – TR 37388-4 Apex Street Phase 2B
NAME AND ADDRESS OF SUBDIVIDER(S):	TRI POINTE HOMES, IE-SD 1250 CORONA POINTE CT, #600 CORONA, CA 92879
CITY COUNCIL RESOLUTION OF APPROVAL NO.	_____ ("Resolution of Approval" herein)

DATE(S) THAT IMPROVEMENT PLANS WERE APPROVED BY THE CITY ENGINEER: See below

IMPROVEMENT/PLAN NO.:	Water Imp Plan Street Imp Plan Non-Potable Water Imp Plan _____	
ESTIMATED TOTAL COSTS:	IMPROVEMENTS	$453,075.07
	GRADING	$_____
	MONUMENTATION	$_____
	TOTAL:	$453,075.07

FORM OF IMPROVEMENT SECURITY:

[X] AAA Corporate surety bonds

[ ] Deposit of money

NAME AND ADDRESS OF CORPORATE SURETY (if applicable):

The Continental Insurance Company
(Name of Corporate Entity)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

SURETY BOND NUMBERS (if applicable):

#30219394

#30219395

#30219396

EFFECTIVE DATE OF AGREEMENT:

(to be inserted by City)

COMPLETION PERIOD: All improvements of Tract 37388-4 ~~(including the complete water and sewer system in _____ Street) with the exception of the roadway (street) improvements on _____ Street,~~ shall be completed within two years from the Effective Date of the Agreement. _____ ~~Street roadway (street) construction (so that _____ Street is a continuous route from _____ to _____) shall be constructed prior to the Certificate of Occupancy for development of lots ____ and ____ of Tract _____.~~

* *

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SUBDIVISION IMPROVEMENT AGREEMENT

THIS SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into by and between the City of Banning, a municipal corporation ("City"), and the Subdivider whose name and address is set forth above in the Subdivision Reference Data.

RECITALS

A. Subdivider has presented to the City for approval and recordation a Final Map, identified above in the Subdivision Reference Data, of a proposed subdivision pursuant to the Subdivision Map Act of the State of California and the City's ordinances and regulations as such ordinances and regulations are vested under the development agreement recorded in the official records of the County of Riverside on July 17, 2012 as Document No. 2012-0332888 ("Development Agreement") relating to the filing, approval and recordation of subdivision maps (collectively referred to herein as the "Subdivision Laws").

B. A tentative map of the Subdivision was previously approved by City, subject to the Subdivision Laws and to the City's standard requirements as vested under the Development Agreement and conditions of approval contained in the City Council's Resolution of Approval, a copy of which is on file in the Office of the City Clerk and which is incorporated herein by this reference.

C. The Subdivision Laws establish, as a condition precedent to the approval of a Final Map, that the Subdivider comply with the City Council's Resolution of Approval and either (i) complete, in compliance with applicable City standards, all of the improvements and land development work required by the Subdivision Laws and the City Council's Resolution of Approval; or (ii) enter into a secured agreement with the City to complete the improvements and land development work within a period of time specified by the City.

D. In consideration of approval of the Final Map for the Subdivision by the City Council, Subdivider desires to enter into this Agreement whereby Subdivider promises to install and complete, at its sole expense, except as otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, all public improvement work required by the City as set forth on the Improvement Plans (as defined below) for the proposed Subdivision. Subdivider has secured this Agreement by improvement security required by the Subdivision Laws and approved by the City. In any conflict between the terms in this Agreement and the Development Agreement, the Development Agreement shall be the controlling document.

E. Improvement Plans, and related specifications, numbered as designated above in the Subdivision Reference Data, for the construction, installation and completion of the Improvements identified in Schedule A hereto, have been prepared by the Subdivider, approved by the City Engineer, and are on file in the office of the City Engineer. Said Improvement Plans, and related specifications, subsequently modified by the mutual written agreement of the parties, are hereby referred to as the "Improvement Plans" and are incorporated herein by this reference.

Any improvement to be constructed pursuant to the Improvement Plan is hereby referred to individually as an "**Improvement**" and collectively as the "**Improvements**".

NOW, THEREFORE, in consideration of the approval and recordation by the City Council of the Final Map of the Subdivision, Subdivider and City agree as follows:

1. SUBDIVIDER'S OBLIGATION TO CONSTRUCT IMPROVEMENTS

A. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, and in compliance with the provisions of the Subdivision Laws, the Improvement Plans, conditions of approval of the Tentative Map, and all applicable City standards and fees, and in a good and workmanlike fashion, furnish, construct, install and guarantee (as set forth in Section 3) the Improvements, Grading, and Monumentation described on the tentative map and in the City Council's Resolution of Approval relating thereto (collectively, the "Improvements").

B. To the extent necessary to construct the Improvements, as determined by the City Engineer, the Subdivider shall acquire and dedicate, or pay the reasonable, documented cost of acquisition by City of, all rights-of-way, easements and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances. If the Subdivider is unable to acquire such rights-of-way, easements and other interests in real property by negotiation, then Subdivider shall, within 120 days of Final Map approval, enter into a condemnation agreement with City pursuant to Government Code Section 66462.5, by which the City will commence the process for the acquisition of the rights-of-way, easements or other real property.

C. Subject to any time extensions granted in accordance with Section 4, Subdivider shall complete all Improvements within its respective "Completion Period" specified in the Subdivision Reference Data; provided, however, that if the City Engineer reasonably determines in good faith that accelerated construction of the Improvements is essential in order to protect the public health, welfare and safety, the City Engineer shall give Subdivider not less than fifteen (15) business days' prior written notice to commence or accelerate installation and construction of such Improvements, or any portion thereof. The notice shall be in writing, and shall describe the work to be done by Subdivider, the time within which the work will commence, the period within which the work will be completed and identify the reasons that such early commencement is essential in order to protect the public health, welfare and safety. All or any portions of said Improvements may be required to be constructed or completed at a specified time, providing the foregoing criteria is met. If the Subdivider objects to the commencement or acceleration of the Improvements as specified by the City Engineer, Subdivider may appeal the decision of the City Engineer to the City Council. Any such appeal shall be filed with the City Clerk within 10 days after receipt by Subdivider of the written notice from the City Engineer.

D. If the Improvements to be constructed by Subdivider include monumentation, such monumentation shall be installed not later than thirty (30) days after the City's acceptance of all other Improvements pursuant to Section 2. As used herein,

"monumentation" shall mean the setting of survey monuments and tie points in accordance with the Subdivision Laws, and the delivery to the City Engineer of tie notes for said points.

E. Subdivider shall , at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, replace or repair all public improvements, public utility facilities, and surveying or subdivision monuments which are destroyed or damaged as a result of any work performed by Subdivider under this Agreement during or after the Completion Period. Any such replacement or repair shall be subject to the approval of the City Engineer.

F. In addition to, and separate from, the indemnity obligations contained in Section 9 of this Agreement, and without limiting the City's remedies under general construction defect law, Subdivider shall be responsible for the care, repair and maintenance of the applicable portion of the Improvements until the latter of the following time periods: (i) the Improvements or applicable portion thereof is accepted in writing by the City; or (ii) the expiration of the required one-year guarantee and warranty period as specified herein; or (iii) the expiration of any applicable period of time requiring the care, repair and maintenance of the applicable Improvement specified in the Development Agreement (not including the term of any Development Agreement). Neither City, nor its officers, agents and employees, shall have any liability for any accident, loss or damage to the Improvements and that may result from the construction of the Improvements prior to their completion and written acceptance by the City

G. In addition to, and separate from: (1) the indemnity obligations contained in Section 7 of this Agreement, (2) the care, repair and maintenance provisions under paragraph E of this Section 1 of this Agreement; and (3) the warranty and guarantee provisions of Section 3 of this Agreement, Subdivider shall repair and correct, or be liable to the City for any cost to repair and correct, any defect in the construction of the Improvements that is identified by City within in accordance with general construction defect law ten (10) years after City's acceptance of the Improvement, provided the City provides written notice to Subdivider of the existence of the defect within that the time period under law, and the defect is caused directly or indirectly by the design, construction, functionality, installation, assembly or workmanship of Subdivider. Nothing contained in this paragraph is intended to limit or otherwise waive any right or cause of action under applicable construction defect law that City may assert against Subdivider.

H. Subdivider shall, at its sole expense, unless otherwise provided in a credit/reimbursement agreement as provided for in the Development Agreement, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all applicable fees required by City ordinance or resolution and all taxes required by law.

I. Not less than seven (7) days prior to commencement of work on the Improvements, Subdivider shall give written notice to the City Engineer of the date fixed for such commencement of work in order that the City Engineer shall have adequate time to schedule all necessary inspections.

J. SUBDIVIDER shall pay all applicable City fees and costs stipulated in the latest fee resolution as adopted by the City Council from time to time as required for the development of the SUBDIVISION including but not limited to the following:

1. Building Permit Fees --- to be paid at the time of building permit issuance;

2. Final Map Plan Check Fees --- to be paid at time of submittal of final map for plan check and resubmittal of revised final map for plan check;

3. Final Map Moratorium Fees --- to be paid from cash deposit established at time of filing final map;

4. Plan Check and Review Fees --- to be paid from cash deposit established at time of filing improvement plans for plan check;

5. Encroachment Permit Fees --- to be paid at time of application for encroachment permit;

6. Inspection Fees --- to be paid from cash deposit established at time of construction permit issuance; and

7. Grading Permit Fee --- to be paid from cash deposit established at time of grading permit issuance.

K. Subdivider shall provide City with final Record Drawings of all plans developed for the Subdivision, showing all changes and as built conditions as specified in the Tentative Tract Map Conditions of Approval, and shall provide electronic image files of those final Record Drawings consistent with electronic image file size and type specifications of the City prior to the acceptance of improvements and release of bonds or other security.

2. INSPECTION OF WORK AND FINAL ACCEPTANCE

A. Subdivider shall at all times maintain proper facilities and safe access for inspection of the Improvements by the City Engineer and other City personnel and inspection consultants.

B. Upon completion of the work on all or any category of the Improvements, the Subdivider may request a final inspection by the City Engineer. Within forty-five (45) days of receipt of the written letter request, the City Engineer shall inspect the Improvements and provide written notice to Subdivider of the list of items which have been found to be incomplete and the list of items which have been found to be complete. If the City Engineer determines that all or any specified category of the Improvements have been completed in accordance with this Agreement and in compliance with the Improvement Plans and all applicable City standards, then the City Engineer shall acknowledge that determination in a report to the City Council. If the Improvements that are completed are to be dedicated to or owned by the City (Improvements within City right of way and property for public use), the City Engineer's determination shall be

submitted to the City Council for final acceptance by the City, unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. If the Improvements that are completed are to be dedicated to or owned by a public entity other than the City, the Subdivider's written request shall be submitted to the applicable public entity or other owner, for final acceptance. Subdivider shall bear all costs of inspection and determination of completeness in accordance with City's formally adopted and applicable fees and rates.

C. Acceptance of all or any specified category of the Improvements by the City Council shall be made upon recommendation and certification of the City Engineer following inspection of said Improvements pursuant to subparagraph B above. The City Council shall act upon the City Engineer's recommendation that such public Improvements have been completed unless such power to accept has been delegated by the City Council to the City Engineer or some other officer of the City, in which case the final acceptance shall be subject to the approval of that specified official. Acceptance by the City or by the governing body of the entity that is to accept dedication or ownership of the public improvements shall not constitute a waiver by the City or such other public entity of any defects in the public Improvements.

3. GUARANTEE AND WARRANTY OF THE IMPROVEMENTS

A. If, within a period of one year following acceptance by the City of the applicable Improvements specified in Schedule A, any Improvements or part of any Improvements specified in Section A furnished, installed or constructed by the Subdivider, or any of the work performed under this Agreement by Subdivider, fails to comply with any requirements of this Agreement, or the Subdivision Laws, or the Improvement Plans and related specifications, the Subdivider shall, without delay and without cost to the City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements. Subdivider's obligations hereunder shall include the repair, replacement or reconstruction of all irrigation systems and all trees, shrubs, ground cover and landscaping for such one year.

B. Should the Subdivider fail or refuse to act promptly or in accordance with subparagraph A above, or should the exigencies of the situation require repair, replacement, or reconstruction to be undertaken before the Subdivider can be notified and can perform the necessary work, then the City may, in its discretion, make the necessary repairs or replacements or perform the necessary reconstruction and draw upon the Subdivider's improvement security to reimburse itself for the costs incurred. If the Subdivider's improvement security does not cover the total cost of such repair, replacement, or reconstruction, the Subdivider shall reimburse the City for any excess costs incurred.

C. The security furnished for the faithful performance of the Subdivider's obligation to construct and install the Improvements described herein shall include the Subdivider's liability and obligation hereunder to provide the one-year guarantee and warranty of the Improvements.

4. TIME EXTENSIONS

A. Upon a showing by the Subdivider of good cause therefor, the duration of the Completion Period for the Improvements (or any of them) may be extended by the City Engineer in writing. As used herein, "good cause" may include, without limitation, delay resulting from, arising out of or relating to an act of the City; acts of God or force majeure, strikes, boycotts or similar job actions by employees or labor organizations which prevent the conduct of the work; findings made by a governmental entity that the site of a particular Improvement is of archeological significance or requires further permitting and approval; and/or actions or failure to act of native American monitor(s); and, the order of any court.

B. A time extension may be granted without notice to any surety or sureties of the Subdivider and shall not affect the validity of this Agreement nor release the surety or sureties on any bond given as an improvement security pursuant to this Agreement.

C. As a condition of any time extension provided for herein, the City Engineer, may require the Subdivider to furnish new or modified improvement security guaranteeing performance of this Agreement, as extended, in an increased amount as necessary to compensate for any projected increase in the Estimated Total Cost of Improvements, as determined by the City Engineer.

5. IMPROVEMENT SECURITY

A. Prior to City's execution of this Agreement, Subdivider shall provide as security to the City:

1. For Performance and Guarantee: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider assures faithful performance under this Agreement and guarantees the Improvements for one year after the completion and acceptance of the applicable portion of such Improvements, against any defective workmanship or materials or any unsatisfactory performance, pursuant to Section 3 hereof.

2. For Payment: Security in an amount equal to one hundred percent (100%) of the Estimated Total Cost of the Improvements, excluding Grading, as set forth above in the Subdivision Reference Data. The security shall be issued by a bonding company licensed to issue bonds in the State of California and having a Best rating of AAA or better. With this security, the form of which shall be subject to City Attorney's prior approval, the Subdivider guarantees payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to them or to the Subdivider.

B. If the improvement security is a corporate surety bond and, in the opinion of the City, any surety or sureties thereon become insufficient, because (i) the surety becomes

insolvent; (ii) the surety's bond rating is downgraded; (iii) the surety declares bankruptcy; or (iv) the surety is no longer deemed to be an admitted surety in California by the California Department of Insurance, or (v) the form of the surety or the amount is found by City to be in error or materially insufficient, the Subdivider shall renew or replace any such surety bond with good and sufficient surety or sureties within thirty (30) days after receiving from City written demand therefor.

C. The amount of security for performance, payment and warranty obligations provided by this section shall not include the cost of monumentation, as required by Government Code Section 66497 so long as a separate cash deposit or security acceptable to the City Engineer for the estimated cost of monumentation has been submitted to the City.

D. Improvement security consisting of corporate surety bonds, in a form accepted by the City Attorney, shall be filed with the City Engineer and then kept on file with the City Clerk. If a corporate surety bond is replaced by another approved bond, the replacement shall be submitted to the City Engineer and, upon filing with the City Clerk, shall be deemed to have been made a part of and incorporated into this Agreement. Upon submission to the City Engineer and then filing with the City Clerk of a replacement bond, the former improvement security shall be released following written approval of the City Engineer.

E. Modifications of the Improvement Plans and related specifications, and modifications of the Improvements, not exceeding ten percent (10%) of the original Estimated Total Cost of the Improvements, shall not relieve or release any improvement security furnished by Subdivider pursuant to this Agreement. If any such modifications exceed ten percent (10%) of the Estimated Total Cost of the Improvements, Subdivider shall furnish additional improvement security for performance and guarantee, and for payment, as required by subparagraph A above, for one hundred percent (100%) of the revised Estimated Total Cost of the Improvements.

F. Subject to any time extensions granted in accordance with Section 4 herein, the Subdivider shall be in default if the Subdivider has not completed all improvements within two years from the Execution Date of the Agreement and has not repaired any defects in the completed Improvements within the one-year guarantee and warranty period.

Alternatively, in the event of a default by the Subdivider pursuant to Section 10, and after written notice to Subdivider and reasonable opportunity to cure, City, at its sole option, shall have the right, without limiting any other rights and/or remedies available to City at law or in equity, to draw upon or utilize the improvement security furnished herewith to construct and install the Improvements itself. If City exercises this right, the release of any unused portion of such improvement security shall be in accordance with the procedures outlined in Section 6 herein, including any retention necessary for the one-year guarantee period.

6. REDUCTION OR RELEASE OF IMPROVEMENT SECURITY

A. All public Improvements (Improvements that are to be owned or dedicated to the City or other public entity as distinguished from those owned by a private community

association) shall be first completed, deemed completed by the City Engineer and then accepted as complete by the City prior to release of sureties. All private Improvements (Improvements that are to be owned by a private community association and not dedicated or owned by the City or other public entity) shall be first completed and then accepted as complete in writing by the City Engineer.

B. Partial releases or reductions in the Subdivider's improvement (performance) security may be authorized prior to the City's acceptance of all Improvements required hereunder, as follows:

1. At the time that the Subdivider believes that the obligation to perform the work for which security was required is complete, the Subdivider may notify the City in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the City shall review and comment or approve the completion of the required work within forty-five (45) days. If the City does not agree that all work has been completed in accordance with the plans and specifications for the Improvements, it shall supply a list of all remaining work to be completed within this 45-day period.

2. Within forty-five (45) days of receipt of the list of remaining work from the local agency, the Subdivider may then provide cost estimates for all remaining work for review and approval by the City. Upon receipt of the cost estimates, the City shall then have forty-five (45) days to review, comment, and approve, modify, or disapprove those cost estimates. The City shall not be required to engage in this process of partial release more than once between the start of work and completion and acceptance of all work; however, nothing in this section prohibits the City from allowing for multiple and phased partial releases as it otherwise deems appropriate.

3. If the City approves the cost estimate, the City shall release all performance security except for security in an amount up to two hundred percent (200%) of the cost estimate of the remaining work. The process allowing for a partial release of performance security shall occur when the cost estimate of the remaining work does not exceed twenty percent (20%) of the total original performance security unless the City allows for a release at an earlier time. Substitute bonds or other security may be used as a replacement for the performance security, subject to the approval of the City. If substitute bonds or other security is used as a replacement for the performance security released, the release shall not be effective unless and until the City receives and approves that form of replacement security. A reduction in the performance security, authorized under this section, is not, and shall not be deemed to be, an acceptance by the City of the completed improvements in and of itself, and the risk of loss or damage to the Improvements and the obligation to maintain the Improvements shall remain the sole responsibility of the Subdivider until the applicable required public Improvements have been accepted by the City in writing and all other required improvements have been fully completed in accordance with the plans and specifications for the improvements.

4. The Subdivider shall complete the works of Improvement until all remaining items are accepted by the City.

5. Upon the completion of the Improvements, the Subdivider, or his or her assigns, shall be notified in writing by the City within forty-five (45) days.

6. Within sixty (60) days of the issuance of the notification by the City Engineer, any remaining performance security, except ten percent (10%) of the original amount of the security to guarantee and warrant the Improvements for the one-year guarantee and warranty period, shall be released within sixty (60) days of the issuance of the written statement of completion.

C. Security securing the payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall, after passage of the time within which claims of lien are required to be recorded pursuant to Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code and after acceptance of the work, be reduced to an amount equal to the total claimed by all stop notice claimants for whom stop notices have been filed with the City, and if no claims have been filed, the security shall be released in full.

D. The partial release provisions of this Section 6 shall not apply to any required guarantee and warranty period required by Section 66499.9 for the guarantee or warranty nor to the amount of the security deemed necessary by the local agency for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees. Security furnished to guarantee and warrant the Improvements against any defective work or labor done or defective materials furnished, shall be released within thirty (30) days after the completion of the one-year period following completion and acceptance of all Improvements.

E. If Subdivider's obligations relating to any Improvements are subject to the approval of another governmental agency, the City shall not release the improvement (performance) security therefor until the obligations are performed to the satisfaction of such other governmental agency. Such agency shall have sixty (60) days after receipt of written notice from the Subdivider of the Subdivider's performance of the obligation to register its satisfaction or dissatisfaction. If at the end of that period it has not registered its satisfaction or dissatisfaction, it shall be conclusively deemed that the Subdivider's performance of the obligation was done to its satisfaction, and such improvement security shall be promptly released.

F. In the event the time periods for action by the City specified in this Section conflict with a shorter or longer time period for such actions as provided in Government Code Section 66499.7, the time periods in Government Code Section 66499.7 shall control.

7. INDEMNIFICATION OF CITY BY SUBDIVIDER

A. Neither the City, nor its officers, agents and employees, shall be liable or responsible for any accident, injury, loss or damage to either property or person attributable to or arising out of the defective design, construction, functionality, installation assembly or improper

maintenance including, without limitation, the use of defective methods, materials or workmanship (collectively "Subdivider's Faults") of the Improvements by Subdivider, its officers, employees and agents. Subdivider shall indemnify, hold harmless and defend the City, its officers, agents and employees, from and against any and all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including attorneys' fees, arising directly or indirectly out of or attributable to Subdivider's Faults.

B. Subdivider's obligations under this Section 7 are not conditioned or dependent upon whether the City, or its officers, agents and employees, prepared, supplied or reviewed any Improvement Plans or related specifications in connection with the Subdivision or the Improvements, or has insurance or other indemnification covering any of these matters.

C. Subdivider's obligation to indemnify, hold harmless and defend the City under this Section 7 shall extend to injuries to persons and damages to or alleged taking of property resulting from the Subdivider's Faults, and the Improvements required herein, and shall likewise extend to claims asserted by adjacent property owners based upon the diversion of waters caused by the Subdivider's defective design or defective construction of public drainage systems, streets, and other public facilities or improvements. Except for a City Directive as defined below, the City's acceptance of the Improvements shall not constitute an assumption by the City of any responsibility or liability for any damage or alleged taking of property referenced herein. City shall not be responsible or liable for the design or construction of the Subdivision or the Improvements constructed or installed pursuant to the approved Improvement Plans or the Final Map, regardless of any act or omission by the City in approving the Improvement Plans or the Final Map, unless the particular Improvement design was required by the City over the written objection of the Subdivider, which objection stated that the Improvement design was potentially dangerous or defective and set forth an alternative design (a "City Directive"). After City's acceptance of the Improvements, the Subdivider shall remain obligated to correct or eliminate all dangerous conditions created by defects in design, construction or Subdivider's Faults (other than those required by a City Directive); provided, however, that Subdivider shall not be responsible for routine maintenance as specified in Section 1(F) of this Agreement. Subdivider's indemnity obligations hereunder shall remain in effect for ten (10) years following acceptance of the respective Improvement(s) by the City Council. Subdivider acknowledges and agrees that Subdivider shall be responsible and liable for the Subdivider's Faults with respect to the Improvements and other work done pursuant to this Agreement, unless same is due to a City Directive. City shall not be liable for any acts or omissions in approving, reviewing, checking, correcting or modifying any Improvement Plans or related specifications, or in inspecting, reviewing or approving any work or construction of Improvements, unless same is due to a City Directive. The Subdivider's improvement security shall not be required to secure the Subdivider's obligations under this subparagraph C beyond the one-year guarantee and warranty period, unless the City Engineer provides notice to Subdivider prior to the expiration of the one-year period of the existence of, or continued existence of, defects in the improvements, in which case the portion of the improvement security to guarantee and warranty the improvements against defective work shall not be released and shall remain in place until the City Engineer provides written confirmation that the defects have been cured and corrected. The indemnity shall be effective retroactively to the earliest recordation date of the Final Map.

D. Subdivider shall pay and satisfy any judgment, award or decree that may be rendered against City, its officers, officials, employees, agents, representatives and volunteers (collectively hereinafter "City and City Personnel") to the extent of the indemnity provided above, in any such suit, action, or other legal proceeding, provided City gives Subdivider prompt written notice of such claim and allows Subdivider to undertake the defense thereof, and provided further that City cooperates in any such suit, action, or other legal proceeding, but shall retain its right to reject a settlement that the City deems, in its sole and absolute discretion, to be contrary to the interests of the City.

E. Subdivider's obligation to indemnify shall not be restricted to Insurance proceeds, if any, received by the City and City Personnel.

F. Subdivider, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against City and City Personnel to the extent of the indemnity above provided.

8. INSURANCE

The following coverages will be provided by Subdivider and maintained on behalf of City and in accordance with the requirements set forth herein. If Subdivider performs construction activities through a general contractor, some or all of these insurance requirements for the period of construction may be satisfied by the general contractor's insurance coverages. In such case, Subdivider shall maintain during this same construction period, and after the construction period, the coverages shown below as "Insurance After Construction." In addition, Subdivider may elect to obtain, for all or any portion of the Project, an "Owner-Controlled Wrap Up" insurance policy in satisfaction of the insurance requirements for general contractors and subcontractors provided it satisfies all of the insurance requirements below for general contractors and subcontractors. Throughout these specifications, the word "Subdivider" refers to the Party responsible to provide the coverages as specified and, depending on context, may refer either to Subdivider or to a separate General Contractor.

A. Insurance During Construction. Subdivider shall provide the following insurance during construction of the Improvements. Insurance requirements may be met through insurance provided by Subdivider's General Contractor:

1. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL Form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO Form CG 20 10 11 85 or other revision of the CG 20 10 form if available from the insurer and reasonably acceptable to the City, not limiting coverage for the additional insured to "ongoing operations" or in any way excluding coverage for completed operations. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City.

Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground property damage.

2. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting date no later than and an ending date no earlier than those of the underlying coverages. The Named Insured (Subdivider or General Contractor as appropriate) may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits and complies with all other requirements listed here.

3. Business Auto Coverage. Business Auto Coverage shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

4. Workers' Compensation/Employer's Liability. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars ($1,000,000) per accident or disease. Employer's liability coverage shall be scheduled under the umbrella or excess liability policy described above. This policy shall be endorsed to waive any right of subrogation with respect to City, its officers, employees or agents.

5. Builder's Risk Insurance. Builder's Risk Insurance covering all real and personal property for "all risks" of loss or "comprehensive perils" coverage including but not limited to the perils of earth movement, including earthquake (if required by Subdivider's lender or if available at commercially reasonable rates) and flood for all Improvements.

B. Insurance After Construction. Upon completion of construction of the Improvements, and for the required one-year guarantee and warranty period for Improvements and the required 10-year indemnification period, Subdivider at Subdivider's expense shall maintain or cause to be maintained the following insurance:

1. Commercial Property Insurance. Commercial Property Insurance covering the Improvements. Coverage shall be at least as broad as the Insurance Services Offices broad causes of loss form CP 10 20, and reasonably approved of in writing by the City. Coverage shall be sufficient to insure 100% of the replacement value and there shall be no coinsurance provisions. The policy shall include an inflation guard endorsement, 100% rents coverage, contents coverage, coverage for personal property of others, ordinance or law and increased cost of construction coverage. Subdivider also agrees to provide builder's all-risk insurance using an inland marine form during the period of any major alteration or improvement, using the broadest form available.

The insurance coverage for the peril of earthquake required for this project is subject to availability on the open market at commercially reasonable premium cost, as determined by mutual agreement between Subdivider and City. If such earthquake insurance coverage should, after diligent effort by Subdivider, be unobtainable at such mutually determined commercially reasonable premium cost, then Subdivider shall obtain the maximum insurance reasonably obtainable at commercially reasonable premium cost (if any) and give notice to City of the extent of Subdivider's inability to obtain, in full, the required insurance, and in such event, Subdivider's obligation to procure and maintain such insurance may be excused, subject to City's verification of inability to obtain the required insurance. Subdivider and City agree that a premium cost of earthquake insurance coverage of up to 150% of the premium cost paid by Subdivider for such coverage on the Effective Date (to be adjusted over time based on the Consumer Price Index,) shall constitute a commercially reasonable premium cost. Non-availability at commercially reasonable premium cost must be documented by a letter from Subdivider's insurance broker or agent indicating a good faith effort to place the required insurance and showing, at a minimum, the names of the insurance carriers and the declinations or quotations received from each.

2. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than two million dollars ($2,000,000) per occurrence for all coverages and five million dollars ($5,000,000) general aggregate. City and its officers, employees and agents shall be added as additional insureds using ISO form CG 20 10 or equivalent if available from the insurer and reasonably acceptable to the City. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee or agent of City until the warranty period specified in this Agreement expires.

3. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider's election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a "pay on behalf" basis. There shall be no cross liability exclusion. Policy limits shall be not less than five million dollars ($5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting

date no later than and an ending date no earlier than those of the underlying coverages. Subdivider may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits.

4. Workers Compensation Insurance. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars per accident or disease. Employer's liability coverage shall be scheduled under any umbrella or excess liability policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects City, its employees or agents.

5. Business Auto Coverage. Business Auto Coverage for vehicles owned, operated or maintained in any way connected with the project, shall be written on ISO Business Auto Coverage form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars ($1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella or excess liability policy required above for a total limit of no less than five million dollars ($5,000,000) each accident.

C. Provisions Pertaining to Insurance Provided by Subdivider

1. All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

2. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any Party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

3. All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Subdivider, and Subdivider's employees, or agents, from waiving the right of subrogation prior to a loss. Subdivider waives its right of subrogation against City.

4. None of the policies required herein shall be in compliance with these requirements if they include any limiting endorsement that has not been first submitted to City and approved in writing by the City.

5. Unless otherwise approved by City, Subdivider's insurance and insurance provided by any contractor or subcontractor relating to the construction of the Improvements shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of at least "A-:VII." Self-insurance will not comply with these insurance specifications unless expressly approved in writing by the City.

6. In the event any policy of insurance required under this Agreement does not comply with these requirements and Subdivider does not cure the non-compliance within thirty (30) days after written notice from City (or Subdivider does not provide reasonable evidence of such cure within such period), or if the insurance is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any reasonable premium paid by City will be promptly reimbursed by Subdivider.

7. Subdivider agrees to provide evidence of the insurance required herein, satisfactory to City, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to Subdivider's general liability and umbrella liability policies using ISO Form CG 20 10 11 85. Certificate(s) are to reflect that the insurer will provide 30 days' notice of any cancellation of coverage and policies are to have a "cancellation endorsement" to the same effect. Subdivider agrees to provide copies of any endorsements modifying coverage in any way upon request from City.

8. Subdivider shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage.

9. Any actual or alleged failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard.

10. Subdivider agrees to require all subcontractors or other parties (but not including a general contractor) hired for this project to construct the Improvements to purchase and maintain insurance for general liability (minimum limit $1,000,000 per occurrence), automobile liability ($1,000,000 per accident) and workers' compensation (statutory benefits). Prior to the issuance of the Certificate of Completion for each Phase, Subdivider shall, upon request by City, provide the City with copies of all insurance policies, certificates and endorsements related to such Phase.

11. Subdivider agrees to monitor and review all coverage required by this Section and assumes all responsibility for ensuring that such coverage is provided as required here. Subdivider agrees to obtain certificates evidencing such coverage. Subdivider agrees that upon request, all agreements with subcontractors or others with whom Subdivider contracts with on behalf of City, and all certificates of insurance

obtained in compliance with this paragraph will be submitted to City for review upon request by City. Failure of City to request copies of such documents will not impose any liability on City, or its employees.

12. Subdivider agrees to require that no contract used by any general contractor or subcontractor in connection with construction of the Improvements, or contracts Subdivider enters into on behalf of City, will reserve the right to charge back to City the cost of insurance required by this Agreement.

13. Where appropriate (such as in the case of automobile insurance coverages), coverage will not be limited to the specific location designated as the Property.

14. Subdivider agrees to provide notice to City of any claim or loss against Subdivider that includes City as a defendant promptly after Subdivider receives written notice or obtains knowledge thereof. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City. City agrees to provide similar notice to Subdivider of any such claims it is notified of respecting the Property.

15. Subdivider agrees not to attempt to avoid its defense and indemnity obligations to City, and its officers, employees, agents by using as a defense Subdivider's statutory immunity under workers' compensation and similar statutes.

16. Subdivider agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and that there will be no cross liability exclusions that preclude coverage for suits between Subdivider and City or between City and any other insured or Named Insured under the policy, or between City and any Party associated with City or its employees.

17. If Subdivider or any contractor or subcontractor is a Limited Liability Company, general liability coverage must apply so that the Limited Liability Company and its Managers, Members, Affiliates, and their employees are insureds.

18. Subdivider shall require General Contractor to maintain commercial general liability, and if necessary, commercial umbrella liability insurance with a limit of not less than $15,000,000 for each occurrence, until the warranty period specified in this Agreement expires.

19. Subdivider agrees to obtain and provide to City evidence of professional liability coverage for Architects, Engineers or other design professionals working on the Improvements. The limit of liability required is subject to City approval, but in no event to be less than $1,000,000 per claim and in the aggregate, and Subdivider shall use reasonable efforts to require and cause such professionals to maintain coverage with respect to each occurrence for at least three years following substantial completion of the work and, in the event Subdivider is unable to do so, Subdivider shall promptly inform the City of the scope of such efforts and the reasons that it was unable to do so. If

Subdivider requests that the City approve a lower limit for any particular design professional Subdivider seeks to employ on the Improvements, City will evaluate each such request based on City's perception of liability exposure associated with the work that would be performed by that design professional.

20. To the extent a particular coverage or policy form or specification is not reasonably available from Subdivider's insurer or would result in an additional premium that is extraordinary or unreasonably disproportionate to the premium for the policy as a whole, then Subdivider shall provide substantially similar coverage reasonably acceptable to City for which the cost is not extraordinary or unreasonably disproportionate.

9. OWNERSHIP OF THE IMPROVEMENTS

A. Ownership of all or any category of the Improvements constructed and installed by the Subdivider pursuant to this Agreement and shown on the Map to be dedicated to the public shall vest, as applicable, in the City (or other specified governmental agency) upon acceptance of said Improvements by the City. The acceptance of the Improvements shall either be shown by a certificate on the Final Map or by subsequent resolution accepting the Improvements adopted by the City pursuant to Government Code Section 66477.2 and recorded with the County Recorder or by other writing.

B. The Subdivider shall at all times prior to the acceptance of the Improvements by the City, give good and adequate warning to the public of each and every dangerous and defective condition caused by the construction of the Improvements and shall take all steps reasonably necessary to protect the public from such dangerous or defective conditions. The Subdivider agrees and understands that until acceptance of the Improvements by the City in writing, each Improvement and Improvement area that is offered for dedication shall be under the charge of the Subdivider, and the Subdivider may close all or a portion of any street or area whenever necessary to protect the public during the construction of the Improvements.

10. PREPARATION AND RECORDATION OF CC&RS.

A. The Subdivider shall establish a Homeowners Association for the residential areas of the Final Map owned by Subdivider, and to pay all costs associated with the creation of the associations.

B. The Subdivider shall prepare and record Covenants, Conditions, and Restrictions (CC&Rs) which obligate each homeowners association to provide for maintenance of the shared facilities, improvements, and landscaping within the boundaries of the associations in perpetuity in accordance with the Development Agreement and conditions of approval. The CC&Rs shall describe the homeowners association and the City's responsibilities and rights, and shall be subject to the approval of the City prior to recordation.

C. The Subdivider shall implement applicable provisions of the Mitigation Monitoring and Reporting Program.

11. DEFAULT AND BREACH BY THE SUBDIVIDER AND REMEDIES OF THE CITY

A. Upon the occurrence of any of the following events, the Subdivider shall be deemed to be in default under this Agreement:

1. Subject to any time extensions granted in accordance with Section 4, failure to complete construction and installation of the Improvements or any of them by the completion date set forth above in the Subdivision Reference Data;

2. Failure to promptly correct or cure any defect in the Improvements or any of them (other than a City Directive) during the one-year guarantee and warranty period as required by Section 3.A or failure to commence correction or cure of any such defect or failure to diligently prosecute same to completion, in each instance following receipt by Subdivider of written notice that such defect exists;

3. Subject to any time extensions granted in accordance with Section 4, failure to perform substantial construction work of the Improvements or any of them, after commencement of work on same, for a period of thirty (30) days after Subdivider's receipt of written notice thereof from the City;

4. Insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, whether voluntary or involuntary, and such is not cured or discharged within a period of thirty (30) days;

5. Commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance by the Subdivider in lieu or in avoidance of foreclosure, within thirty (30) days after receipt by Subdivider of written notice thereof from the City; or

6. Failure to perform any other obligations in accordance with the terms and provisions of this Agreement within thirty (30) days after receipt by Subdivider of written notice thereof from the City.

B. City reserves to itself all remedies available to it at law or in equity for any breach of Subdivider's obligations under this Agreement. City shall have the right, without limitation of other rights or remedies, after written notice to Subdivider and a reasonable opportunity for Subdivider to cure any such alleged default, to draw upon or utilize any improvement security furnished hereunder to complete the Improvements or otherwise mitigate City's damages in the event of Subdivider's default.

C. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, the City may serve written notice of any such default upon the surety on any corporate surety bond furnished as improvement security hereunder, and request that said surety take over and complete the Improvements herein specified. If such surety, within thirty (30) days after service of such notice of default, does not give the City

written notice of its intention to perform this Agreement, or does not commence such performance within thirty (30) days after notice to the City of such intention to perform, the City may take over the work and prosecute the same to completion, by contract or by any other method the City deems advisable, for the account and at the expense of the Subdivider and its surety.

D. Subdivider acknowledges that the Estimated Total Costs and Improvement Security amounts set forth herein may not reflect the actual cost of construction or installation of the Improvements, and, consequently, City's damages for Subdivider's default shall be measured by the actual cost of completing the required Improvements. If the damages incurred by the City in taking over and completing the Improvements exceeds the principal amount of the improvement security, then the Subdivider shall reimburse the City in the amount of such excess damages.

E. Following Subdivider's receipt of written notice of alleged default and failure by Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, City may, without liability for so doing, take possession of, and utilize in completing the Improvements, such materials, appliances, plant and other property belonging to Subdivider as may be on the site of the work and necessary for the performance of the work. Subdivider hereby consents to such entry by the City and its representatives, including contractors, following written notice to Subdivider upon the real property in the Subdivision owned by Subdivider and necessary for City to enter or access under this Agreement, in the event the City elects to maintain or complete the work on the Improvements following Subdivider's default.

F. Subdivider acknowledges and agrees that approval of the Final Map for the Subdivision conferred substantial rights upon the Subdivider, including the right to sell, lease or finance lots within the Subdivision, and that such approval constitutes the final act necessary to permit the division of land within the Subdivision. As a result, City will be damaged to the extent of the cost of construction or installation of the Improvements upon Subdivider's failure to perform its obligations under this Agreement, which failure is not promptly remedied by sureties or by Subdivider.

G. The City's failure to take an enforcement action with respect to a default, or to declare a default or breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of the Subdivider.

H. If City sues to compel Subdivider's performance of this Agreement, or to recover damages or costs incurred in completing or maintaining the work on the Improvements, and is the prevailing party, Subdivider agrees to pay all reasonable attorneys' fees and other costs and expenses of litigation incurred by the City in connection therewith, even if Subdivider subsequently resumes and completes the work.

12. RELATIONSHIP OF THE PARTIES

Neither Subdivider, nor any of Subdivider's contractors, employees or agents, are or shall be deemed to be, agents of the City in connection with the performance of Subdivider's obligations under this Agreement.

13. ASSIGNMENT

A. Subdivider shall not assign this Agreement, or any portion thereof without the prior written consent of the City in accordance with the Development Agreement. Any attempted or purported assignment in violation of this subparagraph A shall be null and void and shall have no force or effect.

B. The sale or other disposition of the Subdivision shall not relieve Subdivider of its obligations hereunder. If Subdivider intends to sell the Subdivision, or any portion thereof (except for the sale of individual lots with homes to individual purchasers), to any other person or entity, the Subdivider may request an assignment or novation of this Agreement and a substitution of improvement security. Upon the City's approval of the assignment or novation and substitution of improvement security, the Subdivider may request a release or reduction of the improvement security furnished pursuant to this Agreement.

14. NOTICES

All notices required or provided for in this Agreement shall be in writing and delivered in person or by mail, postage prepaid, and addressed as follows:

If to the City:	Art Vela Director of Public Works/City Engineer City of Banning 99 E. Ramsey Drive Banning, California 92220
If to the Subdivider:	To the address set forth above in the Subdivision Reference Data, or to such other address as may subsequently be designated in written notice to the City.

Notice shall be effective on the date that it is delivered in person, or, if mailed, three (3) days after the date of deposit in the United States Mail.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties with respect to its subject matter. All modifications, amendments, or waivers of any terms of this Agreement shall be in writing and signed by the duly authorized representatives of the parties. In the case of the City, the duly authorized representative, unless otherwise specified herein, shall be the City Engineer.

16. SEVERABILITY

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.

17. INCORPORATION OF SUBDIVISION REFERENCE DATA AND RECITALS

The Subdivision Reference Data and the Recitals are incorporated into this Agreement.

18. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California.

19. EFFECTIVE DATE OF THE AGREEMENT

This Agreement shall be and become effective as of the date that it is executed by a duly authorized officer or employee of the City, it being the intention of the parties that the Subdivider shall first execute this Agreement and thereafter submit it to the City. The City shall insert the effective date in the Subdivision Reference Data in all counterparts of this Agreement and shall transmit a fully executed counterpart to the Subdivider.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the dates set forth below their respective signatures.

[Note: All signatures must be acknowledged by a notary public and the acknowledgement must be attached. If signed by a Corporation, the signatures of two Corporate officers are required, unless a resolution of the Corporation's Board of Directors is provided indicating that the signature of the one signatory is sufficient to bind the Corporation.]

SUBDIVIDER

By: _____
Print Name: Michael C. Taylor
Title: Division President

Date: 5/9/24

CITY

CITY OF BANNING

_____
MAYOR

ATTEST:

_____ (SEAL)

CITY CLERK

Approved as to form:

_____

CITY ATTORNEY

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 Riverside)

On 05/09/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027 FRS01

Signature Edelmira Gonzales (Seal)

Bond No. 30219395
Premium: $398 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell Tract 37388-4 Apex Street Phase 2B On-Site Water Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc.,
(hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows:

Atwell Tract 37388-4 Apex Street Phase 2B On-Site Water Improvements; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and
The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of One Hundred Seven Thousand Four Hundred Eighty-Nine and 04/100 Dollars ($107,489.04), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor Division President
(Title of officer)

Date: 5.9.24

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 Riverside)

On 05/09/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES FRS01
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027

Signature Edelmira Gonzales (Seal)

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,

Attorney-in-Fact
(Title of officer)

Date: May 6, 2024

APPROVED:

_____
City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 06 2024 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they~~, ~~is~~ /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

2015 Version www.NotaryClasses.com 800-873-9865

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 6th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219395
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell Tract 37388-4 Apex Street Phase 2B On-Site Water Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows:

Atwell Tract 37388-4 Apex Street Phase 2B One-Site Water Improvements; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of One Hundred Seven Thousand Four Hundred Eighty-Nine and 04/100 Dollars ($107,489.04), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor Division President
(Title of officer)

Date: 5.9.24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,

Attorney-in-Fact
(Title of officer)

Date: May 6, 2024

APPROVED:

_____
City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 06 2024 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
  - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 6th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

APPROVED BY
CITY OF BANNNG

MAR 18 2024

PUBLIC WORKS DEPT

Prepared By:	MDS Consulting
Date Prepared:	2/25/2024
Approved By:	
Date Approved:	
Tract No.:	37388-4, On-site Water
	Apex Street

City of Banning Engineering Division
Construction Cost Estimate for Bonding, Plan Check & Inspection Fees
(Subdivisions/Public Works/Commercial Projects)

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
WATER IMPROVEMENTS				
8" DIP Main w/ Poly Encasement & R.J.	LF	578	$ 60.00	$ 34,680.00
8" Fitting	Each	6	$ 250.00	$ 1,500.00
8" Gate Valve	Each	7	$ 2,000.00	$ 14,000.00
Adjust Water Valve to Grade	Each	11	$ 250.00	$ 2,750.00
Residential Fire Hydrant	Each	2	$ 5,200.00	$ 10,400.00
1" Air Vacuum Release Valve	Each	3	$ 5,000.00	$ 15,000.00
Remove Blow-off & Join Water	Each	1	$ 500.00	$ 500.00
Remove Air Vacuum Release Valve	Each	1	$ 500.00	$ 500.00
4" Blow-off Assembly	Each	2	$ 3,000.00	$ 6,000.00
1" Service	Each	4	$ 1,200.00	$ 4,800.00
SUBTOTAL				**$ 90,130.00**
CPI Adjustment				**$ 3,839.54**
15% Contingency				**$ 13,519.50**
TOTAL				**$ 107,489.04**
			Faithful Performance (100%)	$ 107,489.04
			Labor & Material (100%)	$ 107,489.04

Bond No. 30219396
Premium: $235 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell Tract 37388-4 Apex Street Phase 2B On-Site Non-Potable Water Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., _____
(hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows:

Atwell Tract 37388-4 Apex Street Phase 2B On-Site Non-Potable Water Improvements; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and
The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Sixty-Three Thousand Five Hundred Seventy-Seven and 51/100 Dollars ($63,577.51), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 5.9.24

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 Riverside)

On 05/09/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2466323
RIVERSIDE COUNTY
My Comm. Exp. October 12, 2027 FRS01

Signature Edelmira Gonzales (Seal)

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,

Attorney-in-Fact
(Title of officer)

Date: May 6, 2024

APPROVED:

_____
City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 06 2024 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other

2015 Version www.NotaryClasses.com 800-873-9865

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknolwedgents from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
  - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 6th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219396
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell Tract 37388-4 Apex Street Phase 2B On Site Non-Potable Water Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows:

Atwell Tract 37388-4 Apex Street Phase 2B On Site Non-Potable Water Improvements; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of Sixty-Three Thousand Five Hundred Seventy-Seven and 51/100 Dollars ($63,577.51), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Division President
(Title of officer)

Date: 5.9.24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,

Attorney-in-Fact
(Title of officer)

Date: May 6, 2024

APPROVED:

_____
City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 06 2024 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jun 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

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- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 6th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

APPROVED BY
CITY OF BANNNG

MAR 18 2024

PUBLIC WORKS DEPT

Prepared By:	MDS Consulting
Date Prepared:	2/22/2024
Approved By:	
Date Approved:	
Tract No.:	37388-4, On-site Non-potable Apex Street

City of Banning Engineering Division
Construction Cost Estimate for Bonding, Plan Check & Inspection Fees
(Subdivisions/Public Works/Commercial Projects)

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
NON-POTABLE WATER IMPROVEMENTS				
8" DIP Main w/ Poly Encasement & R.J.	LF	481	$ 60.00	$ 28,860.00
Remove Blow-off & Join Existing Main Line	Each	1	$ 500.00	$ 500.00
1" Air Vacuum Release Valve	Each	2	$ 5,000.00	$ 10,000.00
8" Fitting	Each	3	$ 250.00	$ 750.00
8" Gate Valve	Each	1	$ 2,000.00	$ 2,000.00
2" Service with 2" Meter	Each	1	$ 2,000.00	$ 2,000.00
4" blow-Off Assembly	Each	2	$ 3,000.00	$ 6,000.00
Adjust Water Valve to Grade	Each	3	$ 250.00	$ 750.00
Remove Air Vacuum Release Valve	Each	1	$ 500.00	$ 500.00
Non-potable Water Signage	Each	3	$ 150.00	$ 450.00
2" Reduced Pressure Backflow Assembly	Each	1	$ 1,500.00	$ 1,500.00
SUBTOTAL				**$ 53,310.00**
CPI Adjustment				**$ 2,271.01**
15% Contingency				**$ 7,996.50**
TOTAL				**$ 63,577.51**

Faithful Performance (100%)	$ 63,577.51
Labor & Material (100%)	$ 63,577.51

Bond No. 30219394
Premium: $1,043 / Annually

CITY OF BANNING

FAITHFUL PERFORMANCE BOND

Atwell Tract 37388-4 Apex Street Phase 2B – On-Site Street Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install, complete and guarantee for one year after acceptance thereof, certain designated public improvements generally identified as follows:

Atwell Tract 37388-4 Apex Street Phase 2B – On-Site Street Improvements; and

WHEREAS, said Agreement is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a corporate surety bond or other approved improvement security to guarantee the faithful performance of said Agreement;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held and firmly bound unto the City in the penal sum of Two Hundred Eighty-Two Thousand Eight and 52/100 Dollars ($282,008.52), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to, abide by, well and truly keep and perform the covenants, conditions and provisions in said Agreement and any modification thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated; then this obligation shall become void; otherwise, this obligation shall be and remain in full force and effect.

As a part of the obligation secured hereby, and in addition to the face amount specified, costs and reasonable expenses and fees shall be included, including reasonable attorneys' fees, incurred by the City in successfully enforcing the obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement, the work to be performed thereunder, or the Improvement Plans and related specifications accompanying the Agreement shall in any manner affect its obligations on this bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Agreement, the work, or the Improvement Plans and related specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor Division President
(Title of officer)

Date: 5.9.24

ACKNOWLEDGMENT

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State of California
County of Riverside)

On 05/09/2024 before me, Edelmira Gonzales / Notary Public
(insert name and title of the officer)

personally appeared Michael C. Taylor,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

FRS01 EDELMIRA GONZALES NOTARY PUBLIC - CALIFORNIA COMMISSION # 2466323 RIVERSIDE COUNTY My Comm. Exp. October 12, 2027 FRS01

Signature Edelmira Gonzales (Seal)

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,

Attorney-in-Fact
(Title of officer)

Date: May 6, 2024

APPROVED:

_____
City Attorney

ALL- PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT

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State of California }

County of Orange }

On MAY 06 2024 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Michelle Haase,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

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WITNESS my hand and official seal.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jul 25, 2026

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages ____ Document Date____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other ____

2015 Version www.NotaryClasses.com 800-873-9865

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- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the Board of Directors of the insurance company.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 29th day of April, 2024.

The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto [illegible] and affixed the seal of the said insurance company this 6th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 10, 1995.

"RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of The Continental Insurance Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012.

"Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the "Authorized Officers") to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, "Electronic Signatures"), Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company."

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Bond No. 30219394
Premium is included in Performance Bond.

CITY OF BANNING

PAYMENT BOND

Atwell Tract 37388-4 Apex Street Phase 2B – On-Site Street Improvements
(Name or Tract Number of Subdivision)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Tri Pointe Homes IE-SD, Inc., (hereinafter designated as "Principal") has executed a Subdivision Improvement Agreement ("Agreement" herein) with the City of Banning, a municipal corporation of the State of California ("City" herein), whereby Principal agrees to construct, install and complete certain designated public improvements generally identified as follows:

Atwell Tract 37388-4 Apex Street Phase 2B - On-Site Street Improvements; and

WHEREAS, said Agreement is dated _____, 20__ and is incorporated herein by this reference; and

WHEREAS, said Principal is required under the terms of said Agreement, before entering upon the performance of the work, to file with the City a good and sufficient payment bond, or other approved security, to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code and in Government Code Section 66497;

NOW, THEREFORE, the Principal designated above, and The Continental Insurance Company, as Surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of said Agreement and referred to in the above-referenced Civil Code and Government Code in the sum of Two Hundred Eighty-Two Thousand Eight and 52/100 Dollars ($282,008.52), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor; that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth; and in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, and under Government Code Section 66497, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the Improvement Plans or related specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and Surety as of the date or dates set forth below the signatures of their authorized officers.

Note: All signatures must be acknowledged before a notary public. Attach appropriate acknowledgment.

"PRINCIPAL"

Tri Pointe Homes IE-SD, Inc.
(Type name of Principal)

1250 Corona Pointe Court Suite 600
(Street Address)

Corona CA 92879
(City) (State) (Zip)

By: _____
(Signature of authorized officer)

Michael C. Taylor Division President
(Title of officer)

Date: 5.9.24

"SURETY"

The Continental Insurance Company
(Type name of Surety)

2 Park Plaza, Suite 400
(Street Address)

Irvine, CA 92614
(City) (State) (Zip)

By: Michelle Haase
(Signature of authorized officer)
Michelle Haase,

Attorney-in-Fact
(Title of officer)

Date: May 6, 2024

APPROVED:

City Attorney

ALL- PURPOSE
CERTIFICATE OF 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 Orange }

On MAY 06 2024 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer),

personally appeared Michelle Haase,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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.

JANINA MONROE
Notary Public - California
Orange County
Commission # 2406696
My Comm. Expires Jul 25, 2026

WITNESS my hand and official seal.

Notary Public Signature (Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date_____

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____
  (Title)
- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ ~~is~~ /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
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  - Indicate title or type of attached document, number of pages and date.
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- Securely attach this document to the signed document with a staple.

2015 Version www.NotaryClasses.com 800-873-9865

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania insurance company, is a duly organized and existing insurance company having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Marina Tapia, Janina Monroe, Michelle Haase, Timothy J Noonan, Edward C Spector, Aidan Smock, Jaren A Marx, Erin Brown, Charles R Teter III, Simone Gerhard, B Aleman, K D Wapato, Rachel A Mullen, D Garcia, Sandra Corona, Jennifer Ochs, Ethan Spector, Sarah Campbell, Individually

of Irvine, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the insurance company and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

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The Continental Insurance Company

Larry Kasten — Vice President

State of South Dakota, County of Minnehaha, ss:

On this 29th day of April, 2024, before me personally came Larry Kasten to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of The Continental Insurance Company, a Pennsylvania insurance company, described in and which executed the above instrument; that he knows the seal of said insurance company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said insurance company and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance company.

M. BENT NOTARY PUBLIC SOUTH DAKOTA

My Commission Expires March 2, 2026

M. Bent — Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of The Continental Insurance Company, a Pennsylvania insurance company, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolutions of the Board of Directors of the insurance company printed below this certificate are still in force. In testimony whereof I have hereunto and affixed the seal of the said insurance company this 6th day of May, 2024.

The Continental Insurance Company

Paula Kolsrud — Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF THE CONTINENTAL INSURANCE COMPANY:

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APPROVED BY
CITY OF BANNNG

MAR 18 2024

PUBLIC WORKS DEPT

Prepared By:	MDS Consulting
Date Prepared:	2/25/2024
Approved By:	
Date Approved:	
Tract No.:	37388-4, On-site Street
	Apex Street

City of Banning Engineering Division
Construction Cost Estimate for Bonding, Plan Check & Inspection Fees
(Subdivisions/Public Works/Commercial Projects)

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
STREET IMPROVEMENTS				
4" Asphalt Concrete (18,069 SF)	Ton	453	$ 90.00	$ 40,770.00
6" Aggregate Base Class II (18,069 SF)	Ton	687	$ 80.00	$ 54,960.00
6" Curb and Gutter	LF	561	$ 25.00	$ 14,025.00
6" Curb Only	LF	522	$ 12.00	$ 6,264.00
6" Wedge Curb and Gutter	LF	244	$ 25.00	$ 6,100.00
Curb Ramp	Each	8	$ 3,500.00	$ 28,000.00
Adjust Water Valve Cover to Grade	Each	12	$ 250.00	$ 3,000.00
Concrete Sidewalk (4" thick)	SF	4,073	$ 8.00	$ 32,584.00
LED Solar Street Light	Each	1	$ 4,000.00	$ 4,000.00
Concrete Cross Gutter & Spandrels	SF	1,617	$ 22.00	$ 35,574.00
2" x 4" Redwood Header	LF	74	$ 2.00	$ 148.00
Barricade	LF	40	$ 100.00	$ 4,000.00
Remove Existing Redwood Header	LF	36	$ 1.00	$ 36.00
Remove Existing Barricade	LF	50	$ 10.00	$ 500.00
Remove Existing AC Pavement & Base	SF	72	$ 1.45	$ 104.40
0.15' Min AC Grind and Overlay	SF	72	$ 3.00	$ 216.00
Traffic Sign	Each	20	$ 400.00	$ 8,000.00
Traffic Markings	Each	4	$ 100.00	$ 400.00
Blue-reflective Fire Hydrant Marker	Each	2	$ 100.00	$ 200.00
Street Name Sign	Each	4	$ 300.00	$ 1,200.00
Sign Post	Each	10	$ 150.00	$ 1,500.00
Painted Median Nose	Each	4	$ 100.00	$ 400.00
12" Thermoplastic Traffic Stripe	LF	620	$ 5.07	$ 3,143.40
Remove Existing Sign & Post	Each	1	$ 100.00	$ 100.00
SUBTOTAL				**$ 245,224.80**
CPI Adjustment				**$ 10,446.58**
15% Contingency				**$ 36,783.72**
TOTAL				**$ 282,008.52**

Faithful Performance (100%)	$	282,008.52
Labor & Material (100%)	$	282,008.52

CITY OF BANNING
STAFF REPORT

TO: **CITY COUNCIL**

FROM: **Elizabeth Gibbs, City Manager**

PREPARED BY: **Cornelio Datuin, Budget and Financial Analyst**
Jennifer Terry, Finance Director

MEETING DATE: **September 8, 2026**

SUBJECT: **Receive and File the Cash and Investments Report for the month of July 2026**

STAFF RECOMMENDATION:

That the City Council receive and file the Cash and Investments Report for the month of July 2026, in accordance with California Government Code Section 53646.

BACKGROUND:

The City prepares a monthly Cash and Investments Report to provide the City Council with information regarding the City's cash balances, investments, restricted funds, and investment activity. This report presents the City's cash and investment position for July 2026, with comparative figures for June 2026.

JUSTIFICATION:

The attached report presents the City's unrestricted and restricted cash and investments, including funds held in the California Local Agency Investment Fund (LAIF) and the City's investment custody account maintained with U.S. Bank.

As of July 31, 2026, the City's total cash and investments amounted to $60,180,090.04. This amount does not include the PERMA trust balances because PERMA has not yet released its July 2026 quarterly trust schedules. Staff will update these balances in subsequent reports as the schedules become available.

The principal components of the City's unrestricted cash and investments on July 31, 2026, were:

Category	**June 30, 2026**	**July 31, 2026**
Cash and Investments – Unrestricted	$53,783,484.83	$53,473,894.26
Cash and Investments - Restricted	$ 7,876,025.61*	$ 6,706,195.78
Total Cash and Investments	**$61,659,510.44**	**$60,180,090.44**

*The Cash and Investments - Restricted balance reflected on the August 25, 2026, agenda report did not include the two PERMA Trust Accounts for Workers' Compensation and General Liability because they were not available when that report was prepared. Those reports are now available, so the balances have been updated.

The City's unrestricted cash and investments decreased by $ 309,590.57 during the reporting period. Significant activity included:

• $ 82,198.29 in interest earned from LAIF.
• A $ 63,979.00 net increase in the U.S. Bank account managed by Chandler Asset Management.
• A net disbursement of $ 459,249.48 in the Wells Fargo General Account.

As of July 31, 2026, the City's unrestricted investment holdings consisted of approximately $8.502 million in LAIF and $22.74 million (par value) in the U.S. Bank custody account managed by Chandler Asset Management. LAIF represented approximately 27% of the City's total investment portfolio.

The Chandler Asset Management account had a total market value of $22,628,271.67, comprised of $22,558,140.64 in market value and $70,131.03 in accrued interest. The portfolio maintained an average credit rating of AAA, a modified duration of 0.30, and a market yield to maturity of 3.84%. The average credit quality is a weighted average calculation of the highest of S&P, Moody's, and Fitch.

For the period reported, the City's portfolio achieved a 1 year total rate of return of 3.96%, exceeding the benchmark return of 3.91% for the ICE Bank of America 0–1 Year U.S. Treasury Notes & Bonds Index. The portfolio's 3 year annualized return was 4.86%, compared to the benchmark's 4.61%.

Chandler Asset Management's July 31, 2026 compliance review confirmed full adherence to the City's investment policy requirements. For example, U.S. Treasury securities accounted for 82.51% of market value (policy maximum: 100%), Federal Agencies represented 13.18% (policy maximum: 100%), and all other investment categories were also reported as compliant.

LAIF / PMIA PERFORMANCE

The City's LAIF balance was $8,502,643.81 as of July 31, 2026. The accompanying State of California PMIA/LAIF performance information reports a June 2026 PMIA effective yield of 3.840% compared to 3.816% on June 30, 2026.

The State's July 31, 2026 PMIA market valuation reported a total amortized cost of approximately $180.57 billion, a fair value of approximately $180.18 billion, and a fair value including accrued interest of approximately $181.07 billion. The LAIF fair-value factor was reported as 0.997853260. This equates to the City's LAIF participation of $8,484,390.84.

INVESTMENT POLICY COMPLIANCE

Based on the July 31, 2026 Chandler Asset Management report, the City's investment portfolio remained within the applicable investment-policy parameters. The portfolio's average credit quality was AAA, and the report confirms compliance report with each applicable investment categories (Attachment 2).

The attached City Monthly Cash and Investment Report also includes the City's certification that investment activity conforms with the investment policy adopted by the City Council and California Government Code § 53646 and that adequate pooled cash is available to meet the City's anticipated disbursement requirements for the upcoming six months.

FISCAL IMPACT:

There is no fiscal impact associated with receiving this report

ATTACHMENTS:

1. Attachment 1 - Cash and Investment Report_July 31,2026.pdf
2. Attachment 2 - City of Banning Broker Report_Chandler Asset Mgt_July 31,2026_Redacted.pdf
3. Attachment 3 - LAIF_2026-07_LAIF 98-33-050_Redacted.pdf

4. Attachment 4 - PMIA-LAIF Market Valuation_July 31,2026.pdf
5. Attachment 5 - PMIA-LAIF_Performance Yields_July 2026.pdf

City of Banning
Monthly Cash and Investment Report for the Month Ended July 31, 2026

Cash & Investments		JUNE	JULY	VARIANCE
Institution/Investment Type	**Bank Account Number**	**Balance**	**Balance**	**Inc/(Dec)**
UNRESTRICTED CASH AND INVESTMENTS				
Funds Under Control of the City:				
Petty Cash / Cash on Hand		$ 4,055.00	$ 4,055.00	$ -
		$ 4,055.00	**$ 4,055.00**	$ -
Checking and Savings:				
Wells Fargo - General Account	XXXXX5798	$ 21,705,357.41	$ 21,246,107.93	$ (459,249.48)
HCN Bank - General Account	XXXXX97479	$ 50,000.00	$ 50,000.00	$ -
HCN Bank - Parking Citations	XXXXX94035	$ 1,015.00	$ 1,209.00	$ 194.00
Bank of America - Parking Citations	XXXXXXXX 8776	$ 146,870.54	$ 146,871.79	$ 1.25
Bank of America - Airport Visa	XXXXXXXX 7548	$ 695,616.42	$ 698,902.79	$ 3,286.37
Bank of America - CNG Charge Acct	XXXXXXXX 5594	$ 79,091.90	$ 79,091.90	$ -
		$ 22,677,951.27	**$ 22,222,183.41**	**$ (455,767.86)**
See Investment Report for Details of the following Investments:				
State of California, Local Agency Investment Fund		**$ 8,420,445.52**	**$ 8,502,643.81**	**$ 82,198.29**
PMIA Average Monthly Effective Yields		**3.82%**	**3.84%**	**0.02%**
% of Investments in LAIF		**27%**	**27%**	**0%**
US Bank				
City of Banning Custody Account (Chandler Asset Management)	XXXXX6000	**$ 22,681,033.04**	**$ 22,745,012.04**	$ 63,979.00
Average Market YTM		**3.84%**	**3.84%**	$ -
Total Unrestricted Cash and Investments		**$ 53,783,484.83**	**$ 53,473,894.26**	**$ (309,590.57)**

Cash & Investments		JUNE	JULY	
RESTRICTED CASH AND INVESTMENTS				
Cash with Fiscal Agents				
US Bank				
2015 Water Revenue Bonds-BUA Water Projects	258228005	$ 934,150.48	$ 936,540.19	$ 2,389.71
2015 Water Revenue Bonds-BUA Water Projects	258228000	$ 2,417.91	$ 2,424.10	$ 6.19
2019 Wastewater Revenue Bond	254226002	$ 201,597.80	$ 201,599.46	$ 1.66
2019 Wastewater Revenue Bonds	254226000	$ 1.09	$ 1.09	$ -
2019 Wastewater Revenue Bonds - BUA Water Projects - Previous Balance less amount required for Refunding	254226006	$ 2,503,474.06	$ 2,503,494.64	$ 20.58
2019 Wastewater Revenue Bonds - Interest Account	254226001	$ 0.05	$ 0.05	$ -
2019 Wastewater Revenue Bonds - Cost of Issuance Fund	254226005	$ 1.43	$ 1.43	$ -
2015 Electric Revenue Bond-Acquisition & Construction Fund	262685003	$ 2,676.51	$ 2,683.36	$ 6.85
2015 Electric Revenue Bond-Acquisition & Construction Fund	262685000	$ 16,997.18	$ 17,040.66	$ 43.48
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Revenue Fund	277166000	$ 3.48	$ 3.48	$ -
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Unexpended Proceeds Fund	277166005	$ 820,975.86	$ 820,979.23	$ 3.37
Improvement Dist No 2004-1 (Fair Oaks Ranch Estates) Limited Obligation Improvement Bonds Series 2005A Interest Acct	789582000	$ 0.17	$ 0.17	$ -
Improvement Dist No 2004-1 (Fair Oaks Ranch Estates) Limited Obligation Improvement Bonds Series 2005A Principal Acct	789582001	$ 0.04	$ 0.04	$ -
Improvement Dist No 2004-1 (Fair Oaks Ranch Estates) Limited Obligation Improvement Bonds Series 2005A Reserve Fund	789582003	$ 186,072.27	$ 186,073.03	$ 0.76
PERMA Member Trust Account - Workers' Compensation Program	xxx-xxxx-101.12-00	$ 1,286,894.21	not yet available	
PERMA Member Trust Account - General Liability Program	xxx-xxxx-101.20-00	$ 115,904.93	not yet available	
CAISO - City of Banning	XXXXX6994	$ 136,920.38	$ 137,316.99	$ 396.61
City of Banning Riverside Public Utility (RPU)	XXXXX5920 - RPU	$ 610,634.01	$ 840,277.58	$ 229,643.57
Cash with Fiscal Agents - US Bank		**$ 6,818,721.86**	**$ 5,648,435.50**	
Restricted Investment in SCPPA Project Stabilization Fund				
Project Stabilization Fund		**$ 1,057,303.75**	**$ 1,057,760.28**	$ 456.53
Total Restricted Cash and Investments		**$ 7,876,025.61**	**$ 6,706,195.78**	**$ 456.53**
Grand Total Cash and Investments		**$ 61,659,510.44**	**$ 60,180,090.04**	

BOND RESERVE INSURANCE POLICIES:

Insurance Policy and Purpose		Market Value	Market Value	Market Value
2015 Electric Revenue Bond-Reserve Fund - 262685002 - Market Value	262685002	$ 2,428,543.76	$ 2,428,543.76	$ -
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Reserve Fund-277166004 Market Value	277166004	$ 2,205,497.50	$ 2,205,497.50	$ -
		$ 4,634,041.26	**$ 4,634,041.26**	**$ -**

I hereby certify that the investment activity for this reporting period conforms with the investment policy adopted by the City of Banning's City Council and the California Government Code Section 53601

I also certify that there exists adequate pooled cash available to meet the City's disbursement requirements for at least the next six months.

JENNIFER TERRY **Date**
Finance Director

CHANDLER ASSET MANAGEMENT

MONTHLY ACCOUNT STATEMENT

City of Banning | Account # [redacted] | As of July 31, 2026

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

Custodian:

US Bank

PORTFOLIO SUMMARY

City of Banning | Account [redacted] | As of July 31, 2026

Portfolio Characteristics

Average Modified Duration	0.30
Average Coupon	1.04%
Average Purchase YTM	3.64%
Average Market YTM	3.84%
Average Credit Quality*	AAA
Average Final Maturity	0.33
Average Life	0.31

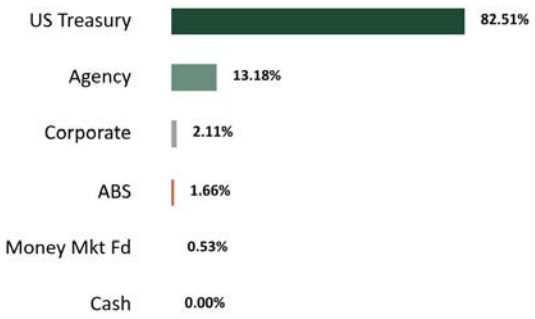
Account Summary

	End Values as of 06/30/2026	End Values as of 07/31/2026
Market Value	22,496,310.41	22,558,140.64
Accrued Interest	52,304.30	70,131.03
Total Market Value	**22,548,614.71**	**22,628,271.67**
Income Earned	66,231.32	68,309.35
Cont/WD	0.00	0.00
Par	22,681,033.04	22,745,012.04
Book Value	22,533,130.07	22,583,857.33
Cost Value	22,397,968.37	22,454,117.90

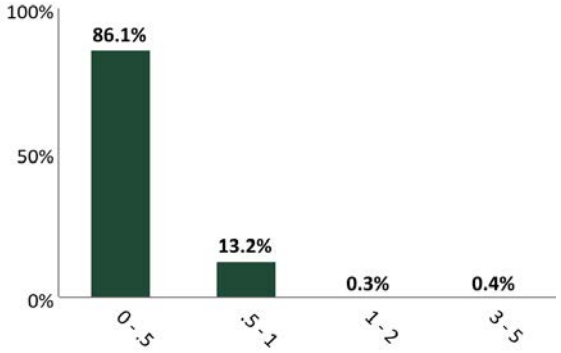
Top Issuers

United States	82.51%
Federal Home Loan Banks	13.18%
JPMorgan Chase & Co.	1.11%
PNC Financial Services	1.00%
American Express Credit Master Trust	0.95%
First American Govt Oblig Fund	0.53%
GM Financial Securitized Term	0.42%
John Deere Owner Trust	0.27%

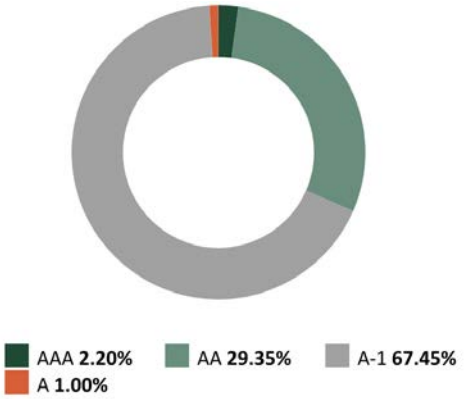
Sector Allocation



Maturity Distribution



Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (07/01/23)
City of Banning	0.35%	0.92%	2.08%	3.96%	4.43%	4.86%	--	--	4.79%
Benchmark Return	0.33%	0.86%	1.97%	3.91%	4.24%	4.61%	--	--	4.60%

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.
**Periods over 1 year are annualized.
Benchmark: ICE BofA 0-1 Year US Treasury Notes & Bonds

STATEMENT OF COMPLIANCE

City of Banning | Account [redacted] | As of July 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; Non Agency ABS & MBS)	20.0	1.7	Compliant	
Max % Issuer (MV)	5.0	1.0	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	2.1	Compliant	
Max % Issuer (MV)	5.0	1.1	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	

The Statement of Compliance reflects Chandler's assessment of compliance with the applicable investment policy for the assets Chandler directly manages. The report may also present assets reported to Chandler by clients, custodians, or other third parties. Chandler includes those assets in the assessment but has no discretionary authority over them, does not independently verify the information provided, and assumes no responsibility for the accuracy or completeness of that information. Questions regarding this report should be directed to the designated investment professional.

STATEMENT OF COMPLIANCE

City of Banning | Account [redacted] | As of July 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/ TD)				
Max % (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	13.3	Compliant	
Max % Issuer (MV)	30.0	13.3	Compliant	
Max Callables (MV)	20.0	13.3	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.5	Compliant	
Max % Issuer (MV)	20.0	0.5	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	

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STATEMENT OF COMPLIANCE

City of Banning | Account [redacted] | As of July 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	82.4	Compliant	
Max Maturity (Years)	5	0.0	Compliant	

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RECONCILIATION SUMMARY

City of Banning | Account [redacted] | As of July 31, 2026

Maturities / Calls

Month to Date	**(3,175,000.00)**
Fiscal Year to Date	**(3,175,000.00)**

Principal Paydowns

Month to Date	**(14,989.33)**
Fiscal Year to Date	**(14,989.33)**

Purchases

Month to Date	**6,380,272.89**
Fiscal Year to Date	**6,380,272.89**

Sales

Month to Date	**(3,188,274.60)**
Fiscal Year to Date	**(3,188,274.60)**

Interest Received

Month to Date	**2,008.96**
Fiscal Year to Date	**2,008.96**

Purchased / Sold Interest

Month to Date	**0.00**
Fiscal Year to Date	**0.00**

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2026)
Beginning Book Value	22,533,130.07	22,533,130.07
Maturities/Calls	(3,175,000.00)	(3,175,000.00)
Principal Paydowns	(14,989.33)	(14,989.33)
Purchases	6,380,272.89	6,380,272.89
Sales	(3,188,274.60)	(3,188,274.60)
Change in Cash, Payables, Receivables	244.63	244.63
Amortization/Accretion	48,473.66	48,473.66
Realized Gain (Loss)	0.01	0.01
Ending Book Value	22,583,857.33	22,583,857.33

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2026)
Beginning Market Value	22,496,310.41	22,496,310.41
Maturities/Calls	(3,175,000.00)	(3,175,000.00)
Principal Paydowns	(14,989.33)	(14,989.33)
Purchases	6,380,272.89	6,380,272.89
Sales	(3,188,274.60)	(3,188,274.60)
Change in Cash, Payables, Receivables	244.63	244.63
Amortization/Accretion	48,473.66	48,473.66
Change in Net Unrealized Gain (Loss)	11,102.97	11,102.97
Realized Gain (Loss)	0.01	0.01
Ending Market Value	22,558,140.64	22,558,140.64

HOLDINGS REPORT

City of Banning | Account [redacted] | As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
05592XAD2	BMWOT 2023-A A3 5.47 02/25/2028	5,454.51	07/12/2023 5.47%	5,453.55 5,454.18	100.29 3.99%	5,470.41 4.97	0.02% 16.22	NA/AAA AAA	1.57 0.19
47787CAC7	JDOT 2023-C A3 5.48 05/15/2028	59,830.29	09/12/2023 5.55%	59,826.18 59,828.71	100.51 4.33%	60,133.45 145.72	0.27% 304.74	Aaa/NA AAA	1.79 0.42
36267KAD9	GMCAR 2023-3 A3 5.45 06/16/2028	11,188.86	07/11/2023 5.51%	11,188.43 11,188.70	100.36 4.10%	11,229.48 25.41	0.05% 40.78	Aaa/AAA NA	1.88 0.26
02582JKD1	AMXCA 2023-3 A 5.23 09/15/2026	215,000.00	09/12/2023 5.29%	214,990.39 214,999.60	100.16 3.85%	215,351.96 499.76	0.95% 352.35	NA/AAA AAA	0.13 0.11
362955AD8	GMCAR 2025-1 A3 4.62 12/17/2029	82,305.67	01/09/2025 5.03%	82,299.55 82,301.47	100.26 4.28%	82,518.93 158.44	0.37% 217.46	Aaa/NA AAA	3.38 0.67
Total ABS		**373,779.34**	**5.28%**	**373,758.10 373,772.67**	**100.25 4.03%**	**374,704.22 834.29**	**1.66% 931.55**		**1.18 0.29**
AGENCY									
3130ARF55	FEDERAL HOME LOAN BANKS 2.6 03/30/2027	3,000,000.00	03/30/2022 2.60%	3,000,000.00 3,000,000.00	99.10 4.00%	2,972,943.00 26,216.67	13.18% (27,057.00)	Aa1/AA+ AA+	0.66 0.64
Total Agency		**3,000,000.00**	**2.60%**	**3,000,000.00 3,000,000.00**	**99.10 4.00%**	**2,972,943.00 26,216.67**	**13.18% (27,057.00)**		**0.66 0.64**
CASH									
CCYUSD	Receivable	584.30	--	584.30 584.30	1.00	584.30 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**584.30**		**584.30 584.30**	**1.00**	**584.30 0.00**	**0.00% 0.00**		**0.00 0.00**
CORPORATE									
693475BB0	PNC FINANCIAL SERVICES GROUP INC 1.15 08/13/2026	225,000.00	03/19/2025 4.52%	214,843.50 224,761.49	99.92 4.06%	224,816.85 1,207.50	1.00% 55.36	A3/A- A	0.04 0.03
48125LRU8	JPMORGAN CHASE BANK NA 5.11 12/08/2026	250,000.00	10/16/2024 4.23%	254,312.50 250,567.74	100.25 4.34%	250,633.50 1,880.76	1.11% 65.76	Aa2/AA- AA	0.36 0.26
Total Corporate		**475,000.00**	**4.36%**	**469,156.00 475,329.23**	**100.10 4.21%**	**475,450.35 3,088.26**	**2.11% 121.12**		**0.20 0.15**

HOLDINGS REPORT

City of Banning | Account [redacted] | As of July 31, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
MONEY MARKET FUND									
31846V401	FIRST AMER:GVT OBLG D	120,648.40	-- 3.13%	120,648.40 120,648.40	1.00 3.13%	120,648.40 0.00	0.53% 0.00	Aaa/ AAAm AAA	0.00 0.00
Total Money Market Fund		**120,648.40**	**3.13%**	**120,648.40** **120,648.40**	**1.00** **3.13%**	**120,648.40** **0.00**	**0.53%** **0.00**		**0.00** **0.00**
US TREASURY									
912797TW7	UNITED STATES TREASURY 08/13/2026	2,875,000.00	-- 3.64%	2,824,145.04 2,871,623.83	99.90 3.66%	2,872,122.13 0.00	12.73% 498.29	P-1/A-1+ F1+	0.04 0.03
91282CLP4	UNITED STATES TREASURY 3.5 09/30/2026	3,400,000.00	03/16/2026 3.69%	3,396,546.88 3,398,948.29	99.94 3.84%	3,397,943.00 39,991.80	15.06% (1,005.29)	Aa1/AA+ AA+	0.17 0.16
912797UK1	UNITED STATES TREASURY 10/15/2026	3,250,000.00	04/17/2026 3.67%	3,192,832.96 3,225,912.77	99.25 3.76%	3,225,732.25 0.00	14.30% (180.52)	P-1/A-1+ F1+	0.21 0.20
912797UZ8	UNITED STATES TREASURY 11/19/2026	3,000,000.00	05/19/2026 3.74%	2,945,134.59 2,966,839.59	98.88 3.81%	2,966,523.00 0.00	13.15% (316.59)	P-1/A-1+ F1+	0.30 0.29
912797VH7	UNITED STATES TREASURY 12/17/2026	3,000,000.00	06/18/2026 3.88%	2,943,037.03 2,956,808.30	98.58 3.86%	2,957,442.00 0.00	13.11% 633.70	P-1/A-1+ F1+	0.38 0.37
912797VT1	UNITED STATES TREASURY 01/14/2027	3,250,000.00	07/16/2026 3.90%	3,188,274.60 3,193,389.96	98.28 3.90%	3,194,048.00 0.00	14.16% 658.04	P-1/A-1+ F1+	0.46 0.44
Total US Treasury		**18,775,000.00**	**3.75%**	**18,489,971.10** **18,613,522.74**	**99.15** **3.81%**	**18,613,810.38** **39,991.80**	**82.51%** **287.64**		**0.26** **0.25**
Total Portfolio		**22,745,012.04**	**3.64%**	**22,454,117.90** **22,583,857.33**	**98.65** **3.84%**	**22,558,140.64** **70,131.03**	**100.00%** **(25,716.68)**		**0.33** **0.30**
Total Market Value + Accrued						**22,628,271.67**			

TRANSACTION LEDGER

City of Banning | Account [redacted] | As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/01/2026	31846V401	339.67	FIRST AMER:GVT OBLG D	1.000	3.12%	(339.67)	0.00	(339.67)	0.00
Purchase	07/15/2026	31846V401	9,350.99	FIRST AMER:GVT OBLG D	1.000	3.11%	(9,350.99)	0.00	(9,350.99)	0.00
Purchase	07/15/2026	31846V401	937.04	FIRST AMER:GVT OBLG D	1.000	3.11%	(937.04)	0.00	(937.04)	0.00
Purchase	07/16/2026	31846V401	4,952.34	FIRST AMER:GVT OBLG D	1.000	3.11%	(4,952.34)	0.00	(4,952.34)	0.00
Purchase	07/16/2026	31846V401	3,175,000.00	FIRST AMER:GVT OBLG D	1.000	3.11%	(3,175,000.00)	0.00	(3,175,000.00)	0.00
Purchase	07/17/2026	912797VT1	3,250,000.00	UNITED STATES TREASURY 01/14/2027	98.101	3.90%	(3,188,274.60)	0.00	(3,188,274.60)	0.00
Purchase	07/27/2026	31846V401	1,418.25	FIRST AMER:GVT OBLG D	1.000	3.12%	(1,418.25)	0.00	(1,418.25)	0.00
Total Purchase			**6,441,998.29**				**(6,380,272.89)**	**0.00**	**(6,380,272.89)**	**0.00**
TOTAL ACQUISITIONS			**6,441,998.29**				**(6,380,272.89)**	**0.00**	**(6,380,272.89)**	**0.00**
DISPOSITIONS										
Maturity	07/16/2026	912797TN7	(3,175,000.00)	UNITED STATES TREASURY 07/16/2026	100.000	3.63%	3,175,000.00	0.00	3,175,000.00	0.00
Total Maturity			**(3,175,000.00)**				**3,175,000.00**	**0.00**	**3,175,000.00**	**0.00**
Sale	07/17/2026	31846V401	(3,188,274.60)	FIRST AMER:GVT OBLG D	1.000	3.11%	3,188,274.60	0.00	3,188,274.60	0.00
Total Sale			**(3,188,274.60)**				**3,188,274.60**	**0.00**	**3,188,274.60**	**0.00**
TOTAL DISPOSITIONS			**(6,363,274.60)**				**6,363,274.60**	**0.00**	**6,363,274.60**	**0.00**
OTHER TRANSACTIONS										

TRANSACTION LEDGER

City of Banning | Account [redacted] | As of July 31, 2026

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Coupon	07/15/2026	47787CAC7	0.00	JDOT 2023-C A3 5.48 05/15/2028		5.55%	314.49	0.00	314.49	0.00
Coupon	07/15/2026	02582JKD1	0.00	AMXCA 2023-3 A 5.23 09/15/2026		5.29%	937.04	0.00	937.04	0.00
Coupon	07/16/2026	36267KAD9	0.00	GMCAR 2023-3 A3 5.45 06/16/2028		5.51%	59.32	0.00	59.32	0.00
Coupon	07/16/2026	362955AD8	0.00	GMCAR 2025-1 A3 4.62 12/17/2029		5.03%	327.25	0.00	327.25	0.00
Coupon	07/25/2026	05592XAD2	0.00	BMWOT 2023-A A3 5.47 02/25/2028		5.47%	31.19	0.00	31.19	0.00
Total Coupon			**0.00**				**1,669.29**	**0.00**	**1,669.29**	**0.00**
Dividend	07/31/2026	31846V401	0.00	FIRST AMER:GVT OBLG D		3.12%	584.30	0.00	584.30	0.00
Total Dividend			**0.00**				**584.30**	**0.00**	**584.30**	**0.00**
Principal Paydown	07/15/2026	47787CAC7	9,036.50	JDOT 2023-C A3 5.48 05/15/2028		5.55%	9,036.50	--	9,036.50	0.00
Principal Paydown	07/16/2026	36267KAD9	1,871.44	GMCAR 2023-3 A3 5.45 06/16/2028		5.51%	1,871.44	--	1,871.44	0.00
Principal Paydown	07/16/2026	362955AD8	2,694.33	GMCAR 2025-1 A3 4.62 12/17/2029		5.03%	2,694.33	--	2,694.33	0.00
Principal Paydown	07/25/2026	05592XAD2	1,387.06	BMWOT 2023-A A3 5.47 02/25/2028		5.47%	1,387.06	--	1,387.06	0.00
Total Principal Paydown			**14,989.33**				**14,989.33**	**--**	**14,989.33**	**0.01**
TOTAL OTHER TRANSACTIONS			**14,989.33**				**17,242.92**	**0.00**	**17,242.92**	**0.01**

INCOME EARNED

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Cusip	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
CASH & EQUIVALENTS						
31846V401	FIRST AMER:GVT OBLG D	120,648.40	116,924.71 3,191,998.29 (3,188,274.60) 120,648.40	0.00 339.67 0.00 339.67	0.00 0.00 0.00 339.67	339.67
CCYUSD	Receivable	584.30	339.67 0.00 0.00 584.30	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00
Total Cash & Equivalents		**121,232.70**	**117,264.38** **3,191,998.29** **(3,188,274.60)** **121,232.70**	**0.00** **339.67** **0.00** **339.67**	**0.00** **0.00** **0.00** **339.67**	**339.67**
FIXED INCOME						
02582JKD1	AMXCA 2023-3 A 5.23 09/15/2026	09/12/2023 09/19/2023 215,000.00	214,999.33 0.00 0.00 214,999.60	499.76 937.04 499.76 937.04	0.27 0.00 0.27 937.31	937.31
05592XAD2	BMWOT 2023-A A3 5.47 02/25/2028	07/12/2023 07/18/2023 5,454.51	6,841.13 0.00 (1,387.06) 5,454.18	6.24 31.19 4.97 29.93	0.11 0.00 0.11 30.03	30.03
3130ARF55	FEDERAL HOME LOAN BANKS 2.6 03/30/2027	03/30/2022 03/30/2022 3,000,000.00	3,000,000.00 0.00 0.00 3,000,000.00	19,716.67 0.00 26,216.67 6,500.00	0.00 0.00 0.00 6,500.00	6,500.00
36267KAD9	GMCAR 2023-3 A3 5.45 06/16/2028	07/11/2023 07/19/2023 11,188.86	13,060.10 0.00 (1,871.44) 11,188.70	29.66 59.32 25.41 55.07	0.04 0.00 0.04 55.11	55.11
362955AD8	GMCAR 2025-1 A3 4.62 12/17/2029	01/09/2025 01/15/2025 82,305.67	84,995.55 0.00 (2,694.33) 82,301.47	163.63 327.25 158.44 322.06	0.25 0.00 0.25 322.31	322.31

INCOME EARNED

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Cusip	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
47787CAC7	JDOT 2023-C A3 5.48 05/15/2028	09/12/2023 09/19/2023 59,830.29	68,864.88 0.00 (9,036.50) 59,828.71	167.73 314.49 145.72 292.48	0.32 0.00 0.32 292.81	292.81
48125LRU8	JPMORGAN CHASE BANK NA 5.11 12/08/2026	10/16/2024 10/17/2024 250,000.00	250,745.51 0.00 0.00 250,567.74	816.18 0.00 1,880.76 1,064.58	0.00 (177.78) (177.78) 886.81	886.81
693475BB0	PNC FINANCIAL SERVICES GROUP INC 1.15 08/13/2026	03/19/2025 03/20/2025 225,000.00	224,145.34 0.00 0.00 224,761.49	991.88 0.00 1,207.50 215.63	616.15 0.00 616.15 831.77	831.77
912797TN7	UNITED STATES TREASURY 07/16/2026	0.00	3,170,349.97 0.00 (3,175,000.00) 0.00	0.00 0.00 0.00 0.00	4,650.03 0.00 4,650.03 4,650.03	4,650.03
912797TW7	UNITED STATES TREASURY 08/13/2026	2,875,000.00	2,862,902.06 0.00 0.00 2,871,623.83	0.00 0.00 0.00 0.00	8,721.77 0.00 8,721.77 8,721.77	8,721.77
912797UK1	UNITED STATES TREASURY 10/15/2026	04/17/2026 04/20/2026 3,250,000.00	3,215,956.71 0.00 0.00 3,225,912.77	0.00 0.00 0.00 0.00	9,956.06 0.00 9,956.06 9,956.06	9,956.06
912797UZ8	UNITED STATES TREASURY 11/19/2026	05/19/2026 05/21/2026 3,000,000.00	2,957,494.38 0.00 0.00 2,966,839.59	0.00 0.00 0.00 0.00	9,345.21 0.00 9,345.21 9,345.21	9,345.21
912797VH7	UNITED STATES TREASURY 12/17/2026	06/18/2026 06/18/2026 3,000,000.00	2,947,105.81 0.00 0.00 2,956,808.30	0.00 0.00 0.00 0.00	9,702.48 0.00 9,702.48 9,702.48	9,702.48
912797VT1	UNITED STATES TREASURY 01/14/2027	07/16/2026 07/17/2026 3,250,000.00	0.00 3,188,274.60 0.00 3,193,389.96	0.00 0.00 0.00 0.00	5,115.36 0.00 5,115.36 5,115.36	5,115.36

INCOME EARNED

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Cusip	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
91282CLP4	UNITED STATES TREASURY 3.5 09/30/2026	03/16/2026 03/17/2026 3,400,000.00	3,398,404.90 0.00 0.00 3,398,948.29	29,912.57 0.00 39,991.80 10,079.24	543.38 0.00 543.38 10,622.62	10,622.62
			22,415,865.69 **3,188,274.60** **(3,189,989.32)** **22,462,624.63**	**52,304.30** **1,669.29** **70,131.03** **19,496.02**	**48,651.43** **(177.78)** **48,473.66** **67,969.68**	**67,969.68**
Total Fixed Income		**22,623,779.34**				
			22,533,130.07 **6,380,272.89** **(6,378,263.92)** **22,583,857.33**	**52,304.30** **2,008.96** **70,131.03** **19,835.69**	**48,651.43** **(177.78)** **48,473.66** **68,309.35**	**68,309.35**
TOTAL PORTFOLIO		**22,745,012.04**				

CASH FLOW REPORT

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Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
AUGUST 2026							
08/03/2026	Dividend	31846V401	0.00	FIRST AMER:GVT OBLG D	584.30		584.30
08/13/2026	Coupon	693475BB0	225,000.00	PNC FINANCIAL SERVICES GROUP INC 1.15 08/13/2026		1,293.75	1,293.75
08/13/2026	Final Maturity	693475BB0	225,000.00	PNC FINANCIAL SERVICES GROUP INC 1.15 08/13/2026	225,000.00		225,000.00
08/13/2026	Final Maturity	912797TW7	2,875,000.00	UNITED STATES TREASURY 08/13/2026	2,875,000.00		2,875,000.00
08/17/2026	Coupon	02582JKD1	215,000.00	AMXCA 2023-3 A 5.23 09/15/2026		937.04	937.04
08/17/2026	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		66.54	66.54
08/17/2026	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,665.29		1,665.29
08/17/2026	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		319.54	319.54
08/17/2026	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	4,033.40		4,033.40
08/17/2026	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		266.66	266.66
08/17/2026	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	6,887.79		6,887.79
08/25/2026	Coupon	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028		32.29	32.29
08/25/2026	Principal Paydown	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028	1,248.87		1,248.87
August 2026 Total					**3,114,419.65**	**2,915.83**	**3,117,335.49**
SEPTEMBER 2026							
09/15/2026	Coupon	02582JKD1	215,000.00	AMXCA 2023-3 A 5.23 09/15/2026		937.04	937.04
09/15/2026	Final Maturity	02582JKD1	215,000.00	AMXCA 2023-3 A 5.23 09/15/2026	215,000.00		215,000.00
09/15/2026	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		235.21	235.21
09/15/2026	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	5,064.40		5,064.40
09/16/2026	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		58.98	58.98
09/16/2026	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,633.22		1,633.22
09/16/2026	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		304.02	304.02
09/16/2026	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	4,512.14		4,512.14
09/25/2026	Coupon	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028		26.60	26.60
09/25/2026	Principal Paydown	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028	1,226.03		1,226.03
09/30/2026	Coupon	3130ARF55	3,000,000.00	FEDERAL HOME LOAN BANKS 2.6 03/30/2027		39,000.00	39,000.00
09/30/2026	Coupon	91282CLP4	3,400,000.00	UNITED STATES TREASURY 3.5 09/30/2026		59,500.00	59,500.00
09/30/2026	Final Maturity	91282CLP4	3,400,000.00	UNITED STATES TREASURY 3.5 09/30/2026	3,400,000.00		3,400,000.00

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Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
September 2026 Total					**3,627,435.79**	**100,061.85**	**3,727,497.63**
OCTOBER 2026							
10/15/2026	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		212.08	212.08
10/15/2026	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	6,089.20		6,089.20
10/15/2026	Final Maturity	912797UK1	3,250,000.00	UNITED STATES TREASURY 10/15/2026	3,250,000.00		3,250,000.00
10/16/2026	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		51.56	51.56
10/16/2026	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,571.52		1,571.52
10/16/2026	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		286.64	286.64
10/16/2026	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	4,326.32		4,326.32
10/26/2026	Coupon	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028		21.01	21.01
10/26/2026	Principal Paydown	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028	1,076.28		1,076.28
October 2026 Total					**3,263,063.32**	**571.30**	**3,263,634.62**
NOVEMBER 2026							
11/09/2026	Coupon	48125LRU8	250,000.00	JPMORGAN CHASE BANK NA 5.11 12/08/2026		5,322.92	5,322.92
11/09/2026	Effective Maturity	48125LRU8	250,000.00	JPMORGAN CHASE BANK NA 5.11 12/08/2026	250,000.00		250,000.00
11/16/2026	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		44.43	44.43
11/16/2026	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,536.46		1,536.46
11/16/2026	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		269.99	269.99
11/16/2026	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	4,234.21		4,234.21
11/16/2026	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		184.27	184.27
11/16/2026	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	6,627.55		6,627.55
11/19/2026	Final Maturity	912797UZ8	3,000,000.00	UNITED STATES TREASURY 11/19/2026	3,000,000.00		3,000,000.00
11/25/2026	Coupon	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028		16.11	16.11
11/25/2026	Principal Paydown	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028	1,027.74		1,027.74
November 2026 Total					**3,263,425.96**	**5,837.71**	**3,269,263.67**
DECEMBER 2026							
12/15/2026	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		154.01	154.01
12/15/2026	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	4,551.38		4,551.38
12/16/2026	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		37.45	37.45
12/16/2026	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,464.11		1,464.11

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Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
12/16/2026	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		253.69	253.69
12/16/2026	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	3,999.74		3,999.74
12/17/2026	Final Maturity	912797VH7	3,000,000.00	UNITED STATES TREASURY 12/17/2026	3,000,000.00		3,000,000.00
12/25/2026	Coupon	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028		11.42	11.42
12/25/2026	Principal Paydown	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028	989.51		989.51
December 2026 Total					**3,011,004.75**	**456.56**	**3,011,461.31**
JANUARY 2027							
01/14/2027	Final Maturity	912797VT1	3,250,000.00	UNITED STATES TREASURY 01/14/2027	3,250,000.00		3,250,000.00
01/15/2027	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		133.22	133.22
01/15/2027	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	7,022.19		7,022.19
01/18/2027	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		30.80	30.80
01/18/2027	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,437.23		1,437.23
01/18/2027	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		238.29	238.29
01/18/2027	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	3,930.97		3,930.97
01/25/2027	Coupon	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028		6.91	6.91
01/25/2027	Principal Paydown	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028	974.08		974.08
January 2027 Total					**3,263,364.47**	**409.22**	**3,263,773.68**
FEBRUARY 2027							
02/15/2027	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		101.15	101.15
02/15/2027	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	6,558.67		6,558.67
02/16/2027	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		24.27	24.27
02/16/2027	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,417.13		1,417.13
02/16/2027	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		223.15	223.15
02/16/2027	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	3,701.22		3,701.22
02/25/2027	Coupon	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028		2.47	2.47
02/25/2027	Effective Maturity	05592XAD2	5,454.51	BMWOT 2023-A A3 5.47 02/25/2028	541.97		541.97
February 2027 Total					**12,218.99**	**351.05**	**12,570.04**
MARCH 2027							
03/15/2027	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		71.20	71.20
03/15/2027	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	4,949.11		4,949.11

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Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
03/16/2027	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		17.83	17.83
03/16/2027	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,292.28		1,292.28
03/16/2027	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		208.90	208.90
03/16/2027	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	3,572.75		3,572.75
03/30/2027	Coupon	3130ARF55	3,000,000.00	FEDERAL HOME LOAN BANKS 2.6 03/30/2027		39,000.00	39,000.00
03/30/2027	Final Maturity	3130ARF55	3,000,000.00	FEDERAL HOME LOAN BANKS 2.6 03/30/2027	3,000,000.00		3,000,000.00
March 2027 Total					**3,009,814.15**	**39,297.94**	**3,049,112.09**
APRIL 2027							
04/15/2027	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		48.60	48.60
04/15/2027	Principal Paydown	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	6,651.54		6,651.54
04/16/2027	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		11.97	11.97
04/16/2027	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,327.15		1,327.15
04/16/2027	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		195.15	195.15
04/16/2027	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	3,738.42		3,738.42
April 2027 Total					**11,717.11**	**255.71**	**11,972.82**
MAY 2027							
05/17/2027	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		5.94	5.94
05/17/2027	Principal Paydown	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	1,280.51		1,280.51
05/17/2027	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		180.76	180.76
05/17/2027	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	3,590.93		3,590.93
05/17/2027	Coupon	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028		18.23	18.23
05/17/2027	Effective Maturity	47787CAC7	59,830.29	JDOT 2023-C A3 5.48 05/15/2028	3,991.00		3,991.00
May 2027 Total					**8,862.44**	**204.92**	**9,067.36**
JUNE 2027							
06/16/2027	Coupon	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028		0.12	0.12
06/16/2027	Effective Maturity	36267KAD9	11,188.86	GMCAR 2023-3 A3 5.45 06/16/2028	26.95		26.95
06/16/2027	Coupon	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029		166.93	166.93
06/16/2027	Principal Paydown	362955AD8	82,305.67	GMCAR 2025-1 A3 4.62 12/17/2029	3,538.49		3,538.49
June 2027 Total					**3,565.44**	**167.05**	**3,732.49**
Grand Total		**36,099,848.80**			**22,588,892.06**	**150,529.14**	**22,739,421.20**

IMPORTANT DISCLOSURES

City of Banning | Account [redacted] | As of July 31, 2026

Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at www.chandlerasset.com.

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest.

LGIP Yields: Reported yields for local government investment pools may be presented as either the 30-day yield or the monthly distribution yield, as applicable. For certain funds, the 30-day yield is calculated using reported daily yield data. Yield calculations are subject to change and may not be directly comparable across funds.

LAIF Yields: Additional Disclosure for CA Clients - As a result of a reporting lag from the Local Agency Investment Fund (LAIF), reported LAIF yields represent the most recently available Daily Effective Yield and may reflect data from approximately 7–10 days prior to month-end.

Benchmark	Disclosure
ICE BofA 0-1 Yr US Treasury Index	The ICE BAML 0-1 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publically issued by the US government in its domestic market with maturities less than two years. Qualifying securities must haveat least one month and less than one years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of $1 billion. (Index: G0QA. Please visit www.mlindex.ml.com for more information)

Official website of the State of California

State of California
Office of the
State Treasurer

LAIF Monthly Statements

LAIF Monthly Statement

CITY OF BANNING
FINANCE DIRECTOR
P.O. BOX 998
BANNING, CA 92220

LAIF Account #: [redacted]
July 2026 Statement

Effective Date	TXN Date	TXN Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
7/15/2026	7/14/2026	QRD	1804274	N/A	SYSTEM	82,198.29

Account Summary

Beginning Balance:	8,420,445.52
Total Deposit:	82,198.29
Total Withdrawal:	0.00
Ending Balance:	8,502,643.81

State of California
Pooled Money Investment Account
Market Valuation
7/31/2026

Description	Carrying Cost Plus Accrued Interest Purch.	Amortized Cost	Fair Value	Accrued Interest
United States Treasury:				
Bills	$ 51,944,353,052.66	$ 52,445,137,655.53	$ 52,446,224,550.00	NA
Notes	$ 54,889,377,252.10	$ 54,841,608,180.01	$ 54,588,013,700.00	$ 563,144,840.50
Federal Agency:				
SBA	$ 290,811,186.01	$ 290,811,186.01	$ 288,399,175.48	$ 974,675.51
MBS-REMICs	$ 721,898.91	$ 721,898.91	$ 724,463.82	$ 3,149.22
Debentures	$ 4,521,184,405.12	$ 4,520,409,405.12	$ 4,486,472,810.00	$ 40,816,141.60
Debentures FR	$ -	$ -	$ -	$ -
Debentures CL	$ 2,450,000,000.00	$ 2,450,000,000.00	$ 2,428,360,700.00	$ 23,539,747.50
Discount Notes	$ 19,294,884,930.55	$ 19,460,190,708.22	$ 19,453,432,500.00	NA
Supranational:				
Debentures	$ 4,087,457,219.68	$ 4,085,308,608.56	$ 4,037,571,360.00	$ 48,644,740.30
Debentures FR	$ -	$ -	$ -	$ -
Debentures CL	$ 300,000,000.00	$ 300,000,000.00	$ 296,197,800.00	$ 3,074,500.00
Discount Notes	$ 5,648,485,180.57	$ 5,697,241,180.53	$ 5,696,279,100.00	NA
CDs and YCDs FR	$ -	$ -	$ -	$ -
Bank Notes	$ 500,000,000.00	$ 500,000,000.00	$ 499,470,879.16	$ 7,365,361.12
CDs and YCDs	$ 18,150,000,000.00	$ 18,150,000,000.00	$ 18,140,951,351.27	$ 194,381,625.01
Commercial Paper	$ 10,959,677,300.04	$ 11,054,712,024.98	$ 11,054,633,750.02	NA
Corporate:				
Bonds FR	$ -	$ -	$ -	$ -
Bonds	$ 1,118,607,227.91	$ 1,118,163,832.07	$ 1,109,931,954.00	$ 11,426,157.52
Time Deposits	$ 5,422,000,000.00	$ 5,422,000,000.00	$ 5,422,000,000.00	NA
PMIA & GF Loans	$ 235,475,543.00	$ 235,475,543.00	$ 235,475,543.00	NA
TOTAL	$ 179,813,035,196.55	$ 180,571,780,222.94	$ 180,184,139,636.75	$ 893,370,938.28

Fair Value Including Accrued Interest $ 181,077,510,575.03

Time Deposits and PMIA & General Fund loans
are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (0.997853260)
As an example: if an agency has an account balance of $20,000,000.00, then the agency would report its participation in the LAIF valued at $19,957,065.21 or $20,000,000.00 x 0.997853260

PMIA/LAIF Performance Report as of 08/19/26

Quarterly Performance Quarter Ended 06/30/26

LAIF Apportionment Rate[(2)]:	3.92
LAIF Earnings Ratio[(2)]:	0.00010743238142967
LAIF Administrative Cost[(1)*]:	.22
LAIF Fair Value Factor[(1)]:	0.998872382
PMIA Daily[(1)]:	3.83
PMIA Quarter to Date[(1)]:	3.81
PMIA Average Life[(1)]:	269

PMIA Average Monthly Effective Yields[(1)]

July	**3.84**
June	3.816
May	3.810
April	3.811
March	3.826
February	3.871

Pooled Money Investment Account Monthly Portfolio Composition [(1)] 07/31/26 $179.8 billion

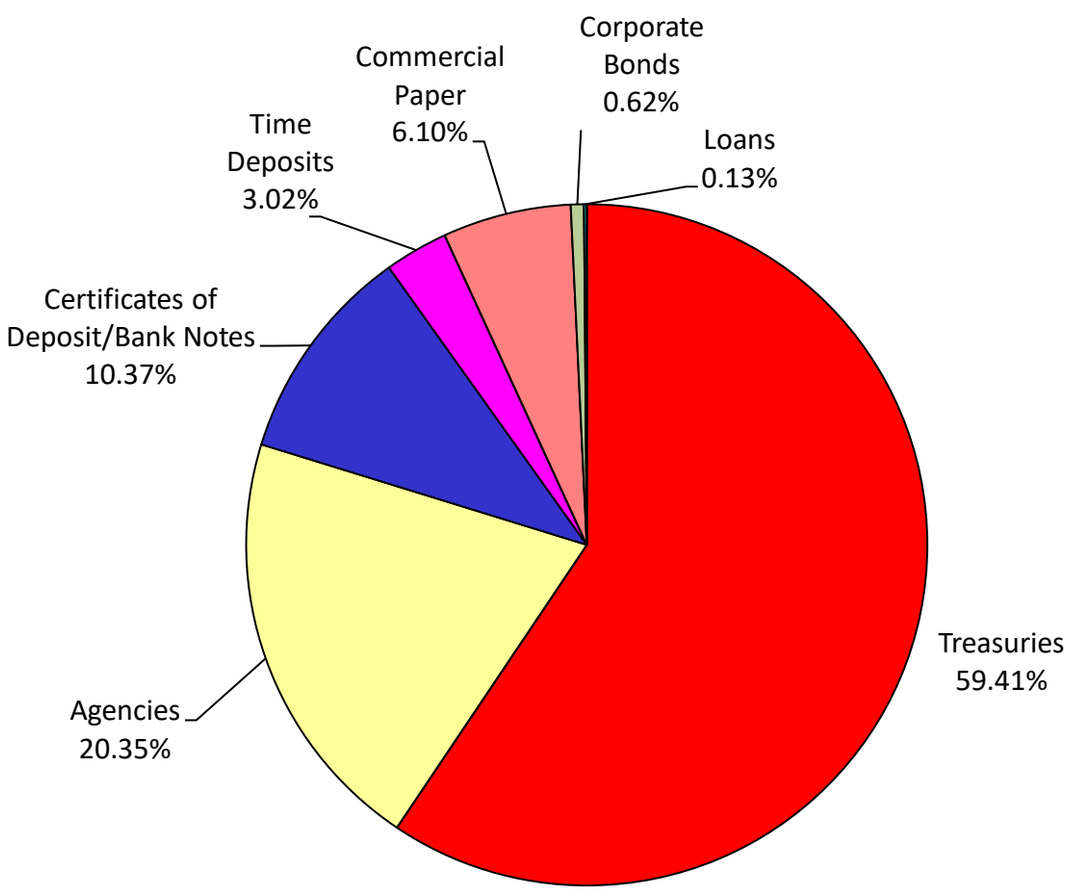

Chart does not include $722,000.00 in mortgages, which equates to 0.0004%. Percentages may not total 100% due to rounding.

Daily rates are now available here. **View PMIA Daily Rates**

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) .

**The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.*

Source:
(1) State of California, Office of the Treasurer
(2) State of California, Office of the Controller

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Art Vela, Director of Public Works**
MEETING DATE:	**September 8, 2026**
SUBJECT:	**Consideration of Resolution 2026-115, Awarding Professional Services Agreements to CBRE, Inc., Santolucito Dore Group, Inc. and Epic Land Solutions for On-Call Real Property Appraisal Services in a Total Aggregate Not-to-Exceed Amount of $50,000, with Renewal Options, and Rejecting All Other Proposals**

STAFF RECOMMENDATION:

Adopt Resolution 2026-115

BACKGROUND:

The City owns several properties that it may consider selling. Before proceeding with the disposition of these properties, the City should obtain professional appraisals to determine their current fair market value. The City may also require appraisal services in connection with future property acquisitions for right-of-way purposes and other real estate-related matters.

To ensure access to qualified professional support, the City issued Request for Proposals No. 26-128 for Real Property Appraisal Services through the City's ProcureNow/OpenGov procurement system. The solicitation was posted on April 22, 2026, and proposals were due on May 20, 2026. The RFP requested that qualified firms provide on-call appraisal services for City-owned properties being considered for disposition, as well as for properties the City may consider acquiring for various public purposes.

The City received seven proposals, which were ranked as follows:

1. CBRE, Inc.
2. Santolucito Dore Group, Inc.
3. Epic Land Solutions, Inc.
4. Bender Rosenthal Incorporated
5. Capital Realty Analysts
6. BBG, Inc.
7. Arens Group, Inc.

An evaluation committee reviewed and scored the proposals based on the firms' qualifications, relevant experience, proposed approach, ability to provide the required services, and pricing. Based on the evaluation results, staff recommends establishing a bench of three on-call appraisal consultants consisting of CBRE, Inc., Santolucito Dore Group, Inc., and Epic Land Solutions, Inc.

The total aggregate compensation for all three consultants will not exceed $50,000 during the initial one-year term of the agreements. The City will have the option to renew the agreements for up to four

additional one-year periods, subject to available funding and satisfactory performance.

The aggregate contract amount is not intended to be divided equally among the consultants. Rather, assignments will be issued on an as-needed basis to the consultant best suited to the specific property, scope of work, schedule, and proposed fee. Work will only be authorized through individual task orders and within the approved aggregate not-to-exceed amount.

JUSTIFICATION:

Establishing a bench of qualified appraisal consultants will provide the City with timely access to specialized expertise for a variety of real estate transactions. The proposed bench structure will allow the City to select the firm best suited for each assignment based on experience, availability, scope, cost and absence of conflict of interests while maintaining flexibility and competitive pricing. Professional appraisals will also provide reliable market information to support informed decision-making and protect the City's financial interests when acquiring or disposing of real property.

FISCAL IMPACT:

The total aggregate compensation for appraisal services will not exceed $50,000. Funding will be allocated among CBRE, Inc., Santolucito Dore Group, Inc., and Epic Land Solutions, Inc. based on authorized assignments and the City's needs.

Because appraisal services may support multiple departments, properties, and projects, the applicable account numbers will be identified when individual task orders are authorized. No individual consultant is guaranteed a minimum or specific dollar amount under the bench agreements.

Funding will be made available as part of the Fiscal Year 2026/2027 Operating Budget and/or Capital Improvement Budget.

ATTACHMENTS:

1. Reso_2026-115.docx
2. CBRE Proposal.pdf
3. CBRE Price Proposal.pdf
4. EPIC Proposal.pdf
5. EPIC Price Proposal.pdf
6. Santolucito Dore Group Proposal.pdf
7. Santolucito Dore Group Price Proposal.pdf
8. Contract_No_C01289_-_Santolucito_Dore_Group_Inc_-_On-Call_Real_Property_Appraisal_Services JT edited.docx
9. Contract_No_C01288_-_Epic_Land_Solutions_-_On-Call_Real_Property_Appraisal_Services JT edited.docx
10. Contract_No._C01290_-_CBRE_Inc_-_On-Call_Real_Property_Appraisal_Services JT edits.docx

RESOLUTION 2026-115

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING ON-CALL PROFESSIONAL SERVICES AGREEMENTS WITH CBRE, INC., SANTOLUCITO DORE GROUP, INC., AND EPIC LAND SOLUTIONS, INC. FOR REAL PROPERTY APPRAISAL SERVICES IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $50,000

WHEREAS, the City of Banning owns real property that may be considered for sale, lease, exchange, or other disposition and may also need to acquire real property for various public purposes; and

WHEREAS, professional appraisal services are necessary to determine the fair market value of properties and to support informed decisions regarding the acquisition and disposition of real property; and

WHEREAS, on April 22, 2026, the City issued Request for Proposals No. 26-128 for Real Property Appraisal Services through the City's ProcureNow/OpenGov procurement system; and

WHEREAS, proposals were due on May 20, 2026, and the City received seven proposals in response to the solicitation; and

WHEREAS, an evaluation committee reviewed and ranked the proposals based on qualifications, relevant experience, proposed approach, ability to provide the required services, and pricing; and

WHEREAS, following the evaluation process, City staff determined that CBRE, Inc., Santolucito Dore Group, Inc., and Epic Land Solutions, Inc. are qualified to provide the requested real property appraisal services; and

WHEREAS, establishing a bench of qualified appraisal consultants will provide the City with flexibility to assign work based on the nature of each appraisal assignment, consultant expertise, availability, schedule, and proposed cost; and

WHEREAS, the total aggregate compensation for services provided by all three consultants during the initial one-year term shall not exceed $50,000; and

WHEREAS, the proposed agreements may be renewed for up to four additional one-year periods, subject to satisfactory performance, available funding, and approval in accordance with the City's purchasing policies and applicable authority.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The City Council approves Professional Services Agreements with CBRE, Inc., Santolucito Dore Group, Inc., and Epic Land Solutions, Inc. for on-call appraisal services in a total aggregate not-to-exceed amount of $50,000, and rejects all other proposals received in response to RFP No. 26-128.

SECTION 2. City Council authorizes the City Manager or designee to approve up to four (4) additional single-year renewals of the agreements, subject to satisfactory performance, available budget appropriations, City needs, and applicable purchasing requirements.

SECTION 3. City Council authorizes the City Manager or designee to make necessary non-substantive revisions to the agreements, execute the agreements and related task orders, purchase orders, and documents necessary to implement the agreements, and make necessary budget adjustments, appropriations, transfers and account coding assignments related to grant writing and grant management services.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 8th day of September 2026.

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

Phaedra Norton, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLP

CERTIFICATION:

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-115, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 8th day of September 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sandra Calderon, Deputy City Clerk
City of Banning, California

Exhibit A
Draft Agreements

RESPONSE TO REQUEST FOR PROPOSAL (RFP)

RFP 26-128 Real Property Appraisal Services On Call List

May 19, 2026

Prepared For:

Ellen Clifford
Purchasing Manager
City of Banning
99 East Ramsey Street
Banning, CA 92220
T: (951) 922-3121
E: eclifford@banningca.gov

Prepared By:

Nicole B. Galvez
Vice President
CBRE, Inc.
5921 Owensmouth Avenue
Woodland Hills, CA 91367
T: (818) 251-3646
E: nicole.galvez@cbre.com

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SECTION A. COVER LETTER

Nicole B. Galvez
Vice President
CBRE, Inc.
Valuation & Advisory Services

5921 Owensmouth Avenue
Woodland Hills, CA 91367
nicole.galvez@cbre.com
(818) 251-3646
www.cbre.com

SECTION A. COVER LETTER

May 19, 2026

Ellen Clifford
Purchasing Manager
City of Banning
99 East Ramsey Street
Banning, CA 92220
T: (951) 922-3121
E: eclifford@banningca.gov

Submitted via OpenGov

Dear Ms. Clifford:

CBRE, Inc. is pleased to respond to your Request for Proposal (RFP) – RFP 26-128 for Real Property Appraisal Services – On-Call List, dated April 22, 2026. This proposal is submitted to comply with the submission deadline of no later than 4:00 p.m. on Wednesday, May 20, 2026. Nicole B. Galvez, Vice President, and Michael R. Rowland, MAI, FRICS, CCIM, Executive Managing Director, are authorized to sign documents on behalf of CBRE, Inc., and will be the principal contact/signatories for this RFP for work to be completed for the City of Banning (City). Ms. Galvez's contact information is noted in our letterhead above, and Mr. Rowland can be reached at: 2575 East Camelback Road, Suite 500 | Phoenix, Arizona 85251, T +1 602 735 5508 | michael.rowland@cbre.com.

CBRE is uniquely qualified to handle appraisal work for the City due to the depth of our experience in the Southern California market and our extensive experience in appraising properties in Riverside County, including on behalf of public agency clients, right-of-way firms, and transportation authorities. We are well-equipped to provide professional appraisal services for the acquisition and disposition of property rights necessary for public works improvement projects. We are also experienced in providing appraisal services for various improvement projects, including appraisal services for City-owned facilities and buildings and may include surplus or unused property.

We have handled a significant number of assignments which involved a large number of properties that are relevant to the appraisal needs of the City. These included providing various real property appraisals and related services involving full and partial acquisitions related to residential, commercial, industrial, agricultural and special use properties.

The table of contents identifies the specific items contained within this statement of qualifications, which is intended to be fully responsive to your RFP. All elements of the RFP have been reviewed and understood, and we have provided our comments to the terms and conditions presented in the Sample Agreement at the end of this proposal under Section N – Certificate of Compliance.

Thank you for the opportunity of submitting this response to your RFP. We are readily available for an interview to further discuss our proposal and experience. If you have any questions or comments, please feel free to reach out directly to me. I welcome the opportunity to respond to your questions and comments.

Best regards – CBRE, VALUATION & ADVISORY SERVICES

Nicole B. Galvez
Vice President

SECTION B. PROPOSAL

SECTION B. PROPOSAL

A. Firm Statement of Understanding and Approach

Understanding of the City and the Project Scope of Services

We understand that the City is seeking on-call real property appraisal services to provide the appraisal, valuation, and related consulting services for public works improvement projects, acquisition or disposition of property by the City. The sale, purchase, and disposition of City-owned property must comply, as applicable, with the reporting requirements set forth in:

1. Uniform Standards of Professional Appraisal Practice (USPAP),
2. California Code of Civil Procedure, particularly Title 25-Housing and Community Development Code of Regulations,
3. Title XI of the Financial Intuition Reform, Recovery, and Enforcement Act (FIRREA),
4. California Code of Regulations,
5. California Government Code, and
6. California Department of Transportation Services (Caltrans) Right of Way Manual if federal funding is involved for a specific project.
7. Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and applicable federal regulations (when federal funding is involved)

It is our understanding that the real estate valuation needs of the City would be similar to those of other large public agencies for whom we have provided services. We would expect our services for the City to fall into the following categories:

- Acquisition of fee simple interest property rights, either as full fee acquisitions or as partial acquisitions.
- Acquisition of dedicated easement rights for utilities, streets, temporary construction easements (TCEs), or other specified needs.
- Completion of these valuation services in the context of a single or multi-parcel acquisition appraisal assignment.
- Valuation of excess City properties for lease or sale.
- Establishing the lease and/or license rate structure for lessees/license holders who are granted the right of limited property use within utility, flood control or other corridors.
- Assisting in the establishment or renegotiation of ground rent for existing corridors or other property in which the City is a land lessee
- Valuation of City properties that are used in bond financing programs, Mello-Roos Community Facilities projects, etc.
- Valuation of property used to set in-lieu park fees under the Quimby Act.
- Special valuation needs and consulting services.

CBRE's VAS Group considers all applicable approaches to value in each appraisal and uses accepted methodologies that are appropriate for the type of property being appraised. Scope of work and appraisal formats are discussed with the client in advance in order to meet with the client's objectives.

We present our descriptions of all tasks necessary to perform the required services at the onset of the City's appraisal assignment(s) as follows:

Overview of Technical Approach for Appraisals

Appraisal Methodology

All of our appraisal work is completed pursuant to USPAP, and all appraisals prepared for potential acquisition purposes, subject to an eminent domain action, are also prepared in compliance with the California Code of Civil Procedure Section 1263.320. The methodology utilized in eminent domain appraisals is consistent with the methodology found in the Caltrans Right of Way Manual, Chapter 7. When appropriate, we prepare full and partial acquisition appraisals subject to the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA). We are also experienced in providing appraisals based on Federal Aviation Administration (FAA) guidelines as well as California Department of General Services (DGS) guidelines.

Appraisal assignments would be completed with the use of the most appropriate valuation methods for the specific property type. These include the Sales Comparison Approach, the Income Approach, and the Cost Approach. For single-family residential properties, the Sales Comparison Approach is usually the most relevant approach and is typically the only one that has application to the property. For income-producing properties, including multifamily residential properties, the Income Approach is commonly utilized along with the Sales Comparison Approach. For buildings that are newer (non-residential), or which contain fairly specialized improvements, the Cost Approach is frequently relevant. Land is typically valued using the Sales Comparison Approach. Corridors are typically valued using ATF methodology.

In the process of completing appraisals of partial acquisitions, subject to California Eminent Domain Law, we give full consideration to possible severance damages and benefits that may accrue to the remainder parcel as a result of the acquisition and project. We are very experienced in preparing damage studies that are well researched and have been accepted by the courts when we are called to testify. When we conclude that there are damages, every attempt is made to quantify benefits that accrue to the remainder, as benefits can be utilized to offset severance damages. In the State Rule, benefits may not offset the value of the actual acquisitions.

When completing an appraisal for a partial acquisition that is subject to the guidelines of UASFLA, a complete before and after analysis is required. The Federal Rule differs from the State Rule in that benefits can offset the value of the parts taken. However, it should be noted that when applying the Federal Rule, a direct calculation of the value of the parts acquired, damages and benefits is not undertaken. Rather the property is appraised in its before condition and this is compared the what the value of the property would have been on the date of value if the project were implemented, and the acquisitions already made. The difference between the before and after valuations results in the value of the proposed acquisitions.

In certain assignments, we would expect to encounter appraisals dealing with vacant land and/or various types of easements affecting vacant land. For analysis of this type of property, an investigation into zoning and entitlements is a critical issue. Particular attention would be given to interviews with City representatives who are in the proper positions to comment on the entitlement process for the subject property. This level of investigation would also frequently include a review of relevant sections of the general plan, a review of specific plans that may affect the property, review of zoning, slope density analysis, fire department approvals, location in a sensitive habitat area, and investigations with other individuals at relevant governmental jurisdictions.

Non-Eminent Domain Related Appraisals

CBRE VAS considers all applicable approaches to value in each appraisal and uses accepted methodologies that are appropriate for the type of property being appraised. Scope of work and appraisal formats are discussed with the client in advance in order to meet with the client's objectives. These generally include the Cost, Sales Comparison and Income approaches to value.

Upon receiving authorization to proceed, we would complete a thorough inspection of the subject property(s) and review available information about its history(s) and operations. We would conduct an independent investigation of market factors, including investigations into comparable properties that would be relevant in the valuation process. We would analyze this data and develop an opinion of the value of the subject property based on the City's requested scope of work. Upon completion of our analysis, we would prepare an appraisal report in full compliance with USPAP.

Market Rent Appraisals

Market Rent Approach

We are uniquely qualified to conduct Market Rental Surveys on behalf of the City. Being part of CBRE allows us access to a wealth of data. This includes not only data that is available from public sources such as CoStar, MLS, professional organizations and Internet searches, but includes access to our proprietary data base system. Our proprietary data system allows us not only to find comparable rental (lease) data, but also give us access to the unique deal points of the transactions that our brokerage firm was involved with.

Improved Properties
Our general approach to conducting a rental survey is to view the subject property and understand the tier of market in which it competes. We then review our data sources and reach out to brokers active in the segment of the market we are surveying and locate the buildings which we feel are the primary competition for the subject. Once making this determination we strive to locate recent leasing activity in these buildings. If no data is available in the primary competitive buildings, we look to the secondary competition.

Once the data is located, we can present it to the City as a survey, or we can analyze it with respect to a particular asset. Alternatively, we can compare a number of transactions to determine which is the most advantageous by considering the present value of the various leases.

To determine the market rent for improved properties we generally rely on a direct comparison of comparable leased properties. However, for special purpose properties, we may need to rely on a rate of return applied to a valuation of the property as improved (most often concluded by the cost approach).

- Non-Special Purpose Properties: As previously indicated we rely on a direct comparison of comparable lease properties. Comparable data is obtained by interviewing active market participants such as brokers, investors and property owners. We also review public records, when appropriate and utilize pay data services such as CoStar. We also have an internal data base that is proprietary to CBRE. We are able to access rental comparable data from across the county utilizing this system. While we generally focus on comparable transactions that are in the same market area as the subject, there are instances where a national search may be appropriate.

  Factors of comparison that are considered include, but are not limited to the following:

  - Lease date
  - Lease term
  - Escalation factors
  - Free rent
  - Tenant improvements and other concessions
  - Location and access
  - Size
  - Quality and condition of the improvements
  - Property type and use
  - Coverage ratio

- Special Purpose Properties: As previously indicated, for special purpose properties, where there is not an active market for leases, we often apply a market derived rate of return to the improved property value. For special purpose properties, the cost approach is the typical valuation methodology employed. This involves determining a value for the underlying land and adding to it a depreciated replacement cost for the improvements. To determine the appropriate rate of return to apply to the improved value of the improvements, we follow a procedure similar to that associated with ground leases, described previously.

Ground Leases, Easement Rents and License Rates of Land
The two primary methods for analyzing the rental value of land as if vacant are described below.

1. Analyze recent leases of sites that are similar to the subject and conduct a direct comparison process using these comparable lease transactions.

2. Reach an opinion regarding the market value of the subject land as if vacant and conduct an analysis that leads to a conclusion as to the appropriate annual rate of return to apply to the land value.

We would conduct a search in an effort to find comparable land lease transactions that would allow us to perform the first study. Depending on the type of land involved and its location, comparable data may or may not be available. To search for comparable ground leases, we rely on interviews with active market participants, interviews with representatives of public agencies know to be active in leasing land, a search of public records, pay data services such as CoStar, as well as our internal data base.

A direct comparison of the comparable leases is the most ideal way to conclude to a market rent for land. Comparable ground leases are analyzed based on highest and best use of the underlying land, location, date of lease, term of lease, type and frequency of rent escalations and the frequency the ground lease adjusts to market. Consideration is also given

to the methodology utilized to initially set the market rent and ground lease terms associated with the comparables. Any free rent or other incentives provided are also considered.

It is important to note that limited current and comparable transactional data is often available. As such, we often focus on the latter method of analysis (item 2 above), which involves reaching an opinion regarding the market value of the subject land as if vacant and conducting an analysis that leads to a conclusion as to the appropriate annual rate of return to apply to the land value. To determine the underlying value of the subject land, we generally rely on the sales comparison approach to value, whereby we compare sales of comparable land transactions to the subject. Generally, the subject land is valued based on its highest and best use as vacant, unless an existing ground lease requires a different methodology.

Once a conclusion of land value is reached for the subject land, it represents the appropriate starting point in the appraisal of the market rental value. The next steps in this process are:

1. Identify and analyze data that is relevant for the purpose of setting the appropriate annual rate of return.

2. Examine the similarities and differences between the rate of return comparables (and other data) and the terms of the subject lease. Make adjustments as warranted to account for the material differences.

3. Apply the results of the analysis and express an opinion regarding the market rental value, taking care to explain how this rate is applied within the context of the ground lease obligations for the option term. Our conclusions can either be presented as a point estimate of market rent, a range or both.

4. If we are asked to value an easement rent or license, a factor is typically applied to the concluded market rent for the fee simple bundle of rights.

Eminent Domain/Condemnation Related Appraisals

Our efforts will at all times be centered on our profound respect for property rights. This includes both the property owner's right to full use and enjoyment of their property and the client's right to acquire all necessary property rights for public or private use. This perspective will guide our efforts toward just compensation and allow the client to acquire rights-of-way and to minimize the amount of potential litigation.

If a large multi-property assignment is awarded, we would like to set a meeting with the project manager at the City to discuss the project and to glean any information available as to property owner concerns and project impacts. We have found that sitting with the client at the onset of a larger multi-property assignment and going over the individual properties and reviewing maps together can result in tremendous time savings down the road. In the case of an individual property award, this can often be handled over the phone.

Our process, once authorized, typically will follow this general framework. Please note that once engaged, we will consult with the client to customize an appraisal process to meet the needs of the contract.

Property Owner Notification (as needed): At commencement of engagement, CBRE will identify the properties to be appraised with information such as address, tax parcel identification number, owner of record, type of property, site size, and building size. Upon collection of the parcel specific information, CBRE will prepare letters to the owners of record for each parcel. These letters will outline the scope of the project and the purpose and use of the proposed acquisition in fee and/or easement. Letters will be delivered via certified mail to the owners of record within approximately one business week from commencement of engagement. CBRE will be responsible for the cost of delivery of the certified letters.

Front-End File Development: In conjunction with development of the market study if requested, our administrative staff, in conjunction with one of our right of way valuation experts, will develop individual files for each parcel in the project. Each file will contain all correspondence with property owner of record, assessor records, floodplain maps, zoning maps, surveys of the whole property and proposed acquisition, legal descriptions of the whole property and proposed acquisition, title commitments, right of way maps, easement documents, aerials, etc. Development of files is anticipated to be completed within approximately two weeks after commencement of engagement.

Inspection and Property Owner Interaction: Within one to two weeks after our administrative staff have mailed certified letters to the owners of record, we would anticipate return responses from the property owners. During this correspondence period, CBRE would attempt to set up inspections of the identified parcels. As needed, CBRE staff will send out an additional letter, via certified mail, which outlines the information which CBRE will be requesting in order to complete the appraisal assignment.

An appraiser/right of way expert will attend each property inspection and insist on providing each property owner the opportunity to articulate the project's effect on their property. This is coordinated with the City, if a City representative

wishes to be present. The Vice President and/or Senior Appraiser remains directly involved in all aspects of the inspection, analysis, and appraisal completion. Limited amounts of research assistance may be provided by less senior appraisal staff, under the direct guidance and supervision of the project's Vice President and/or Senior Appraiser. This serves to provide an error-free report, with a well-developed opinion of the fair market value of the acquisitions and decrease the chances of litigation. The inspections of the parcels would include an inspection of the interior and exterior of all improvements located on the parcel as well as an inspection of the proposed acquisition. However, please note that our level of inspection will be contingent on the cooperation of the landowner of the parcel(s) affected by the Project.

Valuation: Applying the market data and feedback from the property inspection and meeting with the owners, the CBRE team will analyze the property and determine the fair market value of the acquisition(s) that is due to the property owner.

The appraisal reports will be written according to the applicable requirements and guidelines with the market value definition being based on current Federal and State standards. The development of the appraisal will consider all relevant facts and aspects of the property being appraised and the proposed acquisitions in fee and/or easement.

If there are damages, CBRE will estimate the cost to cure and effective age of the improvements within the proposed acquisition and any effect(s) to the remainder after the acquisition. Our analysis may utilize sources such as the Marshall & Swift Valuation Guide and/or construction cost estimates developed by outside consulting firms. Further, depending on the complexity of the appraisal assignment, CBRE, Inc. may consult with a certified land planner to determine appropriate land use plans and designs in the cost to cure and remainder after scenario.

Report Delivery: Our key personnel designated for work with the City specialize in various property types and are experienced in right of way projects. Ultimately, we will staff the project to meet the scope of the project within the required delivery time.

Appraisal Review Services

We have significant experience in the review of outside appraisals of all types, including those related to right-of-way acquisitions. We are familiar with the appraisal review requirements for Federal, State, City, and County-funded projects, to Title 25 California Code of Regulations §6000 et seq. §7260 et seq. of the California Government Code 42 U.S.C. §4601 et seq. (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970) and 49 CFR Part 24 to the extent they apply to the appraisal assignment. We are also experienced at reviewing appraisals subject to Federal Standards in accordance with UASFLA. The following are the general steps that we take in preparing these reviews.

1. Discuss the project with the client so that we can develop an appropriate scope of work and understand the client's needs. In addition, having a strong project overview will enable us to better understand the Project and be better prepared to review the individual reports.

    a) Generally, for right-of-way projects we are asked to review the reports and discuss them with the appraiser in order to obtain a credible appraisal for delivery to the client.
    b) In some cases (rarely) we find that we are unable to obtain a credible work product from the appraiser that we can recommend for approval. If this is the case, our scope of work may be expanded to include a reappraisal of the property or to recommend that another appraisal be obtained.
    c) Most right of way work in California must comply with the California Code of Civil Procedure, and the Caltrans Right of Way Manual in addition to USPAP, but in some instances the work needs to be compliant with UASFLA. This is part of our scope of work determination so that we know what standards the report should be reviewed to.

2. If possible, we like to be engaged at the outset of an assignment related to a right of way project that that we can act as a resource to the appraiser performing the appraisal if they have any questions. We understand that this is not always possible.
3. Make a determination of how many appraisals we will be reviewing related to a specific project and develop a spreadsheet summarizing these properties and their specifics, as well as the value conclusions and other pertinent details. This will enable us to help maintain a level of consistency across a project to the extent possible.
4. As appraisals come in for review, they are assigned to a senior review appraiser and to a researcher.
5. The researcher will be responsible for confirming all factual data in the report including land areas, zoning, confirmation of comparables through public records, ownership, etc. They will also check all mathematical calculations, including adjustments to comparable data. Any inconsistencies or errors are noted on the document and the report is given to the senior review appraiser.
6. The senior review appraiser will then read the appraisal report in its entirety, noting any sections that require further analysis or comment.

a) The review appraiser will review the research and analyses in the report with respect to its completeness, accuracy, adequacy, relevance and reasonableness.
b) The market data will be checked for reasonableness;
c) The appraisal methodology will be checked for applicability to the property type.
d) Adjustments to the comparable data will be reviewed and a determination will be made as to their market derived support or the reasonableness of the logical explanations for them.

7. The review appraiser will view the subject property and the comparables if a field review is requested. This is not done for desk reviews.
8. The review appraiser will develop an opinion as to whether the analyses are appropriate within the context of the requirements applicable to that work. Special consideration is given to the valuation of the parts acquired and any possible severance damages resulting from the project.
9. The reviewer will develop an opinion as to whether the opinions and conclusions are credible within the context of the requirement applicable to that work.
10. The reviewer will develop reasons for any disagreement and discuss these with the appraiser.
11. The goal is to work with the appraiser so that a credible appraisal is completed.
12. If the scope of work requires that the review appraiser develop his or her own opinion of value this is completed. Typically, this is not part of a review of a right of way appraisal at the outset.
13. The review appraiser prepares a review report for delivery to the client making our recommendation of acceptance and confirmation of applicable valuation standards. Any applicable Caltrans forms or project specific forms are included.
14. The review appraiser can prepare an appraisal summary to present to the property owner.

Our appraisal review services can be tailored to meet the needs of the City by adequately understanding your scope of work requirements. We can track all value conclusions on an appropriate unit basis for land and improvements and summarize easement values as a percent of land value for differing types of easements on a given project. This will enable the City to be confident that property owners are being treated fairly and consistently within a project area.

Firm Quality Control

Right-Of-Way Expert Review

At least one Right of Way appraiser (Expert) at the level of Vice President or higher will be assigned to each parcel. This expert will direct appraisal assignments within the project. Professionals and Experts discuss the assignments up front and periodically throughout to ensure all client expectations are being met. Right of Way Experts are selected based on their experience and credentials and are knowledgeable in current approved methodologies and applicable case law.

Key areas of review are:

- Engagement letter and required scope of work.
- Unique client requirements were followed.
- Applicable ownership history is presented.
- All Extraordinary and/or Hypothetical Assumptions are clearly stated.
- A detailed review of the entire report encompassing all sections, methodologies including damage/enhancement calculations (if any), etc.
- Only client approved appraisers are assigned, inspect subject properties and complete assignments (sign the certification and report). In most cases, it is acceptable for other licensed appraisal staff to significantly contribute, if this is approved by the client and adheres to USPAP.
- Consistency is maintained within the project regarding methodology, data used, value component conclusions and value conclusions. This will be accomplished through project review and audit.
- Proper right-of-way valuation methodology is utilized. The Expert will work with assigned appraisers to resolve questions regarding right-of-way specific valuation issues, as well as current case law application.
- Compliance with State guidelines.
- Proper report format utilized in the preparation of reports.

QRM Philosophy

CBRE's QRM philosophy helps to deliver superior quality products to our clients and is key to building a sustainable industry leading business. QRM practices set us apart from our competitors and is recognized by our clients as providing them with a distinct competitive advantage. One of our core philosophies is that QRM practices help win business, reduce losses, attract the best appraisers, and provide a safe and secure working environment.

We have also found that taking the time, up front, to thoroughly understand our clients' needs and how our services will be utilized enables us to act as a trusted consultant by making recommendations related to the type of appraisal report that should be ordered along with a discussion of the proper methodology and the impacts of that methodology. We have found that helping our clients understand their options and being able to make recommendations at the onset of an assignment (even pre-award) helps reduce any challenges in utilizing our deliverables for their intended use.

Quality Control

A major focus of our practice is preparing appraisals for litigation support and for public agency and right-of-way clients. As such, a high-quality and error-free product is a necessity. Our professional team members meet regularly to discuss relevant valuation topics, and exchange information from their knowledge and experience that is mutually beneficial in the completion of work for the City. An MAI will be involved in the determination of the appropriate approaches to value and analyses of each property. This approach has set an excellent foundation for the work we have completed on behalf of other public agency clients.

Additionally, all work prepared for the City will be independently reviewed by one of our MAI's prior to submitting it to the City for review. If we are awarded a multi-property assignment, the same MAI will review all of the appraisals relating to a given project to ensure that our values make sense and are consistent across a given project. The MAI signing the appraisal report will take full responsibility for the quality and all of the content in the appraisal and will be available to address any questions the City may have.

Lastly, the report writing software we have developed helps us to maintain consistency throughout our reports by employing linking technology. For example, the subject land area is typed once into Excel and is then linked and populated into our appraisal report (Word document) everywhere the land area is used.

Project Schedule for Appraisals

Project Schedule for Appraisals

Our work will progress through the completion of the following steps and others that may be deemed relevant as we complete the assignments. This schedule is written for a multi-property assignment and can be significantly compressed for a single assignment or a non-eminent domain assignment.

Week 1

1. Nicole Galvez will notify the administrative support staff of all jobs awarded and assign them to key personnel.
2. Within 24 hours, each individual property will be assigned a job number, posted on TOPS2 and attached to a routing form that follows the project through the production process. As part of this process, all of the properties are input into VIEW, our proprietary database and management system utilized in part to coordinate large property assignments.
3. Meet with client to review mapping, ownership records, aerial photos, and other project-specific documents.
4. Organize a series of work notebooks (one for each property being appraised) that will allow us to maintain a high level of organization throughout the project.
5. Prepare and send owner notification letters (for condemnation-related appraisals).
6. Determine if the services of a business/goodwill and/or Furniture, Fixtures & Equipment (FF&E) appraiser are needed If they are needed we would notify the City and request approval for their services. This is often done prior to the award of an assignment, however sometimes the need does not become apparent until after the appraisal process is started.

Weeks 2-3

7. Begin research for comparable sales and for relevant land use issues in appropriate jurisdictions.
8. Review subject title reports (if available).
9. Review the easement deeds for the subject properties.
10. Conduct onsite inspections of the subject properties and meet the property owners who have responded positively to our offers to do so (for condemnation-related appraisals).
11. Complete field inspection of comparable sale transactions.
12. Conduct confirmation interviews for the comparable sales.
13. Meet with representatives of relevant jurisdictions to review land planning maps and documents and to conduct appropriate interviews concerning zoning and general plans.
14. Prepare master report detailing appraisals for each geographic region.
15. Coordinate the services of outside sub-contractors (business/goodwill and/or FF&E appraisers) to ensure that all items are considered in an appraisal, but that there is no duplication or double counting.

Week 4

16. Senior appraisers meet with Jennifer Hsu, Alex Nunn, James Bray, John Ellis or Steve Parent to conclude preliminary values for a geographic region.
17. Complex valuation issues will be personally addressed by Jennifer Hsu, Alex Nunn, James Bray, John Ellis or Steve Parent.
18. Senior appraisers prepare valuation analysis within a framework that allows us to review values on a parcel-by-parcel basis, to assure the development of value opinions that are both well-supported and consistent across all parcels of the project.
19. For partial acquisitions, evaluate the impact of the acquisition and the project on the remainder, and complete the analysis of severance damages (for condemnation-related appraisals).

Weeks 5-6

20. Jennifer Hsu, Alex Nunn, James Bray, John Ellis or Steve Parent review all final valuations.
21. Senior appraisers finalize the appraisal reports, statements of valuation, and parcel diaries.
22. Organize the subject photos and comparable sale data sheets.
23. Upload all final documents to the designated, secure website or deliver electronic and hardcopies of reports as requested.

Post Delivery

24. We would anticipate receiving review comments (if any) from the City within a reasonable time frame upon delivery of the Appraisal Report. Upon receipt of any suggested revisions, we would deliver a revised Appraisal Report within three business days, or sooner if needed.

Project Schedule for Appraisal Reviews

A sample work plan for a **typical multi-property right-of-way appraisal review assignment is summarized as follows.** Upon receipt of notice to proceed, our work will progress through the completion of the following steps and others that may be deemed relevant as we complete the assignments. Please note that the time schedule below assumes multiple property appraisal reviews are awarded at a single time. This timeframe can be compressed for smaller assignments or to meet client needs.

Week 1

1. Assign the report to be reviewed to a researcher and senior appraiser.
2. Researcher will fact check all data in the report.
3. Senior appraiser will view subject and comparables, if a field review is requested.

Weeks 2-3

4. The senior review appraiser will thoroughly read the appraisal report for each subject property under review in its entirety, noting significant sections with an evaluative comment.
5. The review appraiser will make a determination of the appraisal's full compliance with USPAP and other applicable state and federal laws and regulations.
6. The review appraiser will evaluate the appraiser's support and reasonableness of the conclusion of highest and best use of the subject property(s) being appraised.
7. The review appraiser will evaluate the appraiser's support and reasonableness of the applications of the acceptable valuation approaches.
8. The review appraiser will evaluate the appraiser's support and reasonableness of the valuation conclusion(s).
9. The review appraiser will evaluate the completeness of the confirmation of the market data used for the purposes of estimating market value of the subject property(s).
10. Appraisal methodology will be checked for applicability to the property type.
11. Mathematical calculations will be checked for accuracy. The review appraiser may attempt to contact the original appraiser if there are questions to the inputs utilized in a discounted cash flow analysis.
12. If adjustments are made to market data, determination will be made as to their market-derived support or the reasonableness of the logical explanations for them.
13. The review appraiser will further make determinations of whether the real property appraiser's concluded value(s) is sufficiently credible.
14. Any questions or deficiencies will be addressed directly with the appraiser.
15. If a 2nd draft is submitted to correct deficiencies, it will be reviewed.
16. The appraisal review will be submitted to the City, along with the PDF of each appraisal report reviewed, after completion of the analysis. Our appraisal review will not include a re-appraisal of the property(s) without a change in the scope of services provided.
17. If we find that we are not able to recommend the appraisal for acceptance, we will notify you as soon as this determination is made so that you can decide how to proceed. This rarely happens but is a possibility.

18. We will be readily accessible to address any questions or concerns that arise from the City's review of our delivered work product. Attention to post-delivery inquiries will be a high priority item to be addressed immediately upon presentation.

Our deliverables can be tailored to meet the needs of the City, and any pertinent documentation agreed to up front. We can prepare a sample review template for major project and invite your input at the onset so that you are confident that all requirements are met and that the review is user friendly and meets your individual needs. All reviews can be prepared in a uniform format so that you know where to find what you need in every report. In some instances, the City may want something less than a full review. We can comment on general methodology or consult with the City relative to ongoing negotiations.

The only potential hurdles that we see with review work, related to the delivery of the project relate to timing and appraisal quality. If the appraisal(s) is (are) delivered late to the reviewer, it can cause delays in acquiring the right of way and hence delay the project. Due to the size of our staff, we can assign a researcher to all appraisals for review within a day of their receipt. The researcher can fact check the reports before they are given to the reviewer so that the reviewer can focus on the analysis, methodology and appropriates of the analysis and data. This enables us to review a significant number of reports in a short time. We can also group the appraisals so that the reviewer can view a number of the subject properties and comparables in a given day, rather than making multiple trips. This assumes a field review in required. In some instances, if an appraiser is running late, we can get them to send us their market data in advance of the report so that we can start the fact checking process and shave some time off of the review process.

It is our goal to always work with the appraiser so that a credible and quality product is delivered to the client. In those rare instances where we are unable to recommend an appraisal for acceptance, we have the ability to reappraise it ourselves, if you so desire. This can help to save time, and some cost as compared to retaining the services of a new appraiser.

Tailoring Our Services to Meet the Needs of the City

Management Approach to the Work

CBRE has business processes in place to perform the scope of services as set forth in the City's RFP. The firm operates a well-organized project management system that streamlines the workflow, freeing up our analysts to concentrate a very high percentage of their time on doing analysis rather than administrative tasks.

Prior to bidding on an assignment, Nicole Galvez would discuss the individual project with the appropriate representative of the City to make sure we understand the needs of the City and the purpose of the appraisal. This will allow us to advise the City as to special considerations and or alternative valuation analyses that they may want to consider. For right-of-way (eminent domain) assignments the general impact the project may have on the individual property(ies) to be appraised is discussed with the project manager. If possible, this would include a preliminary review of project maps (right-of-way maps) and aerial photographs. This will enable Ms. Galvez and/or the team leaders to provide an appropriate fee quote to the City that can result in the greatest economies of scale. For example, if it can be ascertained that an individual property or properties can be valued as land only, as the required acquisitions are minor and no severance damages are anticipated, then a lower fee can be quoted versus automatically assuming a full before and after analysis, as improved, must be undertaken.

In terms of the processes for workflow management, CBRE has business processes in place to perform the scope of work as set forth in the City's RFP. The firm operates a well-organized project management system (TOPS2) that streamlines the workflow, freeing up our analysts to concentrate a very high percentage of their time on doing analysis rather than administrative tasks.

As soon as a project (may include multiple appraisals for a large project) is awarded, each individual appraisal assignment is entered into TOPS2, is assigned to a senior appraiser, and is automatically assigned a unique job number and an electronic file is created. For multi-property assignments, an Excel Master Tracking Spreadsheet (EMTS) is created that is updated daily as milestones on each individual assignment are reached. This EMTS is maintained and updated daily through the assignment's completion. Every process has a column on the EMTS, so that at a glance, the precise status of each appraisal can be known at any moment in time. In this manner, CBRE is able to coordinate the large number of properties that it values on assignments, such as the valuation of over 100 properties under different ownerships impacted by the I-405 Improvement Project in Orange County. Such cases require thorough inspection of all of the properties involved on very tightly run inspection schedules. Individual assignments are easily tracked in TOPS2.

We propose to provide a copy of the EMTS (for multi-property assignments) to the City of on a weekly basis, so the progress of an assignment can be followed. If a different reporting frequency is requested, this can be easily

accommodated. The EMTS is tailored to the individual assignment and the reporting needs of the client. Items that are typically tracked include property identification number, APN, physical address, property owner contact information, date notice of intent to appraise letter is received, date owner notification letter sent, status of return receipt (all owner notification letters are sent certified mail, return receipt requested), date of inspection, ongoing summary of owner contact (parcel diary), comments (summarize missing information or items that require resolution), date draft report is anticipated to be delivered, actual date draft report is delivered, date review comments are received, date review comments are responded to, date of final report delivery. Similarly, we are able to accommodate any reporting requirements the City has for individual assignments.

Maintaining this type of system allows us to see at a glance if all milestones are being met so that we can deliver the assignment on time to our client. The EMTS is reviewed weekly or more often if necessary, and if any of the milestones are not being met, we have the ability to pull in more staffing to put a project back on track for timely delivery. If the delays are beyond our control, such as a lack of data received from the client or the property owner, we will notify you immediately (by phone and email) and will send out weekly reminders of what we are missing and the impact it will have on the timing for delivery. We will work with the City to determine if we can proceed without receiving requested information and will discuss the impact it will have on the appraisal. We take on-time delivery of a quality appraisal very seriously. It is the foundation of our business model.

If a larger multi-property assignment is awarded, we would like to set a meeting with the project manager at the City to discuss the project and to glean any information available as to property owner concerns and project impacts. We have found that sitting with the client at the onset of a larger multi-property assignment and going over the individual properties and reviewing maps together can result in tremendous time savings down the road. In the case of an individual property award, this can often be handled over the phone.

Information Requested from the City

The following items are typically requested to assist in our efforts at completing the appraisal(s) according to the terms set forth in our proposals to the City:

1. A survey or site plan that shows the boundaries of the subject land and the placement of all buildings and major site improvements.
2. A set of floor plans.
3. A summary of the square footage of all buildings, including an allocation of major categories of interior space.
4. Information concerning the age of all existing buildings and major site improvements.
5. A building condition assessment report.
6. An identification of all planned capital expenditures for the property.
7. Reports addressing the environmental status of the property and the presence or absence of any known adverse environmental conditions.
8. The most recent title policy or report.
9. Information concerning the acquisition and development history of the subject property, including details for any purchase or construction of the property within the last 10 years.
10. Information concerning any efforts to sell the property within the last five years.
11. Information concerning any offers to purchase the property within the last five years.
12. Operating income and expense statements for last three years, the current year-to-date, and the budget for the current year.
13. The current property tax bill.
14. A current and complete set of leases and a current rent roll.
15. Name and telephone number of contact to obtain access to the subject.
16. Copy of notice of decision to appraise.
17. Copy of legals and plats relating to the partial acquisitions.
18. Copy of proposed grant of easement language for each type of easement being acquired.
19. Name and phone number of acquisition agent for the property.
20. Any other information you would like us to consider or think would be helpful.

Additional Information Relating to Technical Approach

Firm Resources

CBRE valuation team members have access to all of the latest technology and software. Our analysts/appraisers have and/or utilize CBRE proprietary report software, Argus Valuation DCF and/or AE, Argus Asset Management, Flood Insights, NDC Data, Real Facts, Costar, ESRI, Real Capital Analytics, Hoovers, Hanley Wood Market Intelligence, LoopNet, Real Quest, Real Data Apartment Insights, all major Multiple Listing Services and Marshall Valuation Service. Our appraisers also have access to robust in-house research and GIS departments which provides our team members with the most current real estate information available. CBRE also uses the most current file sharing software. This allows us to receive and transmit large electronic files such as title work, CAD drawings, plats, images, as well as provide seamless and efficient electronic delivery of our appraisal reports to clients.

As part of CBRE, Inc., our firm has access to relevant transactions on a nationwide basis. While the most relevant data for any local assignment will be obtained from the local market, the ability to obtain accurate, verified data in other markets is a useful source of additional information to supplement local data.

Community Involvement

As real property appraisers, we work to maintain a solid and consistent flow of communication with the appropriate agency representatives who are involved in the project, and with the lead right of way agents who are working on the project. Our direct communication with property owners typically begins with a letter to the owner notifying them of our role as appraisers in the project and inviting them to meet us onsite for an inspection and an opportunity for them to discuss with us how the project might affect their property. We are always respectful of the owners, but we remain aware that our client is the City (agency). Therefore, we would not communicate our findings or opinions to the owners, or to anyone else without the City's specific permission.

In some projects we have been asked to participate in community meetings to explain the valuation process to a group of owners and other interested parties. If requested, we would be available to provide this service for the City.

Appraisal Scheduling

Our approach to bringing a project back on schedule as a result of a Consultant Team firm-caused delay, at no additional cost to the City is as follows:

- In a large multi-property appraisal assignment, we have the flexibility of adding additional appraisers from our staff to the assignment to get it completed more quickly than initially anticipated.
- Once we know we have been awarded an assignment, we can begin collecting all of the background information prior to receipt of final mapping or notice of decision to appraise letters. This includes determining highest and best use, researching zoning, general plan designation, property history, etc.
- The front end of the report can be drafted including the neighborhood and market analysis as well as the property description sections. This will enable us to focus on just the valuation once we receive the required information.
- If the assignment is multi-property in nature and requires the preparation of a specialized report template, this can be completed and reviewed while we wait for information.

If we have an idea of what the time delay will be, it may be prudent for us to start our market research for comparable data before all final property information is received. The challenge is that we want our market research to be current as of the date of value, so we do not want to begin the research phase too early.

We have a staff of nine qualified appraisers identified as key personnel. This includes five members of our team which are MAI's, and four Senior Appraisers, and our Senior Valuation Associates to support them. With this staffing level we can typically deliver an appraisal report within three to six weeks, depending on our current level of commitments. This allows us flexibility in meeting the timing needs of the City. For complex assignments we may need a longer time period to allow for specialized studies that may be required. We are generally able to get started on the foundational aspects of an assignment within one week of authorization to proceed. We accomplish this by having one of our MAI's team with a senior appraiser that can begin the collection of background data.

If multiple appraisals are awarded at the same time, the timeline may be extended somewhat, but we have the ability to have more than one Senior Appraiser work with an MAI and can also enlist the help of our Senior Valuation Associates. Also, we have found that when we are conducting multiple assignments at the same time in a given area there are many economies of scale that not only can reduce the time to complete a single appraisal but can reduce the fee we charge.

Commitment of Key Personnel

CBRE, Inc. has adequate labor resources to perform appraisal work for the City. Our firm has a reputation of delivering quality work, on-time, which has led to the substantial amount of repeat business we enjoy with our clients. Generally speaking, we can meet the timing requirements of all of our clients and have the ability to rush assignments when requested by adding additional personnel to any given assignment or task. We are generally able quote a report delivery of 3 to 4 weeks for any given assignment that is not eminent domain related. For eminent domain assignments we typically quote 6 weeks to allow time for the property owner(s) to be notified and respond to our request for inspection.

Firm Information Relating to City-Owned Facilities or Property

Please note that CBRE, Inc. also provides real estate brokerage services. Before the on take of any potential assignment and/or project, our firm completes an internal conflict check through Quality Risk Management (QRM) for precautionary measures. We do not anticipate this to have any outcome of the services our proposed key personnel intend to provide to the City in response to this RFP.

B. Company Information

Firm Profile

CBRE is the largest commercial real estate services and investment firm in the world tracing its roots to San Francisco in 1906. CBRE is a C-Corporation based in Dallas, Texas and operates more than 500 offices worldwide and has clients in more than 100 countries. CBRE's Valuation and Services Advisory Group (VAS) represents the largest appraisal firm in the world with more than 2,000 valuation professionals, completing in excess of 470,000 real estate valuation and advisory assignments each year. CBRE has a proven track record of providing valuation and advisory services for state, regional, and local governmental entities including counties, cities, and other municipalities. Proponent's principal office and office responsible for appraisal services for the City is located at 5921 Owensmouth Avenue, Woodland Hills, CA 91367. However, we have valuation professionals located in numerous offices in Southern California.

The CBRE team proposing on this RFP is the VAS Southern California team which specializes in preparing reports for public agencies, right of way projects (eminent domain) and for litigation support. Our client base is focused on serving public agencies, right of way firms, and the legal profession. We also serve investment advisory firms, corporations, developers, investors, and financial institutions. Our team's primary service area is Southern California, including Riverside, San Bernardino, Los Angeles, Ventura, Santa Barbara, Imperial, and San Diego counties.

Our team has over 200 combined years of experience working with and meeting the needs of public agencies at all levels of government. Each member of our senior staff has experience appraising properties in Riverside County, the Inland Empire, and the surrounding areas, and each has significant experience servicing public agency clients and is well-versed in meeting their unique needs. They have significant experience in valuing full and partial acquisitions associated with right of way projects, providing appraisal reviews, and conducting rental surveys.

Our VAS Southern California team is capable of providing full valuation services within the scope of a defined assignment, including analysis and definition of the appraisal problem, accurate and timely estimation of time and cost to the City to complete the project, research and data verification, highest and best use analysis, field inspection, valuation analysis, and reporting writing. In addition, CBRE, Inc.'s senior professionals can serve as expert witnesses in support of their work product in court and/or before arbitration boards. All of our work conforms to best business practices as generally recognized by other market participants, including other government agencies.

CBRE, Inc. was founded in 1906, and has been providing real estate appraisal services for over 115 years. Please note that select members of the VAS Southern California team was previously part of Integra Realty Resources – Los Angeles (Ellis Group, Inc. or IRR-LA) and Integra Realty Resources – Orange County (Elizabeth M. Kiley, Inc. or IRR-OC). These entities were acquired by CBRE, Inc. on March 10, 2023 and select appraisers have transitioned with us. All key team members proposed for work with the City have over five years of experience in providing appraisal services for public agencies. CBRE's extensive experience combined with our depth and breadth of staffing differentiates our firm from others in the market. Being part of the CBRE network allows our team of appraisers to leverage from the resources associated with the greater CBRE organization.

Below are details of the firm's identification as well as the information for the contact person on behalf of the firm:

Legal Name	CBRE, Inc.
Date Firm Founded	CBRE, Inc. is a C corporation (entity number 0777218), founded 1906 in San Francisco, CA and incorporated on December 15, 1971, in the State of Delaware.
Number of Employees	130,000 (Globally) 41,620 (United States of America) Please note the firm submitting this proposal is CBRE, Inc, and the CBRE group responsible for providing services for the City are members of CBRE's VAS Southern California team.
Name and Address of Proposing Firm	CBRE, Inc. 5921 Owensmouth Avenue Woodland Hills, CA 91367
Contact Information	Nicole B. Galvez Vice President CBRE, Inc. E-mail: Nicole.Galvez@cbre.com Phone: (818) 251-3646 Michael R. Rowland, MAI, FRICS, CCIM Executive Managing Director CBRE, Inc. E-mail: michael.rowland@cbre.com Phone: (602) 735-5508

The CBRE VAS Southern California team provides real estate valuation and counseling services for a broad range of property types, addressing diverse client needs. Our clients include governmental agencies, lending institutions, investment advisory firms, corporations, developers, investors, and the legal profession. While we service many types of client needs, our primary focus is on serving public agency clients and in providing litigation support and expert testimony. A substantial number of our clients retain us because of our ability to understand complex real estate valuation issues, to frame assignments in a manner which our clients (and the courts) can understand, and to be in a position of supporting our analysis and conclusions through the litigation process (including expert testimony at bench and jury trials).

We have been selected to provide litigation support services and expert testimony in real estate valuation matters in situations where:

- We have been asked to develop an independent opinion of a property's market value and to testify in support of our conclusions;
- We have been asked to provide rebuttal testimony concerning the methodology, analyses, and conclusions developed by another appraiser; and,
- We have been asked to address the standard of care requirements related to the performance of professional services by other appraisers.

In the area of litigation support, we have completed a variety of appraisal and counseling assignments covering many issues and property types. Appraisers at the firm are qualified in Superior and Federal courts throughout Southern California on real estate valuation issues. On several occasions, our Executive Vice President, John G. Ellis, MAI, CRE, FRICS, has been selected by the Los Angeles County Superior Court to act as a court-appointed, independent expert to assist the resolution of pending valuation issues. He is also an experienced arbitrator. James Bray, Steve Parent, and Ryan J. Dobbins are also qualified as expert witnesses.

The firm is experienced in the appraisal of investment-grade properties, including office buildings, shopping centers, industrial developments, hotels and motels, apartment and condominium complexes, mobile home parks, and industrial and residential subdivision acreage. We are also experienced in specialty property types including airport-related properties, auto dealerships, restaurants, bowling alleys, gas stations, churches, motion picture and performing arts theaters, cold storage and food processing facilities, parking structures, agricultural property, waterfront property, shipping terminals, and residential estates. We often value single-family residences as part of public works acquisitions. All of this experience is important in valuing full and partial acquisitions as part of right of way projects.

In addition to real estate valuation, we also complete specialized studies, including market demand, feasibility, highest and best use, reuse analysis, potential value diminution (from both internal and external influences), the valuation of partial interests, and the study of damages and benefits that may arise in condemnation matters.

Our review services can be either field or desktop reviews of appraisal reports (or other studies) prepared internally or by outside appraisers or consultants. If appropriate or necessary, our review services can be supplemented with an independent investigation of market conditions or comparable data which may not have been included in the original appraisal. Our experience in the property types described above enables us to complete review assignments in a capable manner.

We have handled a significant number of assignments which are relevant to the appraisal needs of the City. These include the appraisals and appraisal updates for partial and/or full acquisitions involving developed and undeveloped residential, commercial, industrial, agricultural and railroad properties within Riverside and San Bernardino counties. We have significant experience valuing railroad properties, flood control channels and other types of corridor properties. Our partial acquisition appraisals routinely involve the valuation of partial fee acquisitions, permanent easements, temporary construction easements and access or license agreements. We are commonly called upon to value surplus/excess properties and are familiar with the Surplus Land Act. We are often called upon to value ground lease properties or to aid in setting new ground rent rates. Completing appraisals for eminent domain use and providing litigation support and expert testimony are also services we regularly provide.

We are also experienced in providing appraisals in involving land for acquisition by conservation authorities, including the valuation of land, both developable and land with a highest and best use of open space or conservation. We are often called upon to value land for mitigation, conservation easements, and land that is identified as wetlands. Select members of our firm have extensive experience in appraising rural land throughout Southern California. This rural land has consisted of habitat conservation, open space, mitigation, low density residential, agricultural and ranch land.

CBRE VAS Southern California team is capable of providing full valuation services within the scope of a defined assignment, including analysis and definition of the appraisal problem, accurate and timely estimation of time and cost to the City to complete the project, research and data verification, highest and best use analysis, field inspection, valuation analysis, and reporting writing. In addition, our senior professionals can serve as expert witnesses in support of their work product in court and/or before arbitration boards.

Firm Litigation

As a global firm with approximately 130,000 employees, from time-to-time CBRE is involved in litigation incidental to its business. As a public company, any material litigation is disclosed in our Securities Exchange Commission (SEC) filings. In the company's opinion, no litigation to which CBRE is currently a party, if decided adverse to the company, is likely to have a materially adverse effect on CBRE's ability to perform the applicable services related to this RFP.

All senior professional staff members are current in their continuing education requirements in their status as certified general appraisers in the State of California. The CBRE VAS Southern California team, have not been disciplined in the last five years (or ever) as a Consultant by any government body or professional association.

C. Company Personnel

Company Personnel Experience

Firm Qualifications Overview

The CBRE team proposing on this RFP is the VAS Southern California team which specializes in preparing reports for public agencies, right of way projects (eminent domain) and for litigation support. Our client base is focused on serving public agencies, right of way firms, and the legal profession. We also serve investment advisory firms, corporations, developers, investors, and financial institutions. Our team's primary service area is Southern California, including Riverside, San Bernardino, Los Angeles, Ventura, Santa Barbara, Imperial, and San Diego counties.

Our team has over 200 combined years of experience working with and meeting the needs of public agencies at all levels of government. Each member of our senior staff has experience appraising properties in Riverside County, the Inland Empire, and the surrounding areas, and each has significant experience servicing public agency clients and is well-versed in meeting their unique needs. They have significant experience in valuing full and partial acquisitions associated with right of way projects, providing appraisal reviews, and conducting rental surveys.

Our VAS Southern California team is capable of providing full valuation services within the scope of a defined assignment, including analysis and definition of the appraisal problem, accurate and timely estimation of time and cost to the City to complete the project, research and data verification, highest and best use analysis, field inspection, valuation analysis, and reporting writing. In addition, CBRE, Inc.'s senior professionals can serve as expert witnesses in support of their work product in court and/or before arbitration boards. All of our work conforms to best business practices as generally recognized by other market participants, including other government agencies.

The CBRE VAS Southern California team provides real estate valuation and counseling services for a broad range of property types, addressing diverse client needs. Our clients include governmental agencies, lending institutions, investment advisory firms, corporations, developers, investors, and the legal profession. While we service many types of client needs, our primary focus is on serving public agency clients and in providing litigation support and expert testimony.

We are qualified to perform, and have previously completed, the following types of appraisal services on behalf of other public agency clients:

- Real property appraisals for acquisition, disposition, tax assessment, financing, (including bond financing), and other purposes such as Mello-Roos Community Facilities projects and Quimby Act.
- Appraisals of full and partial acquisitions, including but not limited to:
  a. Full and partial fee acquisitions
  b. Utility easements
  c. Pipeline easements
  d. Acquisitions impacting railroad corridors
  e. Highway and street easements
  f. Subsurface and aerial easements
  g. Flowage and seepage easement
  h. Subway tunnel easements
  i. TCEs
  j. Air rights
  k. Rail rights of way
  l. Real property interest associated with signboards (billboards)
- Review Appraisals for all types of appraisals, both as "desk reviews" and as "field reviews."
- Expert Testimony to support our appraisal opinions.
- Address complex valuation problems related to undeveloped land at various stages of the entitlement process, and we assist clients to analyze markets and feasibility.
- Benchmark appraisal studies.
- Valuation of historic structures for the purpose of adaptive reuse.
- Valuation of land for mitigation purposes
- Rental rate resetting studies for land and improved properties. For land we are often called upon to determine land values for a hypothetical property for use in setting land (ground) rental rates in an area. These can be used to set general land rental or improved property rates, or for use with the Quimby Act. These properties may include special-use sites such as flood control channels, rail corridors or transmission line corridors.
- Other consulting studies, as referenced on the professional qualifications.
- Project coordination services, project cost estimating for properties to be acquired and the cost for professional services related to acquisition, and consulting services to assist City staff in selecting the most suitable consultants for specific project tasks.

All key team members proposed for work with the City have over five years of experience in providing appraisal services for public agencies and providing appraisals of properties located within Riverside County. CBRE's extensive experience combined with our depth and breadth of staffing differentiates our firm from others in the market. Being part of the CBRE network allows our team of appraisers to leverage from the resources associated with the greater CBRE organization.

All of our senior team members proposed for work with the City have over ten years in appraisal experience, including working with municipalities, public sector agencies, and each member has extensive knowledge of various laws, regulations, and policies that govern public-agency client appraisals. All of our team members have more than ten years of experience working with public agency clients. It is only our Senior Valuation Analyst and Senior Associate that have less than five years of experience in this sector, and will only play a support role.

CBRE VAS Southern California team is capable of providing full valuation services within the scope of a defined assignment, including analysis and definition of the appraisal problem, accurate and timely estimation of time and cost to the City to complete the project, research and data verification, highest and best use analysis, field inspection, valuation analysis, and reporting writing. In addition, our senior professionals can serve as expert witnesses in support of their work product in court and/or before arbitration boards.

Key Personnel Resumes

All CBRE staff members identified in this proposal hold a minimum of a Bachelor's degree. In addition, all senior professional staff members are current in their continuing education requirements in their status as certified general appraisers in the State of California. Our Senior Valuation Analyst, Brian M. DeGuzman, does not hold a State License and is used only to support our senior staff members. Our Senior Valuation Associate, David Warren, holds a State License and will support our senior staff members. All of our senior staff familiar with the requirements of USPAP and especially with Standards Rules 1 and 2 that apply to the development of real property appraisals and the preparation of real property appraisal reports, including Standard Rule 3 for the preparation of appraisal review reports. The requirements of all applicable regulations are reviewed on a regular (and not less than annual) basis to assure our current knowledge of these requirements and the full compliance of our appraisal development and reporting. Similarly, our staff is well versed in preparing appraisals subject to UASFLA (or Yellow Book), Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended, and implemented by 49 CFR Part 24; the State of California Government Code, the State of California Relocation Assistance and Real Property Acquisition Guidelines (Title 25, California Code of Regulations CH 6, Art 1, Section 6000 et seq.), California Code of Civil Procedure, and the Caltrans Right of Way Manual. John G. Ellis, Steve Parent, and Ryan Dobbins are certified Yellow Book appraisers.

Select staff members belong to and are active members of professional organizations such as Appraisal Institute (AI), the International Right of Way Association (IRWA), the Counselors of Real Estate (CRE), and the Royal Institution of Chartered Surveyors (RICS). The education provided by these organizations provides a foundation for the appraisal methodologies which include acquisition and disposition appraisals, full and partial takings, easement and other limited property rights assignments, corridor valuation assignments, and the analysis of market rent for both vacant land and improved properties.

Collectively, our VAS Southern California team members have a particularly strong background in providing a variety of appraisal, appraisal review, and consulting services to a wide variety of public entities, including public agencies at the federal, state, and municipal levels. Many of these assignments have involved eminent domain, and all of our staff members have experience working on these eminent domain assignments. Non-eminent domain assignments for public agencies include (but are not limited to) the valuation of properties for ground rental rates, acquisition, disposition, license rates, and bond financing. We also review outside appraisals for our public agency clients and are often called upon to provide consulting services.

The qualifications of the senior professionals and our subconsultant proposed to work with the City are described in more detail below, with detailed qualifications and copies of licenses, designations, and certifications included following page 26 to this proposal:. Nicole B. Galvez Vice President, will be the Administrative Project Manager for all real estate assignments from the City for the duration of the agreement.

Below is a list of names of our firm's appraisers currently licensed by the BREA, including their title, phone number, and description of the work they will be assigned to for work on behalf of the City. Please note that five members of our team, hold the Member of the Appraisal Institute (MAI) designation:

Name/Title/Role	BREA License No.	MAI No.	Phone Number
Nicole B. Galvez Vice President Administrative Project Manager/Senior Appraiser	3005597		(818) 251-3646
Jennifer Hsu, MAI, ASA Director – Greater Los Angeles MAI Reviewer	AG038439	038439	(213) 613-3264
Alex Nunn, MAI Managing Director – Southern California MAI Reviewer	3002999	3002999	(858) 646-4737
James M. Bray, MAI, MRICS, CCIM Vice Chair MAI Reviewer	AG039243	AG039243	(619) 405-8128
John G. Ellis, MAI, CRE, FRICS Executive Vice President MAI Reviewer	AG007279	7337	(818) 251-3663
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS Executive Vice President MAI Reviewer	AG042853	462735	(916) 919-7262
Ryan J. Dobbins Vice President Senior Appraiser	AG029385		(818) 251-3665
Susan O. Gordon Vice President Senior Appraiser	AG040748		(818) 251-3670
Stephanie Kavanaugh Vice President Senior Appraiser	AG030565		(949) 809-3611

Relevant Appraiser Experience and Qualifications

Our key staff personnel available for completion of appraisal services for the City include their years of relevant appraisal experience, certifications, licenses, and designations as follows.

Name/Title/Role	Years of Appraisal Experience	Years of ROW Experience	Years of Conducting Appraisal Reviews
Nicole B. Galvez Vice President Administrative Project Manager/Senior Appraiser	12	12	8
Jennifer Hsu, MAI, ASA Director – Greater Los Angeles MAI Reviewer	25	20	20
Alex Nunn, MAI Managing Director – Southern California MAI Reviewer	16	16	13
James M. Bray, MAI, MRICS, CCIM Vice Chair MAI Reviewer	22	22	20
John G. Ellis, MAI, CRE, FRICS Executive Vice President	43	43	40

MAI Reviewer			
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS Executive Vice President MAI Reviewer	30	30	25
Ryan J. Dobbins Vice President Senior Appraiser	20	20	15
Susan O. Gordon Vice President Senior Appraiser	20	20	18
Stephanie Kavanaugh Vice President Senior Appraiser	22	22	20

Please note all key personnel (with the exception of our Senior Valuation Associate, Brian M. DeGuzman) are licensed as Certified General Real Estate Appraisers by the California Bureau of Real Estate Appraiser (BREA). Brian DeGuzman and David Warren will not be responsible for any appraisals prepared for the City. They will act in a supportive capacity to the senior appraisers. All senior professional staff members are current in their continuing education requirements in their status as certified general appraisers in the State of California.

Jennifer Hsu, MAI, ASA, holds the Accredited Senior Appraiser (ASA) designation provided by the American Society of Appraisers:

Name/Title	ASA No.
Jennifer Hsu, MAI, ASA Director – Greater Los Angeles	038439

James M. Bray, MAI, MRICS, CCIM is a Member of the Royal Institute of Chartered Surveyors (MRICS).

Name/Title	MRICS No.
James M. Bray, MAI, MRICS, CCIM Vice Chair	6689144

James M. Bray, MAI, MRICS, CCIM holds the Certified Commercial Investment Member (CCIM) designation from the CCIM Institute:

Name/Title	CCIM No.
James M. Bray, MAI, MRICS, CCIM Vice Chair	6689144

John G. Ellis, MAI, CRE, FRICS, currently holds the CRE certification and is a Fellow of RICS:

Name/Title	CRE No.	FRICS No.
John G. Ellis, MAI, CRE, FRICS Executive Vice President	2306	1250862

Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS holds the AI-General Review Specialist (GRS) credential from the AI.

Name/Title	AI-GRS No.
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS Executive Vice President	462735

Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS, is currently the only CBRE staff member who holds the SR/WA credential for the IRWA. However, John G. Ellis, MAI, CRE, FRICS, and Nicole B. Galvez are members of the IRWA.

Name/Title	SR/WA No.
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS Executive Vice President	6399

Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS, is currently the only CBRE staff member who holds the Right of Way – Appraisal Certification (R/W-AC) credential for the IRWA.

Name/Title	R/W-AC No.
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS Executive Vice President	6399

Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS, is currently the only CBRE staff member who holds the Senior Residential Appraiser (SRA) credential from the AI.

Name/Title	SRA No.
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS Executive Vice President	462735

Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS, is currently the only CBRE staff member who holds the AI-RRS hold the AI-Residential Review Specialist (RRS) credential from the AI.

Name/Title	AI-RRS No.
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS Executive Vice President	462735

Company Personnel Licensure

All senior professional staff members identified in this proposal are current in their continuing education requirements in their status as certified general appraisers in the State of California.

D. Disclosure

CBRE attests that our submitted Statement of Qualifications does not involve persons or entities specified below:

- Persons employed by the City, or by any public agency for which the City Council is the governing body, and any city official.
- Former city employees or officials that participated in the decision-making process leading up to this RFP.
- For-profit entities in which persons employed by the City (or by any public agency for which the City Council is the governing body) or former city officials serve as officers, principals, partners, or major shareholders.

For profit entities in which persons formerly employed by the City (or by any public agency for which the City Council is the governing body) or former city officials serve as officers, principals, partners, or major shareholders if the former employee or city official participated in the decision-making process leading up to this RFP.

E. Experience and References

CBRE Inc.'s VAS Southern California team experience is evidenced by the following summary of relevant appraisal assignments completed within the past five years that illustrate our experience. As previously mentioned, please note that some of this work was completed by our team under the Integra banner. The Integra offices in which select team members worked were acquired by CBRE, Inc. on March 10, 2023. As such, while the work was completed under the Integra banner, it represents work completed by the appraisal members that are currently part of the key personnel identified in this proposal. Please note that CBRE, Inc. has not filed for bankruptcy under any business name over the past five (5) years.

1. ***City of Banning, Banning Airport:*** Completed an appraisal of a portion of the Banning Municipal Airport comprised of 19.71 acres located north of East Westward Avenue and east of South Hathaway Street within the City limits. We valued the property as a standalone property based on its highest and best use. The purpose of the appraisal was to estimate the Fair Market Value of the property as of the current date. The appraisal was used to pay back FAA grants used to purchase the subject. This was in conjunction with the planned closure of the airport.

2. ***Riverside County Transportation Commission (RCTC), On-call appraisals:***

- Lake Elsinore Mitigation Site: Recently appraised six contiguous parcels of vacant land. It is located north of Grand Avenue and west of Kathryn Way, southeast of Lake Elsinore within the City of Lake Elsinore. The parcels are currently vested in the name of Lake Elsinore Mitigation Site, LLC. The intended use of the appraisal report is to assist the Western Riverside County Regional Conservation Authority (WRCRCA), in determining the market value of the subject property for possible acquisition purposes for the Multi-Species Habitat Conservation Plan (MSHCP).

- Ramona Expressway Project: For Gannett Fleming TranSystems, Inc. on behalf of RCTC, currently involved in the appraisal of various agricultural, residential, and vacant land properties comprised of 13 separate ownerships that are primarily located along Ramona Expressway in between the Ramona Expressway and Martin Street and Ramona Expressway and Warren Road intersection within the City of Perris. The purpose of these appraisals was to determine the fair market value of the parts acquired proposed for each property totaling 9 permanent easements and 10 TCEs in support of RCTC's Ramona Expressway Project.

- Amparan RCA: Currently appraising a single assessor parcel that is not contiguous. It is vacant land totaling approximately 20.00 acres sand is located on the northeast corner of Voyager and Intrepid Roads within the City of Murrieta. The property is owned by WRCRCA, which acquired the property via a donation on October 16, 2024, Document #2024-0311916. The purpose of the appraisal is to estimate the Fair Market Value of the fee simple interest in the property as of the current date of value. The appraisal will be used for asset management purposes.

- Schumacher Acquisition – R22527: Appraised a property comprised of a single parcel of vacant land totaling 47.70± acres and is located east of Calle de Mucho and north of Avocado Mesa within the City of Temecula. The property is currently vested in the name of Troy W. Schumacher. The intended use of the appraisal report is to assist the WRCRCA, in determining the market value of the subject property for possible acquisition purposes for the MSHCP.

- Tax Sale Parcel – Sharif R22423: Completed the appraisal of a property comprised of a single parcel of vacant land totaling 5.16± acres and is located east of the intersection Soaring Hawk Road and Jojoba Hills Circle within the unincorporated community of Sage. The property is currently vested in the name of WRCRCA. WRCRCA has declared the property as surplus, and the intended use of the appraisal report is to assist the WRCRCA in determining the market value of the subject property for disposition purposes.

3. ***Monument (SART):*** Completed the appraisal of multiple parcels located in Riverside County in support of RCTC's Santa Ana River Trail (SART) Project. The purpose of these appraisals was to determine the fair market value of the parts acquired proposed for each property, namely permanent easements and TCEs.

4. ***County of Riverside Transportation Department,*** On-Call appraisals:

- Recently appraised ten properties comprised of primarily vacant land for estate tax purposes. The County is proposing to construct approximately 14 miles of improved multi-modal trail and sidewalk infrastructure in the communities of Thermal and Oasis that is consistent with the County's Neighborhood Mobility Plan for the Communities of Thermal and Oasis. The purpose of these appraisals is to estimate the Fair Market Value of proposed acquisitions of permanent slope rights from the referenced real estate in support of the County's project.

- Gilman Springs Road Improvement Project: Completed the appraisal of six properties primary comprised of vacant land running from approximately 1.29 miles north of Jack Rabbit Trail to approximately one mile south of Bridge Street within the City of Moreno Valley. We appraised several easements impacting each property, namely permanent roadway easements, drainage easements, and slope easements proposed to be acquired from the State of California property identified as APNs 0161-008, 0161-010, 0161-011, 0161-022, 0161-025, 0161-027.

- Interstate 10/Monroe Street Interchange Improvement Project: Recently completed the appraisals of eight vacant sites located along Monroe Street within the City of Indio. The purpose of these appraisals was to estimate the Fair Market Value of proposed acquisitions of temporary easement rights from the referenced real estate in conjunction with the Interstate 10/Monroe Street Interchange Improvement Project.

5. ***City of Riverside,*** On-call appraisals:

- 1590 University Drive: Recently appraised an irregular L-shaped single parcel totaling approximately 96,268 and is improved with a Quality Inn Hotel. It is located on University Avenue west of Cranford Avenue within the City of Riverside. The purpose of this appraisal was to determine the fair market value of the property for residential purposes.

- Santa Ana River Watercourse Mitigation Replacement Land: Completed appraisals concerning a replacement property impacted by the proposed 230kV RTRP Project. A portion of this Project impacts land that has been identified as environmentally

sensitive and subject to conservation. It is owned by the State of California and was originally purchased with money from the Land and Water Conservation Fund. We previously completed two fair market value appraisals dated November 15, 2017 and October 20, 2020, with a date of value of October 8, 2017 and September 1, 2020, for the impacted properties and replacement property. The purpose of the most recent appraisal was to provide a fair market value of the impacted properties, and the replacement property based on a current date of value. The clients and intended users of the appraisals are the City of Riverside, Riverside County Regional Park and Open-Space District, and SCE.

- HMPE Canyon Crest Cable Replacement Project: Completed the appraisal of four parcels improved as single-family residences located within the Canyon Crest neighborhood located within the City of Riverside. Determined the fair market value of each property in support of the HMPE Canyon Crest Cable Replacement Project. The appraisals were used to determine the fair market value of the parts acquired, namely four public utilities easements.

- Casa Blanca Vacant Surplus Land: Completed the appraisal of a 63,536±-square foot parcel of vacant land. It is located approximately 143.00± square feet northwest of the Madison and Bunker Streets intersection within the Casa Blanca neighborhood of the City of Riverside. The purpose of the appraisal was to determine the fair market value of the subject property for possible disposition purposes.

- Magnolia and Van Buren Surplus Land: Completed the appraisal of two contiguous parcels totaling 1.11± acres and is improved as a public parking lot. It is located in between Van Buren Boulevard and Farnham Place extending south of Magnolia Avenue within the Arlington neighborhood of the City of Riverside. Our appraisal was predicated on the assumption that there are no covenants for parking impacting the subject parking lot. The purpose of the appraisal was to determine the fair market value of the subject property for possible disposition purposes.

- Completed an appraisal of a City-owned property that includes a portion of two contiguous parcels totaling 2.5± acres improved with a parking lot. They are located south of Central Avenue east of Van Buren Boulevard within the City of Riverside. The City was considering leasing the subject property for a proposed hotel and possibly a gas station. The term of the proposed lease is for fifty (50) years. The purpose of the appraisal was to establish the fair market rent of the subject property for ground lease purposes.

6. ***SCE,*** On-call appraisals:

- Recently re-appraised 26 properties, including properties comprised of industrially zoned vacant land, in support of SCE's Riverside Transmission Reliability (RTRP) Project. The purpose of these appraisals was to estimate the fair market value of the parts acquired as of the current date, in support of SCE's RTRP Project. The intended use of the reports will be for acquisition purposes. We previously completed full valuations (and partial valuations) of some of these properties in 2022.

- Appraised 31 properties for Bender Rosenthal on behalf of SCE. These appraisals were for partial acquisitions related to the West of Devers Project in Riverside County. On behalf of SCE, we also appraised a single parcel totaling 29.72± acres of hillside land improved with a single-family residence; the purpose of this appraisal is to assist SCE in determining the fair market value for the temporary construction easement and the value of the trees that will be removed. This was completed in 2019.

- Recently appraised two contiguous parcels of vacant land totaling 3.25± acres and is a part of the Gage Canal. It is currently owned by the City of Riverside. Provided a Fair Market Value appraisal for an acquisition of a 12' Wide Overhead Transmission Easement comprised of 3,576± square feet, and a 10' x 11' Wide Anchor Easement comprised of 110± square feet on the subject property collectively identified as Serial Number 73609A. This is for an infrastructure replacement project for the San Bernardino-Cardiff-Unimed-Vista 66kV Transmission Line Project and requires the pole line to be relocated and an anchor on the property.

- Recently appraised a 3,552± square foot portion of a single parcel of vacant land totaling 17.36± acres. The property is currently owned by the County of San Bernardino. Provided a Fair Market Value appraisal for an acquisition of a 12' Wide Overhead Transmission Easement comprised of 3,576± square feet, and a 10' x 11' Wide Anchor Easement comprised of 110± square feet on the subject property collectively identified as Serial Number 73609A. This is for an infrastructure replacement project for the San Bernardino-Cardiff-Unimed-Vista 66kV Transmission Line Project and requires the pole line to be relocated and an anchor on the subject property.

7. ***Nossaman LLP, on behalf of SCE, SCE v. Rich Haven – Visser LLC, et al.:*** Recently completed a Statement of Valuation for six contiguous parcels of rolling, vacant land totaling 44.04± acres generally located west of the I-15 South in the community of Horsethief Canyon within the unincorporated area of Riverside County. SCE has existing easement rights for electricity transmission purposes along the northeasterly boundary of the subject property. The current acquisition would be to widen the existing utility corridor, allowing SCE to construct and operate the Valley-Ivyglen Subtransmission Line Project. The property is currently subject to an ongoing litigation matter.

8. ***Epic Land Solutions, Inc., on behalf of the CNS Engineers/City of Palm Springs, Ramon Road Improvement Project:*** Completed the appraisal of six properties comprised of industrial, commercial, and self-storage, and vacant commercial use properties located along Ramon Road within the City of Palm Springs. The purpose of these appraisals was to provide the fair market value estimates of the proposed acquisitions for each property in support of the City's project.

9. ***Coachella Valley Mountains Conservancy (CVCC), Thousand Palms and Edom Hill Conservation Areas:*** Completed the appraisal of 28 assessor parcels comprised of vacant land generally located north of the I-10 Highway in the Thousand Palms area of

Riverside County. CVCC was interested in purchasing these properties. The purpose of these appraisals is to provide our opinion of the market value of each property for acquisition purposes in support of maintaining the Thousand Palms and Edom Hill Conservation Areas.

10. Friends of the Desert Mountains (FDM), Santa Rosa and San Jacinto Mountains National Monument (CACA 59115): On behalf of FDM and the U.S. Department of the Interior, Appraisal and Valuation Services Office (AVSO), we completed the appraisal of eight non-contiguous parcels of vacant desert land desert land located within the congressionally designated Santa Rosa and San Jacinto Mountains National Monument, in an unincorporated area of Riverside County. The purpose of our appraisal was to provide the value of the fee simple interest of the property for acquisition purposes, subject to encumbrances and reservations of record. This report was prepared to Federal Standards based on UASFLA guidelines.

11. The Wildlands Conservancy, Chuckwalla Area of Critical Environmental Concern (CACEC): Completed the appraisal of five non-contiguous parcels of vacant desert land that range in size from 20.00± acres to 122.00± acres totaling 362.80± acres. These parcels are located within in an unincorporated area of Riverside County, near the Joshua Tree National Park, within the CACEC, which is managed by the Bureau of Land Management (BLM). The purpose of our appraisal was to provide the value of the fee simple interest of each property, subject to encumbrances and reservations of record. Our appraisal included various Extraordinary Assumption's approved by the BLM. The intended users of this report were the Wildlands Conservancy and the U.S. Department of the Interior, AVSO. This report was prepared to Federal Standards in accordance with UASFLA.

12. Burke, Williams & Sorensen LLP on behalf of Orange County Flood Control District (OCFCD), multiple appraisals:

- OCFCD v. Henry Cruz, et al.: Appraised two larger parcels. They are both zoned OS-N, Open Space and are located at the Southwest quadrant of Highway 71 (Chino Valley Freeway) and S. Euclid within the City of Chino Hills. OCFCD proposes to acquire permanent flowage easements over a portion of each property, for purposes related to its Santa Ana River Mainstem/Prado Dam Project. It is also acquiring a right of entry from each property. The purpose of our appraisals was to express our opinion as to the fair market value of the larger parcels in the before condition and the fair market value of the parts acquired, namely two flowage easements. Our appraisals addressed potential severance damages and potential Project benefits that may accrue to the remainder as a result of the property right to be acquired. This case was recently settled with a very favorable outcome to OCFCD.

- OCFCD v. McCune Realty Investment Co., L.P., et al.: Recently appraised the subject larger parcel has a land area of 358,498 square feet or 8.23 acres. The property is zoned C-1/C-P (General Commercial) and is located on the southeast corner of Chandler Street and Hellman Avenue within the City of Eastvale. OCFCD proposes to acquire a permanent flowage easement over part of the property for purposes related to its Santa Ana River Mainstem/Prado Dam Project. The permanent flowage easement to be acquired, identified as OCFCD Project Parcel No. 32-009, is comprised of 95,436 square feet. The purpose of our appraisal is to express our opinion as to the fair market value of the larger parcel in the before condition and the fair market value of the part acquired, namely OCFCD Project Parcel No. 32-009.

13. BDG Law Group, on behalf of OCFCD, OCFCD v. PTI Sand and Gravel, Inc.: Completed the market rent of two sites located at 14925 River Road and 28737 East Highway 74 within the City of Eastvale in support of the Santa Ana Mainstem Project. The purpose of these appraisals was to determine the market rent for each site for relocation purposes. Both properties are subject to ongoing litigation.

14. Murphy & Evertz LLP Law Firm, on behalf of OCFCD, multiple appraisals:

- 16500 Chino Corona Road: Completed an appraisal of a parcel of 90.47± acres in the southwesterly quadrant of Pine Avenue and Chino Corona Road in the City of Chino. Portions of the property had historically been used for dairy purposes, and other parts had been used for other agricultural purposes. OCFCD is pursuing a project that involves the improvements related to its Santa Ana River Mainstem/Prado Dam Project. The purpose of our appraisal is to express our conclusion as to the fair market value of the proposed partial acquisitions, namely the permanent flowage easement, two TCE's, a permanent access easement, and a fee simple title to the subject property in support of the Project. Our appraisal addresses potential severance damages and potential Project benefits that may accrue to the remainder as a result of the property right to be acquired.

- 16321 Euclid Avenue: Currently appraising three contiguous assessor's parcels totaling 22.5± acres. It is located on the east side of Euclid Avenue and the west side of Sultana Avenue (unimproved) approximately 716 feet south of Bickmore Avenue within the City of Chino. OCFCD is pursuing a project that involves the improvements related to its Santa Ana River Mainstem/Prado Dam Project. The purpose of our appraisal is to express our conclusion as to the fair market value of the proposed partial acquisition, namely the permanent flowage easement in support of the Project. Our appraisal addressed potential severance damages and potential Project benefits that may accrue to the remainder as a result of the property right to be acquired.

15. Caltrans – Legal Division, Brightline West – Cajon Pass Use Agreement (6C65641): Completed an appraisal to develop an opinion of the market rental rate for a proposed long-term (99-year) Right of Way Use Agreement between Brightline West and Caltrans within a portion of the Interstate 15 (I-15) right of way. The client for the assignment was Caltrans – Legal Division. The intended users of this report were Caltrans and Brightline West. The intended use of the report is for purposes of establishing a lease rate for the proposed right of way use agreement for the Brightline West corridor through the Cajon Pass. The concept of larger parcel, commonly used in acquisition appraisals, was employed in this analysis to determine the full extent of property rights being acquired through the use agreement.

16. The Trust for Public Land (TPL) and Wildlife Conservation Board (WCB), Banning Ranch: This property represents one of the largest parcels of undeveloped and unprotected coastal property in Southern California. Much of the site had been occupied by oil operations since the 1940's. The appraisal of this property was very complex in that the highest and best use of the property was not clear at the onset of the assignment. Numerous interviews with City officials, the Coastal Commission and other conservation agencies were required. This property consists of degraded wetlands, open space, and a small area with the potential for residential development. The goal of this project was to prepare an appraisal for acquisition purposes such that the buyer and seller could agree on a purchase price and put the property under contract. The acquisition is still underway as the funding sources have been modified to include the State of California, WCB, DGS, United States Fish and Wildlife Services, TPL, and Orange County. We recently updated this appraisal for The Wildlife Conservation Fund and the updated report conforms to UASFLA guidelines.

17. Orange County Transportation Authority (OCTA), San Juan Creek Bridge Replacement Project: Completed the re-appraisal of flood control channels, a multi-tenant business park, an office property, the San Juan Capistrano City Hall Complex, and a vacant lot for the purposed of determining the market value of proposed partial acquisitions impacting the properties. This was in support of the San Juan Creek Bridge Project in Orange County. We recently completed the appraisal of seven properties; our analyses included the fee and easement value of the land, improvements and the related appurtenances associated with the project. We previously appraised five appraisals in connection with this project. The purpose of the appraisals was to determine the fair market values of the proposed partial fee and TCE acquisitions. Specifically, for the properties that were part of corridors, we employed across the fence (ATF) valuation methodology. Our analyses considered not only the market value of the proposed acquisitions, but also consider severance damages and project benefits.

18. Antelope Valley-East Kern Water Agency: Completed an appraisal of a property that includes eleven, non-contiguous parcels of vacant land totaling 624.50± acres. The properties are generally located between Avenue A on the South, Astoria Street on the north, 90th Street West on the west and 70th Street West on the east. The Antelope Valley-East Kern Water Agency owned the properties and planned to sell them to a solar company. The purpose of this appraisal is to assist in the possible sale of the properties.

19. U.S. Department of the Interior, AVSO, multiple appraisals:

- BB Limited Property: Completed the appraisal of an agricultural property comprised of approximately 1,500 acres. Our appraisal included before and after values to be allocated between the two parcels that make up the 381-acre acquisition area. The acquisition areas consisted of fee acquisitions that impacted planted crop land, levees, wells and farm management and access areas. The property to be acquired is planned for use as part of the SJRRP Mendota Pool Bypass and Reach 2B Improvements Project, which includes construction, operation, and maintenance of improvements to bypass the pool, as well as a way to deliver water to the pool. This report was prepared to Federal Standards in accordance with UASFLA.

- SJRRP 2B SCE Property: Appraisal of 3.95 acres located in the San Joaquin Valley on the east side of the San Joaquin River, 3.5 miles east of Mendota, in Madera County, California. The property was irregularly shaped and included an upland levee dropping to riparian river frontage. Appraisal report was used in establishing a basis for negotiating an offer by the Bureau of Reclamation, U.S. Department of Interior, for acquisition of the subject property (SCE property) in either fee simple or a seepage easement. Property was appraised under two scenarios: (1) full fee acquisition of 3.95 acres and (2) seepage easement acquisition on 3.95 acres.

20. Los Angeles Department of Water and Power (LADWP), multiple appraisals:

- Recently completed the appraisal of four parcels of vacant land combined as a whole, single unit totaling approximately 152 acres and is located at the Aliso Arrastre Cutoff within Acton. Our valuation of the property will be based in accordance with the following scenarios: 1) Entire Parcel 'As Improved' (land and improvements – if required) and 2) Entire Parcel 'As If Vacant' (land only).

- Kittridge Street Park: Recently completed the appraisal of a 61,857-square-foot portion of a single parcel of vacant land totaling approximately 4.04 acres. The property is located in between Kittridge and Hamlin Streets, northwest of the Hamlin Street and Elmer Avenue intersection in the North Hollywood neighborhood within the City of Los Angeles. The purpose of this appraisal was to estimate the as-is, market rent of the property for the purpose of RAP constructing, operating, securing and maintaining the property as a public City park on the LADWP-fee owned subject property.

21. Los Angeles County Department of Public Works (LACDPW), Los Angeles County Flood Control Appraisals:

Multiple Projects: We have been retained by the Los Angeles County Flood Control District (through our contract with LACDPW) on a number of partial acquisition and market rent appraisals related to flood control properties. Below is a partial list of projects completed by Beth Finestone as the lead appraiser:

- Project 130 Pump District No. 7
- Easement – Virginia Country Club
- Portion of Walnut Creek
- Portion of Coyote Creek
- Portion of Hacienda Creek
- Portion of Alhambra Wash
- Portion of East Canyon Channel

- Puente Creek Bike Path Improvement Project (12 single-family residences)
- Eaton Wash Bike Path Improvement Project (12 single-family residences
- Rustic Canyon and Rivas Canyon Channels Project – Parcel 22E (single-family residence)
- Twin Lakes Project: The County of Los Angeles proposed the installation of a sewer system located within the Twin Lakes neighborhood in the community of Chatsworth in the City of Los Angeles. This project involved 36 appraisals of partial acquisitions of sewer easements, with consideration to below-ground infrastructure, utility easements, and potential severance damages.
- Live Oak Wash and Tujunga Wash Project

The market rent studies were completed for purposes of leasing portions of the flood control district properties to an adjoining property owner. These were completed by determining the market value of the adjoining properties, applying a discount for the rights available to be leased from the Flood Control District and then applying a market derived rate of return to determine the market rent. For the partial acquisitions impacting the flood control channels, we applied across the fence appraisal methodology to determine the value of the land associated with the channel and from that, valued the partial acquisitions.

CBRE's three references highlighting our experience and performance in providing similar services relevant to the City's appraisal needs are noted as follows. Please note that some of this work was completed by our team under the Integra banner. The Integra offices in which our team members worked were acquired by CBRE, Inc. on March 10, 2023. As such, while the work was completed under the Integra banner, it represents work completed by the appraisal members that are currently part of the key personnel identified in this proposal.

Multiple Projects			
Name of Firm	Southern California Edison Company (SCE)		
Address	3 Innovation Way, 2nd Floor | Pomona, CA 91768		
Contact Person	Daniel Kazden Certified General Real Estate Appraiser Real Properties – Title & Valuation daniel.kazden@sce.com	*Telephone*	909-274-1097 PAX: 61097
Period of Performance	2022 to 2026	*Contract Value*	$100,000 (over)
Brief Description of Service Provided ▪ Recently appraised 26 properties, including properties comprised of industrially zoned vacant land located with the City of Norco and surrounding areas, in support of SCE's Riverside Transmission Reliability (RTRP) Project. The purpose of these appraisals was to estimate the fair market value of the parts acquired as of the current date, in support of SCE's RTRP Project. The intended use of the reports will be for acquisition purposes. We previously completed full valuations (and partial valuations) of some of these properties in 2022. ▪ Recently appraised six parcels in Malibu primarily comprised of rural residentially zoned land and residentially zoned agriculture land, in support of SCE's Distribution Project. The purpose of these appraisals was to estimate the fair market value of the parts acquired as of the current date, in support of this project. The intended use of the reports will be for acquisition purposes to upgrade electrical distribution infrastructure in the area. ▪ Recently appraised 22 parcels in La Habra Heights primarily comprised of vacant residentially zoned land and residentially zoned agriculture land, in support of SCE's Distribution Project. The purpose of these appraisals was to estimate the fair market value of the parts acquired as of the current date, in support of this project. The intended use of the reports will be for acquisition purposes to upgrade electrical distribution infrastructure in the area.		

Mid County Parkway Project, Construction Contract 2			
Name of Firm	RCTC		
Address	4080 Lemon St. 3rd Fl.| P.O. Box 12008, Riverside, CA 92502		
Contact Person	Hector Casillas, SR/WA, Right of Way Manager HCasillas@RCTC.org	*Telephone*	(951) 778-1097
Period of Performance	2022 to current	*Contract Value*	$120,000 (approx. over)
Brief Description of Service Provided On behalf of RCTC, recently completed the appraisal of property Groups 2-4 totaling 19 single-family residences in support of the Mid County Parkway Project, Construction Contract No. 2. The purpose of the appraisals was to provide the fair market value of the subject properties for acquisition purposes. We recently re-appraised these properties (plus a few additional properties) for Gannett Fleming TranSystems, Inc. (GFT) on behalf of RCTC. The purpose of these appraisals was to determine the fair market value and fair market rental value of each property for acquisition purposes in support of this project. We are currently appraising additional properties for Gannett Fleming TranSystems, Inc. (GFT) on behalf of RCTC.			

Purple (D Line) Subway Extension Project			
Name of Firm	LACMTA		
Address	One Gateway Plaza, 12th Floor, Los Angeles, CA 90012-2952		
Contact Person	Michael S. Daniels, MAI Director of Real Property Management and Development danielsm@metro.net	*Telephone*	(213) 922-3584
Period of Performance	2015 to current	*Contract Value*	$700,000 (over)

Brief Description of Service Provided

We appraised subsurface tunnel easements for multiple commercial, and special purpose properties within the City of Beverly Hills for the Purple Line Subway extension to the Westside. Project included the appraisal of Beverly Hills High School. We also completed the appraisal of the Wilshire Federal Building, Westfield Century City Mall, and the Veterans Administration building, as part of this project. We recently completed the appraisal of acquisitions on the Veterans Administration property and provided appraisals on eight condominiums properties in connection to this project. Additionally, we recently completed the appraisal and re-appraisal of the Westfield Century City Mall in connection to this project. Mr. Ellis recently provided expert witness services for the Westfield Century City Mall, completed the appraisal of two condominium properties, and is currently providing expert witness services in connection to this project.

VALUATION & ADVISORY SERVICES

Nicole B. Galvez

Vice President, Woodland Hills, CA
E nicole.galvez@cbre.com

Professional Experience

Nicole Galvez is a Vice President for CBRE's Valuation & Advisory Services (VAS). Ms. Galvez began her career in real estate appraisal in 2014.

Her services rendered include appraisal report preparation for vacant land, residential, commercial, industrial, and other income producing properties for institutional and acquisition purposes, partial acquisition valuation, including determination of severance damages and/or benefits for public projects, and preparation of cost studies for budget purposes involving public projects. Types of projects appraised include street widening, freeway, pipeline, and flood control.

Ms. Galvez is experienced in preparing appraisal reports that are compliant with the Uniform Appraisal Standards for Federal Land Acquisitions. She has extensive experience in valuing large tracts of land for conservation, mitigation, and other purposes. Nicole previously was a Senior Analyst for Integra Realty Resources – Los Angeles.

Courses Completed

Completed the following Appraisal Institute courses:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- National Uniform Standards of Professional Appraisal Practice
- Real Estate Finance, Statistics, and Valuation Modeling
- Business Practices and Ethics
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Income Capitalization Approach, Part I
- General Appraiser Income Capitalization Approach, Part II
- Advanced Income Capitalization
- General Appraiser Report Writing and Case Studies

Completed the following International Right of Way Association courses:

- Ethics and the Right of Way Profession
- Easement Valuation
- Principles of Real Estate Engineering
- The Valuation of Partial Acquisitions

Pro Affiliations / Accreditations

- Licensed: California Certified General Real Estate Appraiser No. 3005597
- Member: Appraisal Institute, Southern California Chapter
- Member: International Right of Way Association

Education

- M.B.A., University of Phoenix
- B.A., Business Administration, California State University, Northridge

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BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Nicole B. Galvez

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3005597

Effective Date: September 4, 2024
Date Expires: September 3, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3077903

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

VALUATION AND ADVISORY SERVICES

Jennifer Hsu, MAI, ASA

Director, Southern California
T +1 213-613-3264
E jennifer.hsu@cbre.com

Professional Experience

Jennifer Hsu, MAI, ASA is part of the management team in Southern California for Valuation & Advisory Services. Her responsibilities include facilitating the strategic growth plan and overall performance for Southern California. She is based in the Downtown Los Angeles office.

Ms. Hsu has 23 years of real estate appraisal experience, specializing in institutional investment grade properties. She has continually cultivated new client relationships with a focus on providing best-in-class client service. Throughout her career, Ms. Hsu has valued assets for a variety of purposes including mortgage lending, financial reporting, feasibility, assessment appeals, fair market rent, and litigation support. She serves a diverse set of clients including developers, commercial and investment banks, insurance companies, law firms, pension funds, and REITs.

Prior to joining CBRE in 2015 as Vice President, Ms. Hsu worked for other national appraisal firms including HVS International, Joseph Blake & Associates, Grubb & Ellis, and Hilco Global as production appraiser and managerial positions.

Clients Represented

- Various Financial Institutions
- Developers
- Insurance Companies
- Municipal Clients
- REITs

Pro Affiliations / Accreditations

- Appraisal Institute, Designated Member (MAI)
- American Society of Appraisers, Accredited Senior Appraiser (ASA)
- Certified General Appraiser (CA)

Education

- Cornell University, School of Hotel Administration - Bachelor of Science, with a concentration in Finance

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Business, Consumer Services & Housing Agency

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REAL ESTATE APPRAISER LICENSE

Jennifer Hsu

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 038439

Effective Date: September 30, 2025
Date Expires: September 29, 2027

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3082749

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Jennifer Hsu, MAI

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Accepts Fee Assignments

Yes

Continuing Education Program Completed

Primary Market Area

State of California

Minority Class

Asian or Pacific Islander

Primary Focus

Commercial Properties - including Office, Retail, Industrial, Hotel & Motel, and Special-Use

Property Types

- Assembly/Meeting Place
  - Reception/Banquet Hall
- Commercial and Retail
  - Automotive
    - Parking Structure
  - Bank
  - General Retail
- Industrial
  - Flex Space
  - Manufacturing
    - Heavy
    - High Tech
    - Light
  - Self-Storage/Mini-Storage
- Infrastructure
  - Electrical Storage & Conveyance
- Land
  - Agriculture
    - Mixed Use
  - Commercial

        - Automotive
    - Housing
        - Mobile Home Park
    - Other Land
    - Wilderness
- Lodging & Hospitality
    - Bed and Breakfast
    - Economy Hotel/Motel
    - Resort & Spa
- Office
    - Condominium Bldg.
    - Other Office
- Recreation
    - Cinema
    - Golf Related
- Shopping Centers
    - Community Shopping Center
    - Specialty Centers
    - Super-Regional Center/Mall

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- Highest and Best Use Studies
- Financial Reporting

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- Fee Simple Interest
- Leasehold Interest
- Ground Lease
- Leased Fee Interest

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- Chinese

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Ms. Jennifer Hsu, ASA

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Designation(s)	Discipline	Specialty
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Professional Experience

Mr. Nunn joined the CBRE San Diego office in 2025 as the Director of Valuation & Advisory Services where he oversees the regional valuation practice. Prior to this appointment, he was involved in valuation and consulting assignments at Cushman & Wakefield from 2014 through 2024, and most recently held the title of Senior Director. Mr. Nunn has specialized in valuation and advisory assignments across all commercial property types, with an emphasis on complex life science, office, retail, and specialty properties throughout Southern California. His earlier career includes valuation experience at Seevers Jordan Ziegenmeyer, a prominent commercial real estate appraisal firm active throughout Northern California.

Mr. Nunn possesses extensive expertise in appraising and consulting on a wide range of commercial properties, including office towers, medical office buildings, life science campuses, shopping centers, urban retail, business parks, industrial projects, mixed-use developments, student housing, investment-grade apartment complexes, marinas, quarries, auto dealerships, car washes, net-leased assets, ground-leased properties, and commercial land. His valuation assignments have encompassed proposed, partially completed, renovated, and existing structures across nearly 20 counties in California.

Representative Client List

- Banc of California
- Bank of America
- Bank OZK
- BioMed Realty
- Breakthrough Properties
- Capitaland
- Citizens Bank
- Clarion Partners
- Deutsche Bank
- Goldman Sachs
- JPMorgan Chase
- Manulife
- Morgan Stanley
- Nuveen
- Phase 3 Real Estate Partners
- Umpqua Bank
- Washington Capital Management
- Wells Fargo
- Western Alliance Bank
- Washington Capital Management

Pro Affiliations / Accreditations

- MAI, Appraisal Institute
- Certified General Real Estate Appraiser California – 3002999

Education

- Bachelor of Arts, University of California Davis

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Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Alexander K. Nunn

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3002999

Effective Date: March 27, 2025
Date Expires: March 26, 2027

Angela Jemmott, Bureau Chief, BREA

3080368

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Alexander K. Nunn, MAI

GO BACK

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San Diego, CA 92122

VIEW MAP(HTTPS://MAPS.GOOGLE.COM/?Q=4301 LA JOLLA VILLAGE DRIVE, SUITE 3000, , SAN DIEGO, CA, UNITED STATES)

Accepts Fee Assignments
Yes

Continuing Education Program Completed

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PROFESSIONAL PROFILE

JAMES BRAY, MAI, MRICS, CCIM
Vice Chairman
Southern California Region Valuation and Advisory Services
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F. +1 858 646 4775
james.bray@cbre.com
www.cbre.com/James.Bray

CLIENTS REPRESENTED

- JP Morgan Chase
- Wells Fargo Bank
- Port of San Diego
- Bank of America
- Western Alliance Bank
- Torrey Pines Bank
- Comerica Bank
- City National Bank
- Bank of the Internet
- Mission Federal Credit Union
- Provident Bank
- San Diego Private Bank
- Chino Commercial Bank
- Manufactures Bank
- First Foundation Bank
- Bridge Bank
- Community Valley Bank
- Ally Bank
- Sun Community Bank
- Comerica Bank
- CIII Asset Management
- CWCapital Asset Management
- First Enterprise Bank
- O'Hara CPAs
- OneWest Bank
- RERC
- VW Credit
- American Honda Finance
- BBCN Bank

James M. Bray, MAI, MRICS, CCIM, is a Vice Chairman within the Valuation & Advisory Services Group in the Southern California Region. Mr. Bray has over 20+ years of experience in the commercial real estate industry. Mr. Bray's appraisal and consulting assignments include large apartment complexes, industrial/R&D properties, automotive/RV dealerships, private country clubs/daily fee golf courses, yacht clubs/health clubs, special use/religious facilities, high/mid-rise office and mixed-use developments. In addition, Mr. Bray is registered on the Appraisal Institute's SBA Going Concern Registry as a qualified appraiser for going concern valuations.

Mr. Bray is a qualified appraiser under IRS guidelines for the valuation of partial interests in real property held in limited partnerships, LLCs and as tenants in common. Mr. Bray has completed numerous assignments involving partnership buyouts, estate planning and gift tax purposes. As well as, California property tax appeals, fair market rent studies for rent disputes/arbitration and cost segregation studies for the reclassification of IRS depreciation schedules.

Over the span of his career, Mr. Bray has worked with a variety of financial institutions, government entities, private lenders, developers, private investors, CPA's, estate attorneys and corporate clients. It is his goal to set the standard for maintaining the highest level of quality and integrity on all appraisal assignments.

CREDENTIALS

- Nationally ranked Top Producer within CBRE VAS as #3 in 2022, #2 in 2021, #1 in 2020, #3 in 2019, #4 in 2018, and #3 in 2017
- Designated Member of the Appraisal Institute (MAI)
  San Diego Chapter
- Certified General Real Estate Appraiser, State of California
  License AG 039243
- California Real Estate Broker, State of California
  License No. 01403556
- Certified Commercial Investment Member (CCIM)
  License No. 08983228
- NAIOP Member

EDUCATION

- San Diego State University
  Master of Arts, Economics
- San Diego State University
  Bachelor of Arts, Economics, Minor in Finance

CBRE

PROFESSIONAL PROFILE

REPRESENTATIVE ASSIGNMENTS – RETAIL/OFFICE PROPERTIES

Property	Location
The Home Depot	El Cajon
The Home Depot	Chula Vista
The Lot (Luxury Cinema)	La Jolla
The Green Dragon (1270 Prospect)	La Jolla
Coast Walk (1298 Prospect)	La Jolla
1020 Prospect	La Jolla
Prospect Point (1299 Prospect)	La Jolla
The Commons at Aliso Town Center (Mixed-Use)	Aliso Viejo
One Broadway Plaza (Proposed High Rise)	Santa Ana
The Lido (Mixed-Use Development)	Santa Monica
Cathedral City Marketplace	Cathedral City
Champions of the West	San Diego
Saddleback Medical Center	Laguna Hills
Orange County District Attorney Building	Santa Ana
Gateway II Office Building	Chula Vista
Cornerstone Corporate Center	San Diego
Cuyamaca Commerce Center	El Cajon
Venture Commerce Center	Santee
Pacific Ridge	Carlsbad
Ocean Ridge	Carlsbad
La Jolla Galleria	La Jolla
Sierra Village Shopping Center	Riverside
United Oil Service Station Portfolio	San Diego County
La Terraza Corporate Center	Escondido
Canyon Plaza Shopping Center	Chula Vista
Magnolia Plaza Shopping Center	El Cajon
Dixieline	San Diego
Dixieline	La Mesa
Union Bank	San Diego
101 West Broadway	San Diego

CBRE

CA BREA LICENSE

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

James M. Bray

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 039243

Effective Date: January 6, 2026
Date Expires: January 5, 2028

Angela Jemmott, Bureau Chief, BREA

3085179

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James M. Bray, MAI

GO BACK

Email

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San Diego, CA 92122-1484

VIEW MAP(HTTPS://MAPS.GOOGLE.COM/?Q=4301 LA JOLLA VILLAGE DR, STE 3000, , SAN DIEGO, CA, UNITED STATES)

Accepts Fee Assignments

Yes

Continuing Education Program Completed

Primary Market Area

San Diego, Riverside, San Bernardino, Orange, Los Angeles & Imperial Counties

Primary Focus

large apartment complexes, industrial/R&D properties, automotive/RV dealerships, private country clubs/daily fee golf courses, yacht clubs/health clubs, special use/religious facilities, high/mid-rise office and mixed-use developments and going concern valuations.

Property Types

- Assembly/Meeting Place
  - Club/Lodge
  - Community/Recreation Center
  - Convention Center
  - Other Meeting Place
  - Reception/Banquet Hall
  - Religious Facility
    - House of Worship
    - Residence/Living Quarters
- Commercial and Retail
  - Automotive
    - Auto Auction
    - Auto Lube Shop
    - Auto Repair
    - Auto Sales
    - Auto Tire Store
    - Car Wash, Full-Service
    - Car Wash, Hybrid
    - Car Wash, Self-Service
    - Fuel and Service Station
    - Other Auto Related
    - Parking Structure
    - Truck Stop/Travel Center
  - Bank
  - Condominium Co-op Bldg.
  - Condominium Co-op Unit
  - Convenience Store
    - Expanded
    - Hyper
    - Kiosk
    - Limited Selection
    - Mini
    - Traditional
  - Day Care Facility
    - Adult
    - Child
    - Other Day Care
  - Garden Center
  - General Purpose
  - General Retail
    - Big Box Retail
    - Retail Pad Building
    - Store, Department
    - Store, Drug
    - Store, Grocery
  - Laundromat, Self-Service
  - Other Commercial & Retail
  - Restaurant
    - Fast Food
    - Full Service
    - Limited Service
    - Other Restaurant
  - Showroom
  - Street Retail
  - Tavern, Bar, Nightclub, Micro-Brewery
- Housing/Residential
  - Condominium Co-op Bldg.
  - Condominium Co-op Unit
  - Group
  - Multiple Units
  - Other Housing
  - Senior
  - Single Unit
  - Student
    - Dormitory
    - Fraternity/Sorority
    - Multiple Units
    - Other Student Housing
- Industrial
  - Business Park, Industrial
  - Commercial Laundry
  - Communication/Data Center
  - Condominium Bldg.
  - Condominium Unit
  - Flex Space
  - Large Ground Vehicles
  - Manufacturing
    - Heavy
    - High Tech
    - Light
  - Other Industrial
  - Processing
    - Food
    - Mineral
    - Refinery
    - Solid Wastes
  - Research and Development
  - Self-Storage/Mini-Storage
  - Warehouse
    - Air Cargo
    - Distribution
    - General Purpose
    - Loft/Multi-Story
    - Lumber Yard
    - Other Warehouse
    - Refrigerated/Cold Storage
    - Storage Elevators
- Land
  - Commercial
    - Automotive

        - General
        - Hotels and Motels
        - Office
        - Other Commercial
        - Retail Pad
    - Housing
        - Mobile Home Park
        - Multiple Units
        - Other Housing
        - Senior
        - Single Unit
        - Student
    - Industrial
        - General Purpose, Heavy
        - General Purpose, Light
        - Other Industrial
        - Salvage/Storage Yard
    - Mixed Use
    - Other Land
    - Recreation
        - Campground
        - General
        - Other Entertainment
        - RV Trailer Park
    - Religious
- Mixed Use
    - Mixed Use Building
    - Mixed Use Development
- Office
    - Business Park
    - Condominium Bldg.
    - Condominium Unit
    - Creative/Loft
    - General Purpose
    - Medical
    - Other Office
    - Research and Development
- Public Service
    - Courthouse
    - Educational
    - Embassy Compound
    - Fire House
    - Library
    - Museum/Gallery
    - Other Public Service
    - Police Station
    - Post Office
- Recreation
    - Amusement Facility
        - Amusement/Theme Park
        - Aquatic Facility/Swimming Pool
        - Arcade
        - Bowling Alley
        - Entertainment Center
        - Go-Cart Track
        - Miniature Golf
        - Other Amusements
        - Waterslide Park
    - Cinema
        - Theatre, Indoor, Multiple Screen
        - Theatre, Indoor, Single Screen
        - Theatre, Outdoor
    - Equestrian Center
    - Fitness, Courts, Spa Facilities
        - Court Facility
        - Health & Fitness Center/Sports Club/Gym
        - Other Fitness & Court Facilities
        - Rock Climbing
        - Spa Resort
    - Golf Related
        - Driving Range
        - Golf Course Club
        - Golf Resort
        - Other Golf
    - Other Recreation
    - Ski Resort
    - Sports Arena/Stadium
    - Theatre/Performing Arts Facility
        - Auditorium Bldg.
        - Concert Hall/Arena
        - Other Theatre
        - Outdoor Amphitheatre
- Shopping Centers
    - Community Shopping Center
    - Convenience/Strip Center
    - Neighborhood Center
    - Other Shopping Centers
    - Regional Center
    - Specialty Centers
        - Boutique
        - Fashion
        - Festival
        - Lifestyle
        - Other Specialty
        - Outlet
        - Power
    - Super-Regional Center/Mall
- Special Purpose
    - Marina
    - Veterinary Clinic

Business Services

- Absorption Studies
- Alternative Valuation Services
- Appraisal
- Bankruptcy
- Business Practices
- Business Valuation
- Capital Formation, Syndication
- Demographic Analysis
- Econometric Analysis
- Estate Planning & Settlement
- Evaluations
- Feasibility Analysis
- Feasibility Studies
- Financial Workouts
- Foreclosure / REO
- Highest and Best Use Studies
- Internal Revenue Service
- Land Valuation and Analysis
- Litigation / Litigation Support
- Market Analysis
- Market Rent Studies
- Mediation, Arbitration, Dispute Resolution
- Multifamily Small Cap
- Non-cash Charitable Contributions
- Partnership Disputes
- Property Management
- Real Estate Investment Trust Consulting and Valuation
- Real Estate Tax
- Retrospective Valuation
- Sensitivity Analysis
- Site Location Analysis and Consulting
- Statistical Modeling

Small Business Services

- Car wash properties
- Clubhouses
- Dormitories
- Gas stations
- Golf courses
- Marinas
- Service centers (e.g., oil and lube, brake or transmission centers) with pits and in ground lifts
- Sports arenas
- Swimming pools
- Tennis clubs
- Theaters

Ownership Forms

- Fee Simple Interest
- Ground Lease
- Leased Fee Interest

- Leasehold Interest
- Partial Interest

Affiliations

- CCIM Institute
- Royal Institution of Chartered Surveyors

Languages

- English
- Spanish

Cities

- Anaheim, CA
- Carlsbad, CA
- Chino, CA
- Chula Vista, CA
- El Cajon, CA
- El Centro, CA
- Escondido, CA
- Fullerton, CA
- Irvine, CA
- Lancaster, CA
- Long Beach, CA
- Los Angeles, CA
- Moorpark, CA
- Murrieta, CA
- Ontario, CA
- Orange, CA
- Riverside, CA
- San Clemente, CA
- San Diego, CA
- Santa Ana, CA
- Victorville, CA

(https://appraisalinstitute.org)

200 W. Madison, Suite 2630
Chicago, IL 60606

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Personal details

It is important that the information we hold about you is correct. You can update your personal details at any time. For further details about how and why we process your personal information, and your legal rights, please see our Privacy Policy.

James Bray MRICS

How I Like To Be Addressed	Mr J M Bray MRICS
Professional Number	6689144
Chartered Designation	Chartered Valuation Surveyor
Personal Email	james.bray@cbre.com
Telephone Number	
Mobile Number	16194058128
Date Of Birth	5/26/1977
Member Grade	Professional member (MRICS)
Date Qualified	10/19/2016
Purchase Replacement Diploma	Purchase

CCIM Institute

An Affiliate of the NATIONAL ASSOCIATION OF REALTORS®

By election of the CCIM Institute Board of Directors has designated

James Michael Bray

as a

CERTIFIED COMMERCIAL INVESTMENT MEMBER

CCIM

Frank Simpson, CCIM
2011 President

Certificate No.: 19354

October 12, 2011

VALUATION & ADVISORY SERVICES

John G. Ellis, MAI, CRE, FRICS

Executive Vice President
Los Angeles, CA
T +1 818 251 3663
E John.G.Ellis@cbre.com

Professional Affiliations / Accreditations

- Member: Appraisal Institute (more than 20 years of volunteer work on boards and committees of the Appraisal Institute; past president of the Southern California Chapter of the Appraisal Institute; recognized as “Volunteer of Distinction” for Region VII in 2013; recipient of the Bert L. Thornton Lifetime Professional Service Award in 2018; current member of The Appraisal Journal Editorial Board)
- Member: The Counselors of Real Estate
- Fellow: Royal Institution of Chartered Surveyors
- Member: International Right of Way Association
- Licensed: California Certified General Real Estate Appraiser

Education

- B.A., Business/Economics, University of California, Los Angeles
- Certified by the Appraisal Institute’s program of continuing education for its designated members

Professional Experience

John G. Ellis, MAI, CRE, FRICS is an Executive Vice President for CBRE's Valuation & Advisory Services (VAS). He has provided real estate valuation and consulting services in Southern California for more than 40 years.

Mr. Ellis is an instructor of appraisal courses and a frequent speaker at seminars and conferences. He is also an author whose work has been published by the Appraisal Institute and in magazines and professional journals.

He has qualified as an expert witness and has provided expert testimony throughout California on assignments related to eminent domain, allegations of damage, fair market rent, ad valorum tax burdens, marital dissolutions, partial interest and partnership ownership interests, and appraisal review. He has testified in more than 30 trials in federal and superior courts, a variety of appeal board and arbitration hearings, and more than 200 depositions. He has also been retained as an arbitrator and as a court-appointed expert. John serves a client base that includes lending institutions, public agencies, corporate and individual property owners, and the legal profession.

He has appraised office buildings (including medical office buildings), shopping centers, industrial buildings, apartment and condominium complexes (including affordable housing projects), subdivisions, mobile home parks, hotels, motels, restaurants, healthcare properties, religious facilities, bowling alleys, golf courses, amusement parks, horse racing parks, auto dealerships, gas stations, carwashes, motion picture and performing arts theaters, cold storage and food processing facilities, parking structures, self-storage facilities, transit-oriented development projects, shipping terminals and other types of waterfront property, industrial, commercial and residential acreage, agricultural land, mountainous and hillside acreage, utility and transportation corridors (in fee and as easements), designated open space, and single-family residences including hillside and beachfront homes and major estates.

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Expert Testimony

Mr. Ellis is qualified as an expert witness in real estate valuation matters and has testified before:

- Superior Courts within the California counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, Kern, and Imperial; and within the Third Judicial District of Alaska
- United States District Court
- United States Bankruptcy Courts: Central, Northern, and Southern Districts of California
- Tax Appeal Boards: Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Contra Costa counties
- Arbitration testimony at hearings in Los Angeles, Orange, San Diego, and Sacramento counties
- Rent Control Boards: cities of Santa Monica, West Hollywood, and Carson (MRRB)

He has also been appointed by the Superior Court of Los Angeles County on several occasions to assist in reconciling the disparate opinions of opposing, privately retained valuation experts.

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Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

John G. Ellis

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 007279

Effective Date: June 27, 2024
Date Expires: June 26, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3076551

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Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

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Effective Date: June 27, 2026
Date Expires: June 26, 2028

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3086813

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American Institute of Real Estate Appraisers

OF THE
NATIONAL ASSOCIATION OF REALTORS

This Certifies That

the American Institute of Real Estate Appraisers
has awarded

John Gregory Ellis

the Professional Designation

Member Appraisal Institute

subject to the limiting conditions of membership as set forth in the By-Laws and Regulations of the American Institute of Real Estate Appraisers.

In Witness Whereof, the Governing Council of the American Institute of Real Estate Appraisers has authorized this certificate to be signed in its behalf by the President and Executive Vice President, and the Corporate Seal to be hereunto affixed on this 15th day of March, 1986.

PRESIDENT

EXECUTIVE VICE PRESIDENT

THIS CERTIFICATE IS THE PROPERTY OF THE AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS, AND MUST BE RETURNED TO THE SECRETARY UPON TERMINATION OF MEMBERSHIP

Certificate No 7537

THE COUNSELORS OF REAL ESTATE℠

this is to certify that

John G. Ellis, CRE

is a member of this organization
which is dedicated to the advancement and perpetuation of the
highest professional standards of service and responsibility
in the field of Real Estate Counseling
and has been awarded the professional Designation

COUNSELOR OF REAL ESTATE™

CRE

Chairman of the Board

President

November, 2005
Date of Election

2306
Certificate Number

This Diploma

certifies that

John G. Ellis

on the *15th* day of *March 2007*

was elected a Fellow of

THE ROYAL INSTITUTION OF CHARTERED SURVEYORS

President

Register No. *1250862*

This Diploma is held from year to year subject to the provisions of the Bye-Laws of the Institution.

Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS

Executive Vice President, Western Region Right of Way

M +1 916.919.7262
steve.parent@cbre.com

Role

Steve is responsible for business development, pursuit management, recruiting, team building, technical leadership, quality assurance, and delivery. He is actively growing the appraisal business line within sixteen states through collaboration with local leadership in service to our clients by leveraging CBRE's industry-leading platform of people, data and technology.

Experience

Steve has a broad-based background including engineering, program management, project management, business development, strategic planning, commercial brokerage, real estate investment, commercial lending appraisal and property management. Steve has managed right of way and/or appraisal contracts for California High Speed Rail, Ben Franklin Transit, City of Bend, AK DOT, Oregon DOT, Washington DOT, Idaho Transportation Department (ITD), New Mexico DOT, Utah DOT, Caltrans, Federal agencies (DOI/AVSO), the San Diego Association of Governments (SANDAG), City of Idaho Falls, San Diego Gas & Electric, North County Transit District, Southern California Gas, Southern California Edison, City of Santa Ana, City of Los Angeles, the Los Angeles Department of Water and Power, Riverside County Transportation Commission, and Sacramento Municipal Utilities District, to name a few. His appraisal experience involves right-of-way valuation projects, partial acquisitions including fee, permanent, and temporary easements, and property types including retail, office, industrial, multi-family residential, single family residential, mixed-use, agricultural, railroad corridor, telecommunications, renewable energy, UASFLA (Yellow Book). In the last ten years, Steve has managed and appraised more than 2,500 properties affected by public projects including: transportation, heavy / light / high-speed rail, gas transmission, electric transmission, water transmission, flood protection, telecom, and renewables. He also has extensive appraisal review experience having completed more than two hundred appraisal reviews, been declared as an expert witness, been deposed, and testified at trial. Steve is an active speaker on topics related to right of way appraisal, acquisition, and land valuation.

Years of Experience:

- Project Management: 30+
- Appraisal: 20+

Education

- MBA, University of Cincinnati, Operations Management & Finance, 1999
- BS, University of Cincinnati, Mechanical Engineering, 1992

Licenses / Designations

- Certified General Real Estate Appraiser: AK, AZ, CA, CO, ID, HI, IA, ID, NM, OR, MT, NE, UT, WA, WY
- CA Real Estate Broker License #01433367
- MAI, SRA, AI-GRS, AI-RRS Designations, Appraisal Institute
- Senior Right of Way Agent (SR/WA), International Right of Way Association (IRWA)
- Right of Way Appraisal Certification (R/W-AC), IRWA

Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA, AI-GRS, AI-RRS

Executive Vice President, Western Region Right of Way

M +1 916.919.7262
steve.parent@cbre.com

- IRWA Instructor: Courses 400, 403, 421
- Project Management Professional (PMP), Project Management Institute (PMI)

Professional Affiliations / Accreditations

- Chapter Past President of the Appraisal Institute
- IRWA Member of Chapters 1, 11, 27, 38, 57, 67, board experience in multiple chapters
- At-large member of the IRWA International Transportation Committee

Project Experience

Idaho Transportation Department (ITD)

Hitt Road / US 26 widening and intersection improvement project. Steve appraised 18 properties. The appraisals were full and partial acquisitions, for fee and easement rights. Delivery was completed in 6 weeks from NTP.

Madison County West Side Frontage Road Project. Steve appraised 17 properties. The project involves the installation of a frontage road on the west side of Highway 20 in the Rexburg, ID area. Acquisitions involved permanent and temporary rights including fee and temporary construction easements. Delivery was completed in 6 weeks from NTP.

Blaine County, SH-75, Elkhorn Road to River Street, Ketchum. Steve appraised 30 properties. The project involves widening SH-75 in the Ketchum / Sun Valley area. Acquisitions involved permanent and temporary rights including fee and temporary construction easements. Delivery was completed in 5 weeks from NTP.

Fremont County, US-20 Chester to Ashton. Steve is appraising 100+ properties. The project involves widening US-20 between Chester and Ashton. Acquisitions involved permanent and temporary rights including fee and temporary construction easements. Initial deliveries began just 5 weeks after engagement.

Pipeline Project – Colorado and Wyoming

Steve led CBRE's West team in appraising 110+ properties for a national pipeline company. Delivery of all appraisals covering 50+ miles of right of way took place in just 3 weeks. CBRE's Right of Way appraisal division, using resources from multiple regions including the West and South Central, delivered appraisals covering 330+ properties spanning 270 miles of right of way in Colorado and Wyoming in just 4 weeks.

California High-Speed Rail Authority

Steve recruited, hired, and led the entire appraisal services function involving approximately 70+ employees and subconsultants appraising approximately 350 unique properties. He was the appraisal manager for the initial rail segment through the Central Valley. Steve was responsible for the delivery of the appraisal documents, quality reviews, management, and valuation-related communication with the acquisition teams. Urban property impacts were significant and involved very complex partial acquisitions with uneconomic remnant and severance damage quantification. Rural property impacts were significant including agricultural permanent plantings (orchards and vines), row crops, with crop loss and other severance damage considerations. Steve also managed

the appraisal and appraisal review efforts associated with approximately ten environmental land mitigation appraisal assignments. Steve is currently providing appraisal and appraisal review services for the Authority.

Highway Project – Ketchikan, Alaska

Steve is leading a team in appraising 100+ properties for Alaska Department of Transportation. Partial acquisitions include permanent and temporary easements from commercial, industrial, and residential properties.

San Diego Association of Governments (SANDAG)

Mid-Coast Corridor Transit Project (MCCTP). Steve served as MCCTP Appraisal Manager and assembled and led a team of 50+ employees and subconsultants to deliver over 60 appraisal and appraisal review assignments in support of the extension of the existing San Diego Light Rail Trolley from north of the Old Town Transit Center to the University of California San Diego campus in University City. Acquisitions included fee, permanent easement and temporary easements. Some of the larger parcel values involved institutional investment grade assets with values exceeding $100 million dollars. Complicated damage and benefit analysis was completed involving impacts associated with elevated light rail construction adjacent to retail, office, and multi-family residential properties.

City of Las Vegas

Steve has an on-call with the City for appraisal and appraisal review services. He has worked on multiple projects in service to the City.

Nevada Irrigation District (NID), Nevada County CA

Banner Cascade and Cement Hill Pipeline Projects. Steve led the 10+ employee team to appraise several hundred properties affected by water pipeline projects in Nevada County, CA located approximately 60 miles northeast of Sacramento. Permanent and temporary easement rights were ultimately acquired by NID.

Southern California Edison, Riverside and San Bernardino Counties

West of Devers Project (WOD). Steve's role as Relationship Manager and Appraisal Manager included the delivery of approximately 150 appraisal assignments in support of Edison's West of Devers Upgrade Project. He managed the appraisal and research teams and interfaced with the Prime Contractor and SCE for the project. The Devers Project Upgrade will replace and upgrade existing electrical infrastructure within and adjacent to the existing electric transmission right of way. The team completed approximately 80% of the appraisal deliverables in just three months. Valley South Sub transmission Project (VSSP). As Client Relationship Manager and Appraisal Manager for the 90-parcel project, Steve managed the appraisal and research teams and interfaced with the Prime Contractor, SCE, and outside SCE legal counsel. This project involves modification of SCE's existing Valley 500/115kV Substation, the construction of a new overhead 115kV sub transmission line, replacing conductors, relocating distribution facilities at Triton and Valley Substations.

Southern California Gas

PSEP Program, Land and Right of Way Department. As the Appraisal Manager, Steve appraised properties throughout SoCalGas' 20,000 square mile service territory that spans from the CA Central Valley to the US / Mexico border. His responsibilities involved partial acquisitions seeking permanent utility easements, temporary access, and construction easements for approximately 80 properties.

Sacramento Municipal Utility District (SMUD)

Various Projects. As the Client Relationship Manager and Appraisal Manager, Steve led several projects throughout SMUD's service territory. For example, the Solano Phases 3 and 4 Wind Energy Development Projects, involved open space land located in Solano County. Rights appraised included fee, permanent easement, and temporary easement rights to facilitate installation of necessary facilities to gather electricity produced by Wind Turbine Generators in order to sell the electricity back to the Pacific Gas & Electric grid.

Riverside County Transportation Commission (RCTC)

Mid-County Parkway Project. Managed appraisal and appraisal review assignments in support of RCTC's Mid-County Parkway Project, a 14-mile highway proposed in Riverside County, CA.

Sacramento and West Sacramento Area Flood Control Agency (SAFCA and WSAFCA)

Levee Improvement Projects. Steve provided appraisal services for multiple projects and properties located along the existing river levee where SAFCA and WSAFCA needed to acquire permanent and temporary easement rights to make levee improvements.

Airport Expansion Project – Phoenix, AZ – Sky Harbor

Steve provided appraisal services for properties affected by the proposed airport expansion project.

Pipeline Project – Flagstaff, AZ

Steve provided appraisal services for a residential property affected by a proposed pipeline easement.

Oregon Department of Transportation – Oregon

Steve provided appraisal services for multiple ODOT projects for over 100+ properties. Partial acquisitions included fee, permanent and temporary easements.

Oregon, City of Bend

Steve provided appraisal services for a sewer interceptor project affecting five properties. Partial acquisitions included permanent and temporary easements.

Ben Franklin Transit, WA

Steve is providing appraisal services for multiple properties affected by transit projects. Acquisitions typically include fee and easements.

Sound Transit BRT Project - Seattle, WA

Steve provided appraisal services for a commercial property affected by the proposed Bus Rapid Transit Project.

Idaho Transportation Department (ITD)

Steve provided appraisal services involving 18 properties affected by the US 26 / Hitt Road (25th East) project.

Idaho Transportation Department (ITD) / Madison County

Steve provided appraisal services involving 17 properties affected by the US 20 Frontage Road Project.

City of Idaho Falls, ID

Steve appraised a rail line corridor in Idaho Falls that the City was contemplating acquiring from a rail operator.

City of Napa, CA

Steve appraised 10+ properties affected by partial acquisitions associated with the Jefferson Street utility undergrounding project.

Sonoma County, CA

Steve has delivered or is working, on multiple partial acquisition appraisals on bridge projects in Sonoma county, including Wohler, and Watmaugh bridges.

Mariposa County, CA

Steve has delivered multiple partial acquisition appraisals on bridge projects in Mariposa County, including the Buckeye Road Bridge over Mariposa Creek Project and the Oak Road Bridge over Bear Creek Project.

Wyoming

Steve has delivered market studies and provided consulting services in multiple counties in WY. Steve has completed appraisals for transportation projects in WY.

Montana

Steve has delivered market studies and provided consulting services in multiple counties in MT.

Nebraska

Steve has served multiple public agency clients by providing appraisal services in Nebraska.

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Stephen M. Parent

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 042853

Effective Date: July 25, 2025
Date Expires: July 24, 2027

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3082339

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Appraisal Institute®

Professionals Providing Real Estate Solutions

This Certifies That

Stephen M. Parent

has been admitted to membership as an

MAI Member

in the Appraisal Institute and is
entitled to all the rights and privileges of membership
subject only to the limiting conditions set forth from time to time
in the Bylaws and Regulations of the Appraisal Institute.

In Witness Whereof, the Board of Directors of the Appraisal Institute has
authorized this certificate to be signed in its behalf by the President, and the
Corporate Seal to be hereunto affixed on this *10th* day of *September 2008*

President

This certificate is the property of the Appraisal Institute and must be returned to the Secretary upon termination of membership.

The International Right of Way Association

acknowledges that

Steve Parent, SR/WA, R/W-AC

has qualified as

Senior Right of Way Professional

The SR/WA Designation signifies the commitment to professional growth and development, and the aptitude to understand, communicate and perform within standards of the right of way profession.

SR/WA Number: 6399

Designated: 02/01/2014

Recertification Due: 02/01/2029

Fred Easton, SR/WA, R/W-AMC
International President

Elizabeth Smith, SR/WA
Vice Chair, International Professional
Education Committee

IRWA
BUILDING A BETTER WORLD TOGETHER®

VALUATION & ADVISORY SERVICES

Ryan J. Dobbins

Vice President, Woodland Hills, CA
T +1 818 251 3665
E ryan.dobbins@cbre.com

Professional Experience

Ryan J. Dobbins is a Vice President for CBRE's Valuation & Advisory Services (VAS). Property types which he has appraised include industrial buildings, shopping centers, office buildings, apartment buildings, proposed luxury high-rise condominium complexes, subdivisions, mobile home parks, hotels/motels, healthcare properties, funeral homes, gas stations, performing arts theaters, shipping terminals and other types of waterfront property, industrial, commercial and residential acreage, agricultural land, mountainous and hillside acreage, utility and transportation corridors, and single-family residences. Major assignments of special purpose properties include an offshore marine terminal, a former hospital campus designated as a historic landmark, a NASCAR Speedway, a horse racing track, an amusement park and a duty free retail shopping outlet immediately adjacent to the busiest international border crossing in the western hemisphere.

He is experienced in providing real estate appraisal, analysis, and research services for many federal, state, county, and municipal agencies. Mr. Dobbins also provides valuation services to local and national lenders, institutional investors, corporations, law firms, and individual property owners. He has completed a wide range of specialized studies including value diminution (from both internal and external influences), market demand, feasibility, severance damages, assessment allocation, adaptive reuse analyses, and the valuation of partial interests including leasehold, leased fee, possessory interests, and minority interests. Mr. Dobbins was previously an Associate Director with Integra Realty Resources – Los Angeles.

Representative Appraisal Assignments

- Appraisal services for multiple federal border crossing expansion projects along the California border with Mexico. The most significant project included the appraisal of 19.01± acres of land under nine ownership entities for the San Ysidro Border Station and Reconfiguration Project. The purpose of the appraisal was for the acquisition of land and existing improvements to expand the busiest international border crossing in the western hemisphere, located between San Ysidro, California, and Tijuana, Mexico.
- Appraisal services related to an oil company which was negotiating a rental rate with the California State Lands Commission (CSLC) for the leasing of an offshore marine terminal near El Segundo, California, and a separate assignment used for negotiating a rental rate with the CSLC for a long wharf in Richmond, California.

Pro Affiliations / Accreditations

- Licensed: California Certified General Real Estate Appraiser No. AG029385
- Practicing Affiliate: Appraisal Institute, Southern California Chapter
- Member: International Right of Way Association

Education

- M.S., Counseling Psychology, California Lutheran University
- B.A., History, California Lutheran University

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- Appraisal services for various entities involved in tax assessment appeals, of particular interest is Terranea. The assignment included the valuation of a 582-key, five-star luxury resort on the Palos Verdes Peninsula. A key component of the assignment included the identification of the fair market value of the going concern and the separation of business value (or non-taxable elements). Other tax assessment appeal assignments have included Auto Club Speedway (a NASCAR track); Santa Anita Park (a horse racing track) Belmont Park (a coastal amusement park); a water park; hospitals; a major brewing facility; and port terminals in Los Angeles, Long Beach, San Diego, and Richmond.
- Several infrastructure and right of way projects. One prominent assignment was the valuation of a subterranean subway easement beneath the 25+ acre Beverly Hills High School campus. The easement rights were needed in relation to the extension of Metro's Purple Line which will provide service between downtown Los Angeles and the VA Hospital near Westwood. The assignment included an analysis of the property in the before and after condition as well as a complex study of severance damages and project benefits.
- Multiple residential subdivision appraisal assignments for lender clients, major national developers, and as parts of national portfolios. One noteworthy assignment included the appraisal of a detached, single-family residential estate development in Chatsworth, California. Approximately two-thirds of the development had been constructed and the client was interested in determining if the remainder of the continuation of development was feasible in a down turning residential market. The analysis included an in-depth market analysis, addressing absorption rates, construction costs, and forecasting future home sale prices.

Training / Courses Completed

Appraisal Institute Courses Completed:

- Course 410 – Uniform Standards of Professional Appraisal Practice, Part A
- Course 420 – Business Practices and Ethics
- Course 510 – Advanced Income Capitalization
- Course 520 – Highest and Best Use and Market Analysis
- Course 530 – Advanced Sales Comparison and Cost Approaches
- Course 540 – Report Writing and Valuation Analysis
- Course 550 – Advanced Applications
- Course 710 – Condemnation Appraising: Principles and Applications

International Right of Way Association Courses Completed:

- Course 104 – Standards of Practice for the Right of Way Professional
- Course 410 – Reviewing Appraisals in Eminent Domain
- Course 800 – Principles of Real Estate Law

Other Courses and Seminars:

- Appraising the Appraisal: Appraisal Review (Appraisal Institute, 2012)
- Annual Litigation Seminar (Appraisal Institute, 2011-2019 and 2021)
- Appraising Distressed Commercial Real Estate (Appraisal Institute, 2008)
- Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) (Appraisal Institute, 2007)
- Evaluating Commercial Construction (Appraisal Institute, 2007)
- Appraising Special Purpose Properties Seminar (Appraisal Institute, 2005)
- Contemporary Approaches to Land Seminar (Appraisal Institute, 2005)
- ARGUS Power User Training (Realm, 2004)
- Real Estate Finance (University of California, Los Angeles, 2003)

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BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Ryan J. Dobbins

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 029385

Effective Date: October 4, 2025
Date Expires: October 3, 2027

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3084235

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VALUATION & ADVISORY SERVICES

Susan O. Gordon

Vice President, Woodland Hills
T +1 818 251-3670
E susan.gordon@cbre.com

Professional Experience

Susan O. Gordon is a Sr. Appraiser for CBRE's Valuation & Advisory Services (VAS). Ms. Gordon has been appraising real property since 2006. Her experience valuing diverse property types includes vacant residential, industrial, and commercial land as well as utility corridors, industrial buildings, retail storefronts, mini-malls and shopping centers, office buildings and business parks, affordable/subsidized residential apartment complexes, high-rise apartment buildings in mid-construction, single-family residential estates, healthcare properties, gas stations, mortuaries, and other special purpose properties. She has extensive experience in eminent domain, diminution in value, and litigation support.

Ms. Gordon has successfully appraised properties for various client groups such as public agencies (cities of Glendale, Bell, Palmdale, Pasadena, Culver City, Riverside, City and County of Los Angeles, Metropolitan Transportation Authority, Department of Water and Power, Metropolitan Water District), utility providers, financial institutions, law firms and accountancy firms, corporations, and individual property owners. Ms. Gordon previously was a Senior Analyst with Integra Realty Resources – Los Angeles.

Training / Courses Completed

State of California credit for completion of the following Appraisal Institute and other credentialed courses and seminars:

- Los Angeles/Orange County Market Trends (2023, 2022, 2021, 2020, 2019, 2018)
- Accessory Dwelling Units (ADUs): Valuation Challenges and the Law (2020)
- Data Verification Methods (2018)
- Eminent Domain and Condemnation (2016)
- General Appraiser Report Writing and Case Studies (2015)
- Federal and State Laws and Regulations (2022, 2018, 2014)
- General Appraiser Market Analysis and Highest and Best Use (2014)
- Litigation Seminar (2023, 2021, 2019, 2017, 2014)
- 7-Hour National USPAP Course (2024, 2022, 2020, 2018, 2016, 2014, 2012, 2010, 2008)
- Appraising Complex Properties (2014)
- Case Studies in Appraising Green Residential Buildings (2015)

Pro Affiliations / Accreditations

- License: California, Certified General Real Estate Appraiser, AG040748, Expires July 2026
- Practicing Affiliate: Appraisal Institute, Southern California Chapter

Education

- B.A., Social Ecology/Pre-Law, University of California, Irvine (Dean's List)

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- Introduction to Green Buildings: Principles and Concepts (2018, 2015)
- General Appraiser Income Approach Parts 1 and 2 (2015)
- General Appraiser Site Valuation and Cost Approach (2014)
- General Appraiser Sales Comparison Approach (2014)
- Real Estate Finance, Statistics and Valuation Modeling (2013)
- Residential Design & Functional Utility (2011)
- Business Practices and Ethics (2018, 2010)
- Residential Property Construction and Inspection (2009)
- The New Residential Market Conditions Form (2008)
- Appraiser Recruiter to the Stars (2007)
- Do You Know What to Look At and For in Property Observation? (2006)
- Low Income & Market-Rate Housing Considerations for Appraisers (2006)
- 15-Hour National USPAP Course (2005)
- Residential Market Analysis and Highest & Best Use (2005)
- Basic Appraisal Procedures (2005)
- Basic Appraisal Principles (2005)

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BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Susan O. Gordon

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 040748

Effective Date: July 19, 2024
Date Expires: July 18, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3076852

COPY

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VALUATION & ADVISORY SERVICES

Stephanie Kavanaugh

Vice President
Newport Beach, CA
E stephanie.kavanaugh@cbre.com

Professional Experience

Stephanie Kavanaugh is a Vice President with CBRE's Valuation & Advisory Services (VAS). She has been appraising in Southern California for more than 20 years, specializing in valuation and consulting services related to public agency and right-of-way clients and for major, investment grade commercial properties and special purposes properties.

She has experience in valuing residential, commercial, industrial, open space land, vacant land and other income producing properties for institutional and acquisition purposes, partial acquisition valuation, including determination of severance damages and/or benefits for public projects. Major projects appraised include freeway and street widening, gas pipeline, grade separations, transmission line easements and electrical substations. Special purpose properties appraised include landfills, museums, water tank sites, libraries, fire stations, and correctional institutions.

Her recent appraisal work for right-of-way-related purposes includes assignments for the Marengo Siding Improvement Project, El Monte Siding Extension Project, Chatsworth Station and Signal Improvements Project, Bloomington Avenue Pavement and Sidewalk Project, Blackstone McKinley BNSF Grade Separation Project, San Juan Creek Bridge Replacement Project, I-405 Improvement Project, California High Speed Rail Authority, and Mid County Parkway Project.

Training / Courses Completed

Completed the following Appraisal Institute courses:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- National Uniform Standards of Professional Appraisal Practice
- Real Estate Finance, Statistics, and Valuation Modeling
- Business Practices and Ethics
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Income Capitalization Approach, Part I
- General Appraiser Income Capitalization Approach, Part II
- Advanced Income Capitalization
- General Appraiser Report Writing and Case Studies

Pro Accreditations

- Licenses: California, Certified Real Estate Appraiser, AG030565, Expires April 2027

Education

- Fashion Institute of Design & Merchandising
- University of California, Los Angeles

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Significant Right-Of-Way Assignments

- Mid-County Parkway Project / TranSystems and RCTC
  - Valuation of multiple parcels for full acquisition purposes
- Ramona Expressway Project (MCP3) / TranSystems and RCTC
  - Valuation of multiple parcels for partial acquisition purposes
- Blackstone/McKinley Grade Separation / Universal Field Services
  - Valuation of multiple parcels for full acquisition purposes
- Metrolink SCORE / HDR
  - Valuation of multiple parcels for partial acquisition purposes
- City of Laguna Niguel / Monument
  - Four parcels at the intersection of Crown Valley Parkway and Cabot Road for partial acquisition purposes
- Lakewood Boulevard Pedestrian Improvement Project / City of Downey / Willdan (as an employee of IRR-OC)
  - Valuation of roadway easements from several properties for road widening and sidewalk improvement.
- Bloomington Avenue Pavement and Sidewalk Project / San Bernardino County Department of Public Works (as an employee of IRR-OC)
  - Valuation of multiple parcels for partial acquisition purposes
- Warner Avenue Widening Improvement Project / City of Santa Ana (as an employee of IRR-OC)
  - Valuation of several properties for full and partial acquisition purposes
- County of Orange (as an employee of IRR-OC)
    - Flowage Easement, Eastvale
- I-405 Highway Widening Project / OCTA (as an employee of Kiley Company)
  - Valuation of multiple parcels for partial acquisition, including air rights, corridor rights, and other easement rights.
- SR-55 Highway Widening Project / OCTA/Monument (as an employee of Kiley Company)
  - Valuation of multiple parcels for partial acquisition purposes
- SR 91 Freeway Widening Project / Riverside County Transportation Commission (as an employee of Kiley Company)
  - Valuation of multiple parcels for full and partial acquisition purposes

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BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Stephanie L. Kavanaugh

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 030565

Effective Date: April 16, 2025
Date Expires: April 15, 2027

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3080310

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SECTION C: PRICE PROPOSAL

SECTION C: PRICE PROPOSAL

In completing other large, multi-parcel assignments, we have found that the most effective way to minimize costs is to organize each assignment after gaining an understanding of all of the work involved. That is, we would carefully consider all of the appraisal assignments to be completed in the reasonably foreseeable future. By identifying all appraisal assignments to be completed, we are able to make most efficient use of our time in completing field inspections, and in cross-referencing factual data contained within the specific appraisal reports. In simultaneously completing multiple appraisals, we would prepare a matrix identifying all of the properties along one axis and identifying the various tasks within each appraisal along the other axis. In this manner, we are able to complete our work in the most efficient manner possible. By organizing our work in this manner, we have found that appraisal fees (on a per parcel basis) are frequently 15% to 30% less in a multi-parcel project area than they would be if the appraisal of each parcel was completed one at a time.

We will provide firm fixed fee estimates for each assignment or grouping of assignments prior to the onset of undertaking the assignment. The fixed-fee estimates provided include all costs associated with the completion of the appraisals, inclusive of all hourly rates, anticipated travel, other incidental costs and charges, including all tasks involved in the appraisal assignment(s):

Typical Costs for Appraisal Services*

	Summary Report *Typical Cost Range*		Appraisal Review *Median Cost Range*	
	Low	High	Desk Review	Field Review
Residential Properties				
Vacant Land	$2,700	$6,000	$1,000	$1,600
SFR	$2,500	$3,500	$1,000	$1,600
Multifamily	$4,000	$9,000	$1,800	$3,000
Commercial/Industrial				
Vacant Land	$3,500	$10,000	$1,500	$2,500
General Commercial/Industrial	$4,000	$8,000	$1,800	$3,000
Complex Commercial/Industrial	$7,000+		$2,500	$3,500+
Special Use Properties				
Complex Commercial/Industrial	$6,000	$20,000	$2,500	$4,000
Religious facilities	$5,500	$8,000	$1,500	$3,400
Educational Facilities	$5,500	$8,000	$1,800	$3,500
Hospital Facilities	To be quoted on an as-needed basis		To be quoted on an as-needed basis	
Lodging Facilities	$5,500	$15,000	$2,500	$4,000
Parks/Recreation Facilities	$5,500	$10,000	$2,500	$4,000
Planned Developments				
Planned SFR/Subdivisions	$8,000	$15,000	$3,500	$7,000+
Planned Multifamily	$4,000	$8,500	$2,000	$4,000
Planned Commercial/Industrial	$5,000	$12,000	$2,500	$4,000
Planned Special Use Projects	$6,500	$20,000+	$3,500	$7,000+
Complex Planned Developments	To be quoted on an as-needed basis		To be quoted on an as-needed basis	

* These costs are for USPAP appraisals and do not include costs for eminent domain appraisals.

For the purpose of providing supplemental consulting services and expert testimony, hourly rates follow. All pricing will remain firm for the duration of the contract term.

Schedule of Hourly Rates		
Alex Nunn, MAI	$400 /hour	for appraisal and consulting
Director	$475 /hour	for trial preparation and expert testimony
James M. Bray, MAI, CCIM, MRICS	$400 /hour	for appraisal and consulting
Vice Chair	$475 /hour	for trial preparation and expert testimony
Jennifer Hsu, MAI, ASA	$400 /hour	for appraisal and consulting
Director - Greater Los Angeles	$475 /hour	for trial preparation and expert testimony
John G. Ellis, MAI, CRE, FRICS	$500 /hour	for appraisal and consulting
Executive Vice President	$700 /hour	for trial preparation and expert testimony
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA		
AI-GRS, AI-RRS	$375 /hour	for appraisal and consulting
Executive Vice President	$375 /hour	for trial preparation and expert testimony
Senior Vice Presidents and Vice Presidents	$250 to $300 /hour	
Senior Associates, Senior Valuation Associates, and Senior Valuation Analysts	$150 to $225 /hour	
Administrative Support	$120 /hour	

SECTION D: VALUE ADDED SERVICES

SECTION D: VALUE ADDED SERVICES

Our firm will not be providing any additional services in reference to this proposal.

SECTION E: EVIDENCE OF INSURANCE

SECTION E: EVIDENCE OF INSURANCE

Our current certificates of insurance are included following this page.

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
05/12/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services Northeast, Inc.
Connecticut Office
800 Connecticut Ave
Norwalk CT 06854 USA

CONTACT NAME:
PHONE (A/C. No. Ext): (866) 283-7122 **FAX (A/C. No.):** 8003630105
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	American International Group UK Ltd	AA1120187
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
CBRE Group, Inc. and Subsidiaries
2121 N Pearl Street
Suite 300
Dallas TX 75201 USA

COVERAGES **CERTIFICATE NUMBER:** 570119947072 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	
							MED EXP (Any one person)	
							PERSONAL & ADV INJURY	
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	
	☐ OTHER:							
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	
	☐ ANY AUTO						BODILY INJURY (Per person)	
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	
	☐ **UMBRELLA LIAB** ☐ OCCUR						EACH OCCURRENCE	
	☐ **EXCESS LIAB** ☐ CLAIMS-MADE						AGGREGATE	
	☐ DED ☐ RETENTION							
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						☐ PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ N / A						E.L. EACH ACCIDENT	
	(Mandatory in NH)						E.L. DISEASE-EA EMPLOYEE	
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-POLICY LIMIT	
A	E&O - Professional Liability - Primary			080774933 Claims Made SIR applies per policy terms & conditions	11/01/2025	11/01/2026	Per Claim/Aggregate SIR	$10,000,000 $30,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Retroactive Date: January 1, 1975. Evidence of Insurance.

CERTIFICATE HOLDER

City of Banning
Attn: Purchasing Division
99 E. Ramsey Street
Banning CA 92220-4837 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Northeast, Inc.

Holder Identifier :

Certificate No : 570119947072

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The ACORD name and logo are registered marks of ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
03/13/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aon Risk Services Northeast, Inc.
Connecticut Office
800 Connecticut Ave
Norwalk CT 06854 USA

CONTACT NAME:
PHONE (A/C. No. Ext): (866) 283-7122 **FAX (A/C. No.):** (800) 363-0105
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Zurich American Ins Co	16535
INSURER B:	ACE Property & Casualty Insurance Co.	20699
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
CBRE Group, Inc. and Subsidiaries
2121 N Pearl Street
Suite 300
Dallas TX 75201 USA

COVERAGES **CERTIFICATE NUMBER:** 570118490910 **REVISION NUMBER:**

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Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT X LOC OTHER:			GL0838419924	03/01/2026	03/01/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$5,000,000 $50,000 $10,000 $5,000,000 $5,000,000 $5,000,000
A	**AUTOMOBILE LIABILITY** X ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY			BAP 8384200 24	03/01/2026	03/01/2027	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$5,000,000
B	X **UMBRELLA LIAB** X OCCUR **EXCESS LIAB** CLAIMS-MADE DED X RETENTION $25,000			XEUG27952501011	03/01/2026	03/01/2027	EACH OCCURRENCE AGGREGATE	$5,000,000 $5,000,000
A A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N: N **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		WC838419527 All Other States WC914173620 Wisconsin	03/01/2026 03/01/2026	03/01/2027 03/01/2027	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT	 $1,000,000 $1,000,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Banning, its officers, officials, employees, agents and volunteers are included as Additional Insured in accordance with the policy provisions of the General Liability and Automobile Liability policies. General Liability policy evidenced herein is Primary and Non-Contributory to other insurance available to an Additional Insured, but only in accordance with the policy's provisions and per the applicable written contract. A Waiver of Subrogation is granted in favor of The City of Banning, its officers, officials, employees and agents in accordance with the policy provisions of the Workers' Compensation policy and per the applicable written contract.

CERTIFICATE HOLDER

City of Banning
Attn: Purchasing Division
99 E. Ramsey Street
Banning CA 92220-4837 USA

CANCELLATION

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AUTHORIZED REPRESENTATIVE

Aon Risk Services Northeast, Inc.

Holder Identifier : DEJ

Certificate No : 570118490910

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COMMERCIAL GENERAL LIABILITY
CG 20 01 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

© Insurance Services Office, Inc., 2012

POLICY NUMBER: GLO 8384199-24 **COMMERCIAL GENERAL LIABILITY**
CG 20 26 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
Any person or organization that the insured has agreed by written contract or written agreement to name as an additional insured and executed prior to the occurrence of any loss.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or

2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

© Insurance Services Office, Inc., 2012

ENDORSEMENT

Insurance for this coverage part provided by:
ZURICH AMERICAN INSURANCE COMPANY

Policy Number
BAP 8384200-24
Renewal of Number
BAP 8384200-23

ADDITIONAL INSURED ENDORSEMENT - WHERE REQUIRED

IT IS AGREED THAT "INSURED" INCLUDES ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED, BY WRITTEN CONTRACT, OR WRITTEN AGREEMENT, TO PROVIDE INSURANCE AS PROVIDED BY THIS POLICY, BUT ONLY TO THE LIMIT AND SCOPE OF INSURANCE AGREED BY THE NAMED INSURED. IN NO EVENT SHALL THE COVERAGES OR LIMITS OF INSURANCE IN THIS COVERAGE FORM BE INCREASED BY SUCH CONTRACT. WHEN REQUIRED BY SUCH A WRITTEN CONTRACT OR WRITTEN AGREEMENT WITH THE NAMED INSURED, THIS INSURANCE WILL ACT AS PRIMARY AND NON-CONTRIBUTORY INSURANCE ON BEHALF OF SUCH INSURED.

SECTION F: VENDOR FORMS

SECTION F: VENDOR FORMS

Our completed Vendor Master File, including a copy of our W-9, City business license (renewal in process), and our insurance certificates are included following this page.

Vendor Master File

Name: CBRE, Inc.

Address: 5921 Owensmouth Ave.

City, State, Zip: Woodland Hills, CA 91367

Phone Number: (818) 251-3646

Contact Person: Nicole B. Galvez

Email Address: Nicole.Galvez@cbre.com

Business Description: Real Estate Valuation and Consulting Services; Litigation Support

Remittance Address (if different from above)

Name: CBRE, Inc.

Address: Lockbox 281620; Location Code 5000

City, State, Zip: Atlanta, GA 30384-1620

Company License (if Applicable):

City: _____ State: _____ Contractors: _____ DIR: PW-LR-1000997828

Office Use Only

Vendor Number: _____

W-9 Attached: _____ Licenses Verified: _____

Comm/Serv: _____ E/X Code _____

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See *Specific Instructions* on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

CBRE, Inc.

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☑ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . _____

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) _____

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) 5

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) E

(Applies to accounts maintained outside the United States.)

5 Address (number, street, and apt. or suite no.). See instructions.

Bank of America Lockbox Services-Lockbox 281620; Location Code 5000

Requester's name and address (optional)

6 City, state, and ZIP code

Atlanta, GA 30384-1620

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

☐☐☐ – ☐☐ – ☐☐☐☐

or

Employer identification number

9 5 – 2 7 4 3 1 7 4

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person** [signature] **Date** 1/15/2026

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

CITY OF BANNING BUSINESS LICENSE TAX CERTIFICATE

PLEASE POST IN A CONSPICUOUS PLACE
NOT TRANSFERABLE

Rate Type: General Service Business

Business Name: CBRE, INC

Business Type: REAL ESTATE - GENERAL

Business Address: 2375 N GLENVILLE DR BLDG A
RICHARDSON, TX 75082-4470

Account Number: 20712638

Issue Date: 08/29/2024

Business Owner: CBRE, INC

Expiration Date: 08/28/2025

For all inquiries regarding this license, contact the HdL Business Support Center at (707) 387-9807.

5.04.030 - Effect on other ordinances.
Persons required to pay a business tax for transacting and carrying on any business under this chapter shall not be relieved from the payment of any business tax for the privilege of doing such business required under any other ordinance of the city, and shall remain subject to the regulatory provisions of other ordinances.

CBRE, INC :

Thank you for your payment on your City of Banning Business Tax Certificate. ALL LICENSES MUST BE AVAILABLE FOR INSPECTION UPON REQUEST. If you have questions concerning your business license tax certificate, please contact the Business Support Center via email at: Banning@hdlgov.com or by telephone at:(707) 387-9807.

Keep this portion of your certificate separate in case you need a replacement for any lost, stolen, or destroyed certificate.

Starting January 1, 2021, Assembly Bill 1607 requires the prevention of gender-based discrimination of business establishments. A full notice is available in English or other languages by going to: https://www.dca.ca.gov/publications/.

BUSINESS SUPPORT CENTER
8839 N CEDAR AVE #212
FRESNO, CA 93720-1832

City of Banning
BUSINESS LICENSE TAX CERTIFICATE

CBRE, INC
2375 N GLENVILLE DR BLDG A
RICHARDSON, TX 75082-4470

License Number: **20712638**

Date of Issue: **08/29/2024**

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
05/12/2026

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PRODUCER
Aon Risk Services Northeast, Inc.
Connecticut Office
800 Connecticut Ave
Norwalk CT 06854 USA

CONTACT NAME:
PHONE (A/C. No. Ext): (866) 283-7122 **FAX (A/C. No.):** 8003630105
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	American International Group UK Ltd	AA1120187
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
CBRE Group, Inc. and Subsidiaries
2121 N Pearl Street
Suite 300
Dallas TX 75201 USA

COVERAGES **CERTIFICATE NUMBER:** 570119947072 **REVISION NUMBER:**

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Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	
							MED EXP (Any one person)	
							PERSONAL & ADV INJURY	
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	
	☐ OTHER:							
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	
	☐ ANY AUTO						BODILY INJURY (Per person)	
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	
	☐ **UMBRELLA LIAB** ☐ OCCUR						EACH OCCURRENCE	
	☐ **EXCESS LIAB** ☐ CLAIMS-MADE						AGGREGATE	
	☐ DED ☐ RETENTION							
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						☐ PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ N / A						E.L. EACH ACCIDENT	
	(Mandatory in NH)						E.L. DISEASE-EA EMPLOYEE	
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-POLICY LIMIT	
A	E&O - Professional Liability - Primary			080774933 Claims Made SIR applies per policy terms & conditions	11/01/2025	11/01/2026	Per Claim/Aggregate SIR	$10,000,000 $30,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Retroactive Date: January 1, 1975. Evidence of Insurance.

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AUTHORIZED REPRESENTATIVE

Aon Risk Services Northeast, Inc.

Holder Identifier :

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CONTACT NAME:
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INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Zurich American Ins Co	16535
INSURER B:	ACE Property & Casualty Insurance Co.	20699
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B	X **UMBRELLA LIAB** X OCCUR **EXCESS LIAB** CLAIMS-MADE DED X RETENTION $25,000			XEUG27952501011	03/01/2026	03/01/2027	EACH OCCURRENCE AGGREGATE	$5,000,000 $5,000,000
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CERTIFICATE HOLDER

City of Banning
Attn: Purchasing Division
99 E. Ramsey Street
Banning CA 92220-4837 USA

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Certificate No : 570118490910

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CBRE Group, Inc.
GLO 8384199-24
Eff 03-01-2026

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Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

© Insurance Services Office, Inc., 2012

POLICY NUMBER: GLO 8384199-24 **COMMERCIAL GENERAL LIABILITY**
CG 20 26 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
Any person or organization that the insured has agreed by written contract or written agreement to name as an additional insured and executed prior to the occurrence of any loss.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or

2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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ENDORSEMENT

Insurance for this coverage part provided by:
ZURICH AMERICAN INSURANCE COMPANY

Policy Number
BAP 8384200-24
Renewal of Number
BAP 8384200-23

ADDITIONAL INSURED ENDORSEMENT - WHERE REQUIRED

IT IS AGREED THAT "INSURED" INCLUDES ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED, BY WRITTEN CONTRACT, OR WRITTEN AGREEMENT, TO PROVIDE INSURANCE AS PROVIDED BY THIS POLICY, BUT ONLY TO THE LIMIT AND SCOPE OF INSURANCE AGREED BY THE NAMED INSURED. IN NO EVENT SHALL THE COVERAGES OR LIMITS OF INSURANCE IN THIS COVERAGE FORM BE INCREASED BY SUCH CONTRACT. WHEN REQUIRED BY SUCH A WRITTEN CONTRACT OR WRITTEN AGREEMENT WITH THE NAMED INSURED, THIS INSURANCE WILL ACT AS PRIMARY AND NON-CONTRIBUTORY INSURANCE ON BEHALF OF SUCH INSURED.

SECTION G: TYPE OF BUSINESS

SECTION G: TYPE OF BUSINESS

CBRE, Inc. is a C Corporation.

SECTION H: LEGAL COMPANY NAME

SECTION H: LEGAL COMPANY NAME

Our firm's legal name is CBRE, Inc.

SECTION I: EX PARTE COMMUNICATIONS CERTIFICATION

SECTION I: EX PARTE COMMUNICATIONS CERTIFICATION

I certify that Bidder and Bidder's representatives have not had any communication with a City Councilmember concerning this IFB at any time after the date and time that this IFB was publicly advertised.

☒ Yes

☐ No

SECTION J: EX PARTE COMMUNICATIONS CERTIFICATION CONTINUED

SECTION J: EX PARTE COMMUNICATIONS CERTIFICATION CONTINUED

None.

SECTION K: DEBARRED, SUSPENDED, DISQUALIFIED QUESTIONNAIRE

SECTION K: DEBARRED, SUSPENDED, DISQUALIFIED QUESTIONNAIRE

Has the Company, any officer of the Company, or any employee of the Company who has proprietary interest in the Company, ever been debarred, suspended, disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

☐ Yes

☒ No

SECTION L: DEBARRED, SUSPENDED, DISQUALIFIED QUESTIONNAIRE CONTINUED

SECTION L: DEBARRED, SUSPENDED, DISQUALIFIED QUESTIONNAIRE

None.

SECTION M: DISCLOSURE OF GOVERNMENT POSITIONS

SECTION M: DISCLOSURE OF GOVERNMENT POSITIONS

None.

SECTION N: CERTIFICATION COMPLIANCE

SECTION N: CERTIFICATION COMPLIANCE

Our signed Certification of Compliance with Presidential Executive Orders Imposing Sanctions Against the Russian Federation (Russia) form is included following this page. Additionally, we have reviewed the City's sample Agreement for Professional Services by Independent Contractor as provided in the RFP, and have provided our comments following the Certification of Compliance with Presidential Executive Orders Imposing Sanctions Against the Russian Federation (Russia) form.

COMPLIANCE WITH PRESIDENTIAL EXECUTIVE ORDERS IMPOSING SANCTIONS AGAINST THE RUSSIAN FEDERATION (RUSSIA)

Executive Order Nos. 13660, 13661, 13662, 13685, 13849, and 14065, and the Directives thereunder, (collectively "Orders"), impose economic sanctions against Russia ("Sanctions"), and establish prohibitions that include, but are not limited to:

(i) engaging in certain commercial transactions with a person or entity whose property or interest is blocked and/or who is listed on the Treasury Department's List of Specially Designated Nationals and Blocked Persons ("SDN List") or Sectoral Sanctions Identification List ("SSI List"); and

(ii) exporting or importing goods, services, or technology, to or from Crimea, or the Donetsk or Luhansk region, in Ukraine.

Please review the economic sanctions imposed in response to Russia's actions in Ukraine, including, but not limited to, the Orders, Directives, and sanctions identified on the U.S. Department of the Treasury website (or any successor website): https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions

Based on your review of the Sanctions and/or your personal knowledge, by signing below you certify that (i) no person, or entity or any owner thereof, submitting this bid or proposal, is a Blocked Person or is a person or entity listed on the SDN List or the SSI List; or is otherwise subject to any of the prohibitions created by the Sanctions or any of the Orders; and (ii) no performance required by a contract awarded by the City to the bidder or proposer signed for below will involve the prohibited exporting or importing of goods, services, or technology, to or from Crimea, or the Donetsk or Luhansk region, in Ukraine, or will otherwise involve conduct prohibited by any of the Sanctions.

Bidder/Proposer: CBRE, Inc.

Dated: May 18, 2026

AGREEMENT FOR PROFESSIONAL SERVICES (C0000)
BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR ("Agreement") is made and effective as of the _____ by and between the **CITY OF BANNING**, a California municipal corporation ("City") whose address is 99 East Ramsey Street, Banning, California 92220, and _____, a California _____ whose address is _____ ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as "party" and hereinafter collectively referred to as the "parties."

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. City desires to engage Contractor to provide the following services: [brief general description of services]; and

B. Contractor has made a proposal ("Proposal") to the City to provide such professional services, which Proposal is attached hereto as **Exhibit "A"** and incorporated herein by this reference; and

C. Contractor agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to City that Contractor possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, City and Contractor agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after ___ (__) year(s) unless extended by the parties with the approval of the City Council of the City.

2. Services to be Performed. Contractor agrees to provide the services ("Services") as follows: [description of Services] in accordance with Exhibit "A". All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. Contractor designates

_____ as Contractor's Representative responsible for overseeing the Services provided by Contractor ("Contractor's Representative"). City designates the City Manager, or his or her designee, to act as the Project Manager ("Project Manager") in connection with the delivery of Services under this Agreement. Contractor shall supply, at its sole expense, all equipment, tools, materials, and supplies necessary to perform Services. In the event that the Proposal contains terms that are in addition to or in conflict with this Agreement, other than the price for Services, such terms shall not be valid and shall be of no force or effect.

3. Associates and Subcontractors. Contractor may, at Contractor's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as Contractor deems necessary to perform the Services; provided, however, that Contractor shall not subcontract any of the Services without the prior written consent of City. Contractor shall ensure that all subcontractors comply with the requirements of this Agreement, including, but not limited to, insurance, indemnification, and licensing requirements.

4. Compensation.

4.01 Contractor shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the City. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by City to Contractor under this Agreement shall not exceed the amount of _____ Dollars and Zero Cents ($[__]).

4.02 Contractor shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the City, in writing.

4.03 Contractor shall submit to City, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The City shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. City shall have the right to review and audit all invoices prior to or after payment to Contractor. This review and audit may include, but not be limited to City's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Verification that the hours billed, when multiplied by the approved hourly rates, result in the correct total;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If City determines an item charged is greater than usual,

customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, City shall either return the bill to Contractor with a request for explanation or adjust the payment accordingly and give notice to Contractor of the adjustment.

4.04 If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should City dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Contractor in writing of the disputed portion.

5. Obligations of Contractor.

5.01 Contractor agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the City other than the Services to be rendered and the hourly rate for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, Contractor will supply all personnel, materials and equipment required to perform the Services. Contractor shall provide its own offices, telephones, vehicles and computers. Contractor will determine the method, details, and means of performing the Services under this Agreement.

5.03 Contractor shall keep City informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by City, Contractor shall prepare written status reports.

5.04 Contractor is responsible for paying, when due, all income and other taxes, fees, and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. Contractor agrees to indemnify, defend, and hold harmless City for any claims, costs, losses, fees, penalties, interest, or damages suffered by City resulting from Contractor's failure to comply with this provision.

5.05 In the event Contractor is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 Contractor represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein.

In the event City is required to obtain an approval or permit from another governmental entity, Contractor shall provide all necessary supporting documents to be filed with such entity.

5.07 Contractor shall be solely responsible for obtaining Employment Eligibility Verification information from Contractor's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that Contractor's employees are eligible to work in the United States.

5.08 In the event that Contractor employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the City and shall be subject to the City's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the Contractor hereby certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 Contractor shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict, the most stringent shall apply.

5.11 Contractor shall keep itself informed concerning and shall render all Services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any federal, state or local governmental entity having jurisdiction in effect at the time service is rendered.

5.12 By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of Services to be performed, (ii) has carefully considered how the Services should be performed, and (iii) fully understands the conditions, circumstances, difficulties and restrictions attending performance of the Services under this Agreement. If the Services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of Services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the Services hereunder, Contractor shall immediately inform the City of such facts and shall not proceed except at Contractor's sole risk until written instructions are received from the Project Manager.

Contractor warrants all Services under the Agreement to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Services, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Services or non-conformance of the Services to the Agreement, commence and prosecute with due diligence all Services necessary to fulfill the terms of the warranty at Contractor's sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Services (or work of other contractors) damaged by Contractor's defective Services or which becomes damaged in the course of repairing or replacing defective Services. For any Services so corrected, Contractor's obligation hereunder to correct defective Services shall be reinstated for an additional one-year period, commencing with the date of acceptance of such corrected Services. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor.

In the event that Contractor fails to fulfil its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Services and any work damaged by such services or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

5.13 Time is of the essence in the performance of this Agreement.

6. Insurance. Contractor hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, Contractor hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "B"** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of ~~not less than~~ $1,000,000 per occurrence and $2,000,000 in the aggregate; Contractor agrees to have its insurer

endorse the general liability coverage required herein to include as additional insured's City, its officials, employees and agents. Contractor also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount ~~no less than~~ of $1 million per accident. If Contractor or Contractor's employees will use personal autos in performance of the Services hereunder, Contractor shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation insurance for any of Contractor's employees that will be providing any Services hereunder. Contractor will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any Workers' Compensation insurance will not limit the obligations of Contractor under this Agreement. Contractor expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents. Sole proprietors with no employees, LLCs, or partnerships using the services of members or partners who do not carry Workers' Compensation insurance acknowledge that they are not subject to the Workers' Compensation Act of the State of California and agree to complete a signed workers compensation exemption form.

6.04 Optional Insurance Coverage. Choose and check one: Required ☐ /Not Required ☐; Errors and omissions insurance in an ~~minimum~~ amount of $2 million per occurrence/$2 million annual aggregate to cover any negligent acts or omissions committed by Contractor, its employees and/or agents in the performance of any Services for City.

Commented [SK1]: If this is required edits are shown

6.05 Cyber Liability Insurance REQUIRED IF CHECKED HERE ONLY [☐] (Technology Professional Liability – Errors and Omissions), with limits ~~not less than~~ of $2,000,000 per occurrence or claim, and $2,000,000 aggregate ~~or the full per occurrence limits of the policies available, whichever is greater.~~ Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Contractor will file with City, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to City evidencing.

Commented [SK2]: We can agree to evidence up to $10 million in limits

6.06 If Claims Made Policies (applies only to professional liability and cyber liability policies):

i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

ii. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

iii. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the contract work.

7. General Conditions pertaining to Insurance Coverage.

7.01 No liability insurance coverage provided shall prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor waives all rights of subrogation against City regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do the same.

7.02 Prior to beginning the Services under this Agreement, Contractor shall furnish City with certificates of insurance, endorsements, and upon request, allow the City to review complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03 All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that should any described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. Contractor shall provide no less than thirty (30) days prior written notice to the City in the event any of the coverages herein are suspended, voided, canceled or limits reduced. ~~coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.~~

Commented [MR3]: A-

7.04 Self-insurance does not comply with these insurance specifications. Contractor acknowledges and agrees that that all insurance coverage required to be provided by Contractor or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to City.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Contractor shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7.06 Contractor agrees to provide immediate notice to City of any claim or loss against Contractor or arising out of the Services performed under this Agreement. City assumes no obligation or liability by such notice~~, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.~~

~~7.07 The coverage shall contain no special limitations on the scope of protection afforded to City, its directors, officers, employees, or authorized volunteers. If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.~~

8. Indemnification.

8.01 Contractor and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related or as a result of any claims by a third party for bodily injury, including death, or property damage, to the extent such claims arise from Contractor's entry on to the subject property and result from, or are attributable to, Contractor's negligence or wrongful misconduct ~~to the performance of this Agreement by Contractor or any subcontractor or agent of either as set forth herein~~. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to City. Contractor acknowledges that City would not enter into this Agreement in the absence of the commitment of Contractor to defend, indemnify, and protect City as set forth herein.

~~a. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, injuries, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. Contractor's obligation to defend, indemnify, and hold harmless shall include any and all claims,~~

Commented [MR4]: the appraiser's liability only extends to the known intended users of the appraisal report, which are defined as the "intended users" in the engagement agreement. A general indemnity would expand the appraiser's liability to additional third parties, even if they are not known to be intended users, exponentially increasing CBRE's liability.

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~~suits, and proceedings in which Contractor (and/or Contractor's agents and/or employees) is alleged to be an employee of City. All obligations under this provision are to be paid by Contractor as they are incurred by City.~~

b. Without affecting the rights of City under any provision of this Agreement or this Section, Contractor shall not be required to indemnify and hold harmless City as set forth above for liability attributable solely to the fault of City, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A Indemnification Design Professionals. In the event that Contractor is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, Contractor shall defend, indemnify, and hold harmless the City, its officers, employees, trustees and members ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of Contractor, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to Contractor shall not exceed Contractor's proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01. In the event Contractor performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of City, Contractor shall not be compensated for such services. Contractor expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the City in writing.

9.02 Contractor shall promptly advise the City Manager and Finance Director of City as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the City and/or City Council.

10. Termination of Agreement.

10.01. Notwithstanding any other provision of this Agreement, City, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to Contractor.

10.02 In the event of termination, the payment of monies due Contractor for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, Contractor agrees to promptly provide and deliver to City all original documents, reports, studies, plans, specifications and the like which are in the possession or control of Contractor and pertain to City.

11. Status of Contractor.

11.01 Contractor shall perform the Services in Contractor's own way as an independent contractor, and in pursuit of Contractor's independent calling, and not as an employee of City. However, Contractor shall regularly confer with City's City Manager or Project Manager as provided for in this Agreement.

11.02 Contractor agrees that it is not entitled to the rights and benefits afforded to City's employees, including disability or unemployment insurance, Workers' Compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. Contractor is responsible for providing, at its own expense, disability, unemployment, Workers' Compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 Contractor hereby specifically represents and warrants to City that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of City and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the City is located. Further, Contractor represents and warrants that the individual signing this Agreement on behalf of Contractor has the full authority to bind Contractor to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties, and all other documents of any kind or nature prepared, developed, or obtained by Contractor in connection with the performance of Services performed for the City shall become the sole property of City, and Contractor shall promptly

deliver all such materials to City upon request. At the City's sole discretion, Contractor may be permitted to retain original documents, and furnish reproductions to City upon request, at no cost to City.

12.02 Subject to applicable federal and state laws, rules and regulations, City shall hold all intellectual property rights to any materials developed pursuant to this Agreement. Contractor shall not use such data or documents for purposes other than the performance of this Agreement, nor shall Contractor release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of City.

12.03 Contractor shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as City may deem necessary, Contractor shall make available to City's agents for examination all of such records and shall permit City's agents to audit, examine and reproduce such records.

12.04 Contractor acknowledges that the City is a California municipal corporation and is subject to the California Public Records Act, Government Code § 7920.000 et seq. ("CPRA"), and other applicable laws requiring public access to records. Contractor further acknowledges and agrees that any and all documents, records, data, writings, communications, materials, and other information of any kind, in any format (including electronic format), that Contractor (or any associate, subcontractor, consultant, or agent of Contractor) prepares, develops, obtains, provides, transmits, or submits to the City, or that are otherwise received or maintained by the City, in connection with this Agreement or the Services may constitute public records and may be subject to disclosure to third parties in response to a CPRA request, unless the City determines that all or a portion of the Submitted Materials are exempt from disclosure under the CPRA or other applicable law.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by Contractor for City and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 Contractor shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of City. Unless specifically stated to the contrary in

any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 Contractor shall timely file FPPC Form 700 Conflict of Interest Statements with City if required by California law and/or the City's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 Contractor covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 Contractor has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. Contractor agrees that they are unaware of any financial or economic interest of any public officer or employee of the City relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the City may immediately terminate this Agreement by giving notice thereof. Contractor shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the City in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by City. The City, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the City with respect to the proposal and award process of this Agreement or any City contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any City contract has been awarded. Contractor shall

immediately report any attempt by any City officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor.

13.09 Severability. If any portion, section, sentence, provision or paragraph of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

13.10 Prevailing Wages. Contractor shall be responsible to comply with applicable prevailing wages laws. As a condition of payment, if applicable Contractor shall show proof of payment of wages under applicable state and federal laws and regulations relating to prevailing wages in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773, 1773.1, 1773.5, and 1773.9", for Riverside County and/or 40 U.S.C. Section 276a, et. seq. Such wage rates shall conform with those posted at City offices and the project site. In the event that the Contractor fails to pay the prevailing wages, the Contractor shall be solely liable for penalties and for the shortfall in wages and shall indemnify, defend and hold harmless City under Section 8.01 against any of the same. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1771 - Requirement to Pay Prevailing Wages
2. Section 1773.1 – Per Diem Wages; Travel and Subsistence Pay.
3. Section 1774 – Payment of Prevailing Wage Rates.
4. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
5. Section 1776 – Payroll Records and Certified Payroll Reports.
6. Section 1777.5 - Apprenticeship Requirements.
7. Sections 1810 and 1811 - Working Hour Restrictions.
8. Section 1813 - Penalty for Failure to Pay Overtime.

13.11 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

13.12 Waiver. Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver

of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or Services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

13.13 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

13.14 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purpose of this Agreement.

13.15 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

13.16 Force Majeure. Neither party shall be deemed in default of this Agreement to the extent that performance of its obligations is delayed or prevented by causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, riots, fires, floods, epidemics, pandemics, earthquakes, strikes, labor disputes, governmental orders, or failure of utilities. The affected party shall promptly notify the other party in writing of the occurrence of such event and shall use reasonable efforts to resume performance as soon as practicable. Force majeure shall not excuse the obligation to make payments when due. In no event shall force majeure entitle Contractor to additional compensation, but only to a reasonable extension of time.

13.17 Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified neither party shall be responsible for the service of the other.

13.18 The parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall

have the same force and effect as an original signature. The parties expressly adopt and confirm each electronic signature made by a party to this Agreement, regardless of whether delivered in person, by mail, courier, facsimile, email, or in portable document format (PDF), as if the same were manually signed and delivered in person. Each party agrees not to assert that any electronic signature is inadequate to bind such party to the same extent as if signed manually and delivered in person.

13.19 The provisions of this Agreement that by their nature are intended to survive the expiration or termination of this Agreement shall survive such expiration or termination. Without limiting the foregoing, the provisions relating to indemnification, ownership of documents and intellectual property, audit and records retention, insurance obligations, confidentiality, and payment obligations shall survive the termination or expiration of this Agreement.

13.20 Notice. Any notice, demand, request, consent, approval, or other communication required or permitted to be given under this Agreement ("Notice") shall be in writing and shall be deemed to have been duly given if delivered personally, sent by nationally recognized overnight courier, sent by certified or registered mail (return receipt requested), or sent by electronic mail, addressed as follows:

To City:
City of Banning
Attn: City Manager
99 East Ramsey Street
Banning, California 92220
Email: eclifford@banningca.gov

To Contractor:
-
-
-
-
-

Notices shall be deemed received as follows: (i) on the date of delivery if delivered personally; (ii) one (1) business day after deposit with a nationally recognized overnight courier; (iii) three (3) business days after deposit in the United States mail, postage prepaid; or (iv) on the date transmitted if sent by electronic mail during normal business hours of the receiving party, or on the next business day if sent after normal business hours. Either party may change its address for Notice by providing written Notice of such change to the other party in accordance with this Section.

13.21This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which counterparts taken together shall constitute one and the same instrument for all purposes of this Agreement.

13.22 The recitals set forth in the preamble of this Agreement are hereby incorporated into and made a substantive part of this Agreement as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CITY OF BANNING

By:_____
Elizabeth Gibbs, City Manager

Date: _____

CONTRACTOR:

XXXXXXXX

By:_____
Print
Name: _____

Date: _____

ATTEST:

By: _____
Sandra Calderon, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
John O. Pinkney, City Attorney

Date: _____

EXHIBIT “A”
PROPOSAL

EXHIBIT “B”
CERTIFICATES OF INSURANCE

CBRE VALUATION & ADVISORY SERVICES

Prepared By:

Nicole B. Galvez
Vice President
(818) 251-3646
nicole.galvez@cbre.com

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SECTION C: PRICE PROPOSAL

SECTION C: PRICE PROPOSAL

In completing other large, multi-parcel assignments, we have found that the most effective way to minimize costs is to organize each assignment after gaining an understanding of all of the work involved. That is, we would carefully consider all of the appraisal assignments to be completed in the reasonably foreseeable future. By identifying all appraisal assignments to be completed, we are able to make most efficient use of our time in completing field inspections, and in cross-referencing factual data contained within the specific appraisal reports. In simultaneously completing multiple appraisals, we would prepare a matrix identifying all of the properties along one axis and identifying the various tasks within each appraisal along the other axis. In this manner, we are able to complete our work in the most efficient manner possible. By organizing our work in this manner, we have found that appraisal fees (on a per parcel basis) are frequently 15% to 30% less in a multi-parcel project area than they would be if the appraisal of each parcel was completed one at a time.

We will provide firm fixed fee estimates for each assignment or grouping of assignments prior to the onset of undertaking the assignment. The fixed-fee estimates provided include all costs associated with the completion of the appraisals, inclusive of all hourly rates, anticipated travel, other incidental costs and charges, including all tasks involved in the appraisal assignment(s):

Typical Costs for Appraisal Services*

	Summary Report *Typical Cost Range*		Appraisal Review *Median Cost Range*	
	Low	High	Desk Review	Field Review
Residential Properties				
Vacant Land	$2,700	$6,000	$1,000	$1,600
SFR	$2,500	$3,500	$1,000	$1,600
Multifamily	$4,000	$9,000	$1,800	$3,000
Commercial/Industrial				
Vacant Land	$3,500	$10,000	$1,500	$2,500
General Commercial/Industrial	$4,000	$8,000	$1,800	$3,000
Complex Commercial/Industrial	$7,000+		$2,500	$3,500+
Special Use Properties				
Complex Commercial/Industrial	$6,000	$20,000	$2,500	$4,000
Religious facilities	$5,500	$8,000	$1,500	$3,400
Educational Facilities	$5,500	$8,000	$1,800	$3,500
Hospital Facilities	To be quoted on an as-needed basis		To be quoted on an as-needed basis	
Lodging Facilities	$5,500	$15,000	$2,500	$4,000
Parks/Recreation Facilities	$5,500	$10,000	$2,500	$4,000
Planned Developments				
Planned SFR/Subdivisions	$8,000	$15,000	$3,500	$7,000+
Planned Multifamily	$4,000	$8,500	$2,000	$4,000
Planned Commercial/Industrial	$5,000	$12,000	$2,500	$4,000
Planned Special Use Projects	$6,500	$20,000+	$3,500	$7,000+
Complex Planned Developments	To be quoted on an as-needed basis		To be quoted on an as-needed basis	

* These costs are for USPAP appraisals and do not include costs for eminent domain appraisals.

For the purpose of providing supplemental consulting services and expert testimony, hourly rates follow. All pricing will remain firm for the duration of the contract term.

Schedule of Hourly Rates		
Alex Nunn, MAI	$400 /hour	for appraisal and consulting
Director	$475 /hour	for trial preparation and expert testimony
James M. Bray, MAI, CCIM, MRICS	$400 /hour	for appraisal and consulting
Vice Chair	$475 /hour	for trial preparation and expert testimony
Jennifer Hsu, MAI, ASA	$400 /hour	for appraisal and consulting
Director - Greater Los Angeles	$475 /hour	for trial preparation and expert testimony
John G. Ellis, MAI, CRE, FRICS	$500 /hour	for appraisal and consulting
Executive Vice President	$700 /hour	for trial preparation and expert testimony
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA		
AI-GRS, AI-RRS	$375 /hour	for appraisal and consulting
Executive Vice President	$375 /hour	for trial preparation and expert testimony
Senior Vice Presidents and Vice Presidents	$250 to $300 /hour	
Senior Associates, Senior Valuation Associates, and Senior Valuation Analysts	$150 to $225 /hour	
Administrative Support	$120 /hour	

Epic Land Solutions, Inc.

Proposal for
City of Banning for
Real Property Appraisal Services On-Call List
(RFP 26-128)

Submitted on May 20, 2026

PARTIAL ACQUISITIONS - MURRIETA HOT SPRINGS RD & SPARKMAN CT
EPIC APPRAISAL FOR CITY OF MURRIETA
PHOTO TAKEN BY KENT CARPENTER, MAI

EPIC
A CLS COMPANY

Corporate Headquarters · 1181 California Ave · Suite 270 · Corona, CA 92881

A. Statement of Understanding & Approach

TYPICAL APPRAISAL APPROACH

Processes and specific tasks will vary per task order for this contract based on complexity and specialty area. However, EPIC appraisers typically follow the process below to complete most real estate appraisal assignments.

PROJECT MANAGEMENT

Project management services includes meetings, project guidance, and interfacing with appraisal staff. It is EPIC's privileged responsibility to represent the City in a professional and respectful manner. EPIC's Appraiser will work closely with the City staff to review project assignments and establish lines of communication, procedures, and protocols to ensure a task order assignment is on track to reach goals.

SCOPING SESSION & COORDINATION

At the notice to proceed for a task order, EPIC's Appraiser will coordinate with the Cityand relevant stakeholders to understand assumptions and the information available to the appraiser. EPIC Appraisers encourage open communication throughout the appraisal process for efficient approach and sound methodology. EPIC Appraisers have a robust history being both an appraiser and review appraiser, working with a wide variety of appraisal firms throughout California. They often adapt to different workstyles and will limit the City's oversight by maintaining regular communication.

APPRAISAL INSPECTION LETTERS

EPIC will work with the City personnel to send out a standard Notice of Decision to Appraise (NoDA) to the owner of any property being valued. The notice shall include an invitation for the owner, or owner's representative, to accompany the EPIC Appraiser during the inspection. All property owner contact is noted in a diary form.

PROPERTY INSPECTIONS

EPIC's Appraiser will coordinate inspection with the property owner and will personally inspect the subject property. If the acquisition area is impacting improvements, EPIC's Appraiser will also inspect buildings, structures, fixtures, and other improvements.

PROPERTY IDENTIFICATION

All appraisal assignments begin with a proper approach to understanding property issues. This understanding is based on specific identifications gleaned from communication with the client. These basic identifications include intended users of the appraisal service; intended use of the appraisal service; type and definition of value; date of value; relevant property characteristics; assignment conditions; and scope of work.

MARKET RESEARCH AND DATA VERIFICATION

Market research, sales verification and ground inspections of each market data item is completed. EPIC maintains access to county- and municipal-level websites for zoning, general plan and other public information related to any appraisal assignment. To provide a thorough analysis, EPIC subscribes to various sources of data for completion of appraisal assignments.

List of Market Data Sources: EPIC Appraisers obtain the latest property owner information, parcel maps, and comparable sales data from a variety of resources, including:

RealQuest Pro | California Regional Multiple Listing Service (CRMLS) | AIR CRE | Costar Property Pro | Site-to-Do Business from the CCIM | Marshall & Swift | LandVision

HIGHEST AND BEST USE & VALUATION CONCLUSIONS

Once these identifications are made, the highest and best use conclusion is formed, and data can be gathered to apply the appropriate approaches to value. These approaches are the sales comparison, cost, and income. The appropriate approach(es) will be dictated by the identifications, which were previously made. The final step is reconciliation of the various indications of value into a single estimate. After the appraisal has been performed, an appraisal report which conforms to USPAP will be provided. EPIC's Quality Management Plan (QMP) requires that each report is reviewed by our Senior Appraisal Coordinator for quality assurance prior to submittal to the City.

CLIENT REVIEW AND REVISIONS REQUESTS

EPIC will deliver appraisal reports to the City for approval of Amount of Just Compensation. EPIC will be available to make any revisions required by the City as part of the standard appraisal service process.

EXPERT WITNESS TESTIMONY

Should the need arise for court support, appraisers will consider factors such as: the date of value not necessarily being the date of inspection, damages, before and after condition for part takes, the potential need for the appraiser to testify as expert witnesses in court, and whether fixtures need to be included. EPIC appraisers have always qualified as expert witnesses and have never had any limitations placed on their ability to testify as an expert. They are experienced with providing litigation and mediation support while also having appeared as expert witnesses in a broad range of judicial and quasi-judicial settings.

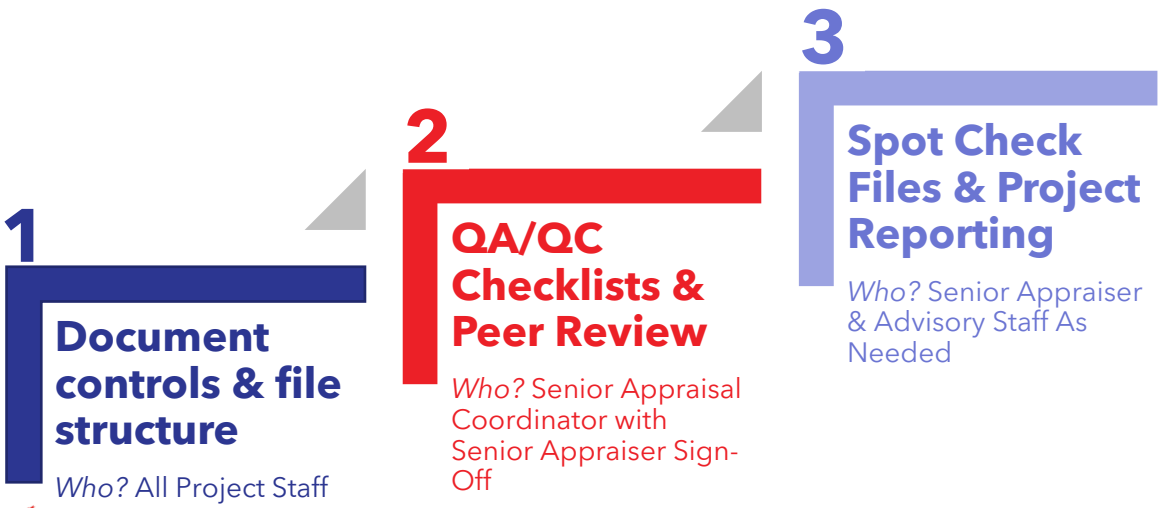
APPRAISAL REVIEW

Should federal funding arise or just the desire of the City for an appraisal review, EPIC's licensed and qualified Lead Senior Appraiser will provide Independent Desk Review of the appraisal reports prepared by others or will coordinate with a third-party appraiser for appraisal review of EPIC prepared appraisals. The EPIC appraiser or third-party appraiser as applicable will verify the appraisal report's conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute's Code of Ethics, and federal policies and regulations, where applicable.

PROJECT METHODS & CONTROLS

QUALITY CONTROLS & INTERNAL AUDITS

All EPIC projects are guided by quality management procedures and guidelines ("QA/QC Plan") that have been developed, tested, and proven through our 26 years delivering real estate appraisal assignments for public agencies. QA/QC procedures guide our team structure, staff role and responsibilities, document controls, management requirements, and high-level of service for our clients. EPIC's QA/QC procedures rely on a ***three-tiered approach*** that engage all levels of staff in procedures and tools to safeguard quality deliverables for the City:



Tier 1: Document Control, Versioning, and Redundancy

Full Staff Engagement: All levels of staff engage in document control by utilizing EPIC's SharePoint, a Microsoft file management platform and collaboration tool. SharePoint automatically supports error-free versioning control, real-time collaboration, file organization, and modification change tracking. Each change to any project document is tracked and can be rolled back, if necessary. EPIC even employs dedicated IT staff that develop and maintain the SharePoint system.

Document Availability and Retention: All personnel working on the assignment have access to the SharePoint filing system, which is accessed only with a unique log-in username and password. SharePoint file storage allows for controlled access requirements, selective editing abilities, and document version tracking. SharePoint is stored on Microsoft's enterprise cloud platform which guarantees near 100% up-time and built-in redundancy. All records are maintained by EPIC for a statutorily required 7-year period.

Tier 2: QA/QC Checklists & Peer Review

QA/QC Compliance Checklists: Utilized for distinct appraisal milestones and deliverables, checklists verify file details and documents issues/resolutions and ensure project documentation contains consistent and accurate information. Each checklist requires approval signatures from the Preparer and an Independent Reviewer.

Peer Review of Project Documentation: All documents prepared by EPIC will be reviewed by our dedicated Senior Appraisal Coordinator and signed off by the Senior Appraiser before submission to the City. The application of EPIC's dual quality reviews process is a key component in upholding EPIC's reputation for high-quality deliverables. A final review of the document is conducted by the Project Manager prior to delivery. Each file will have a review checklist attached to the file prior to close-out.

Tier 3: Spot Check Files & Project Reporting

Spot Checking: Appraisal files are randomly spot-checked at various milestones throughout the project to verify that all documents are uploaded and maintained into electronic and hard files. EPIC's Senior Appraisal Coordinator or upper management can perform the spot check QA/QC. Appraisal documentation is reviewed regularly to ensure that communications are being tracked on a "real time" basis.

Reporting: The EPIC Senior Appraiser will review all project reports and electronic access to EPIC's progress can be provided to the City for real-time visibility into project progress.

METHODOLOGY FOR SOLICITING AND DOCUMENTING VIEWS OF INTERNAL/EXTERNAL STAKEHOLDERS:

EPIC's Appraisal Department utilizes a structured and transparent process to solicit and document feedback from both internal and external stakeholders throughout the appraisal and right of way process. Input is gathered through regular coordination meetings, project updates, direct interviews, and email correspondence. Feedback and viewpoints are documented in project files, meeting notes, correspondence logs, and appraisal review records to insure compliance with company and client requirements.

OTHER PROJECT MANAGEMENT STRATEGIES FOR APPRAISAL SERVICES:

We employ a structured approach to project management, utilizing tools such as Microsoft Project, SharePoint, and Excel for collaborative document and schedule management. All project activities are conducted in accordance with applicable local, state, and federal regulations, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), USPAP, and MAI guidelines. We also maintain frequent and regular communication with all project stakeholders to ensure alignment and timely resolution of challenges.

ACHIEVING CLIENT SATISFACTION & SCOPE OF WORK

Our firm is committed to achieving client satisfaction and fulfilling all requirements outlined in the Scope of Work through a comprehensive, detail-oriented, and collaborative approach. Our appraisals are prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute Code of Ethics, and all applicable laws and regulations. We coordinate closely with clients and property owners, conduct thorough market research, and provide detailed appraisal reports. Independent review appraisals are conducted as required. Request and delivery of needed information, property owner contact information, and report delivery timelines are part of EPIC's quality management plan. Epic is committed to delivering successful project outcomes and maintaining open communication.

SAMPLE APPRAISAL ASSIGNMENT SCHEDULE

Every appraisal will vary depending on parcel complexity and other considerations. Multiple appraisals can often to be completed concurrently within the same window, and considering larger parcels can be joined where ownership is the same, certain groups of appraisals can be expedited as needed. Timeframes for appraisals will be determined on an assignment/task order basis considering current workload, the City's requested deadline, and any other specific assignment parameters. Below are typical timeframes for a non-complex and complex real estate appraisal assignment.

NON-COMPLEX SCENARIO (ASSUMES 1 NON-COMPLEX APPRAISAL)	
TASK	DURATION (FROM NTP)
Kick-Off Meeting	Within 7 days
Property Owner Contact	Within 14 days *(Owner has 14 days to respond to Notice of Decision to Appraise [NDA])*
Site Inspection	Within 21 to 28 days
Market Research, Sales Verification, & Ground Inspections	Within 21 to 35 days
Market Data Verification	Within 21 to 35 days
Appraisal Report Finalized	Within 45 days
Address Comments (As Applicable)	Within 21 days
TOTAL ESTIMATED DURATION	45 - 60 DAYS (MAXIMUM)

COMPLEX SCENARIO (ASSUMES 1 COMPLEX APPRAISAL)	
TASK	DURATION (FROM NTP)
Kick-Off Meeting	Within 7 days
Property Owner Contact	Within 14 days *(Owner has 14 days to respond to Notice of Decision to Appraise [NDA])*

Site Inspection	Within 21 to 28 days
Market Research, Sales Verification, & Ground Inspections	Within 28 to 42 days
Market Data Verification	Within 28 to 42 days
Appraisal Report Finalized	Within 60 days
Address Comments (As Applicable)	Within 21 days
TOTAL ESTIMATED PROJECT DURATION	60 - 90 DAYS (MAXIMUM)

ROLE & TASKS REQUIRED BY CITY STAFF

EPIC anticipates the following services or data to be provided by the City for task order projects under this contract. Exact needs will be identified and communicated for each task order.

1. Legals and Plats
2. Project Design Plans
3. Any Environmental Reports (if available/needed)
4. Preliminary Title Reports
5. Right of Way Appraisal Maps (if required)
6. Copy of Sample Grant of Easement Language for any Easements being Acquired
7. Any Other Pertinent Information of the Parcel Available to the City

The City will be responsible for providing the requested documentation and data as outlined above. EPIC will utilize these materials to perform the real estate appraisal services specified in the Scope of Work and will coordinate with City staff to ensure all appraisal requirements are met, such as coordinating with another appraiser for reviews as applicable.

INNOVATIVE & CREATIVE APPROACHES TO SERVICES

EPIC has a dedicated Senior Appraisal Coordinator available to support Kent and the City on all task orders under this on-call contract. Chris Castile, *EPIC's in-house dedicated Senior Appraisal Coordinator, has held real estate licensure and experience, which grants him tailored understanding to real estate appraisal services* so he can provide technically informed quality assurance beyond the average administrative support. In addition, Chris has worked with Kent directly for over eight (8) years, collaborating on numerous appraisal assignments ensuring quality and effective document maintenance. Chris also serves as the Accounts Payable lead for EPIC's Appraisal Department, ensuring a dedicated resource to handle invoicing appraisal services with an understanding of the services provided and its typical fee structure. Chris has also interfaced with numerous municipalities and local agencies on similar on-calls, establishing an understanding of task order procedures for both assignment delivery and invoicing.

NO ANTICIPATED CITY-OWNED FACILITIES USAGE

EPIC does not anticipate using, leasing, purchasing, or renting any City owned facilities or property in connection with the real estate appraisal services to be performed under this contract.

B. Company Information

EPIC's designated contact person for this contract will be Kent Carpenter, MAI, at the information noted below along with additional company information as requested and completed on OpenGov where applicable:

CONTACT INFORMATION	
Address - Headquarters	1181 California Ave, Suite 270, Corona, CA 92881
Telephone Number – Headquarters	(951) 321-1800

Address - San Diego Branch	16496 Bernardo Center Drive, Suite 207, San Diego, CA 92128
Telephone Number – San Diego Branch	(619) 787-7891
Primary Contact Person for Contract	Kent Carpenter, MAI
E-mail – Primary Contact Person	kcarpenter@epicland.com
Telephone Number – Primary Contact Person	(619) 787-7891
Organizational Entity Type	C Corporation

Epic Land Solutions, Inc. (EPIC) is a full-service right of way and real property consulting firm, founded in 2000 as a California Corporation (C Corporation) with the mission to create land solutions for the public good. For over 25 years, EPIC has performed appraisal, right of way acquisition, title review, and utility coordination services for local public agencies, design engineers, and environmental companies throughout California. With 44 professionals employed firm-wide, EPIC is a Caltrans Certification specialist and has delivered on-call real property appraisal services similar to those anticipated here for the City of Banning to numerous municipalities and public agencies. Local and similar on-call clients include the cities of Los Angeles, Anaheim, Irvine, Pasadena, Santa Ana, and Riverside, in addition to public agencies such as Riverside County Transportation Commission (RCTC), San Bernardino County Transportation Authority (SBCTA), Eastern Municipal Water District (EMWD), and Inland Empire Utilities Agency (IEUA).

NO PENDING LITIGATION, MEDIATION, OR ARBITRATION

EPIC has not been involved in any litigation, mediation, or arbitration regarding the performance of any services similar to the Services requested in this RFP in the last five (5) years. No claims or disciplinary action have been taken against EPIC or any of EPIC's key personnel regarding license or certification within the last five (5) years.

C. Company Personnel

As the Lead Senior Appraiser and primary point of contact for this contract, Kent Carpenter, MAI, will be the primary correspondence between the City and EPIC for task orders under this on-call. He is supported by a dedicated Senior Appraisal Coordinator, Chris Castile, who has worked with him for over 8 years providing quality assurance, document maintenance, and invoicing a wide variety of municipal and public agency clients throughout Southern California. Kent is overseen by EPIC's Vice President of California Operations, Kari Anvick, R/W-RAC, SR/WA. Kari is not anticipated to bill to any task orders under this contract, however she supports Kent with regular check-ins to manage and understand his workload across multiple clients and to support in complex management scenarios as needed.

EPIC can fully satisfy the scope of services for this contract through in-house staffing and will not be utilizing any subconsultants for this contract.

We affirm that the key professional staff proposed for this contract, Kent Carpenter, MAI, is properly licensed to provide real estate appraisal services in California. He holds a Certified General Real Estate Appraiser license through the California Bureau of Real Estate Appraisers (BREA), #AG003087.

STAFF NAME	TITLE	PHONE	DESCRIPTION OF WORK
Kent Carpenter, MAI	Lead Senior Appraiser	(619) 787-7891	Primary technical lead handling all appraisal assignments under this on-call
Kari Anvick, R/W-RAC, SR/WA	Principal in Charge	(951) 329-9666	Solely advisory/workload management
Chris Castile	Senior Appraisal Coordinator	(310) 986-2380	QA/QC, document maintenance, and invoicing

38+
yrs. exp

9+
yrs. w/ EPIC

Kent Carpenter, MAI | Lead Senior Appraiser

WHY KENT? With over 38 years of experience in valuation of real property throughout California, Kent brings great attention to detail and understanding of nuances between varying property types common in municipal public infrastructure projects including vacant land, residential, and commercial properties. He has worked as Managing Director and Owner/Partner of other top appraisal firms, including Hilco Real Estate Appraisal, Grubb & Ellis Landauer Valuation Services, and Lipman, Stevens, & Carpenter, Inc. He has provided expert witness testimony in federal bankruptcy court, regional Superior Court, and arbitrations/depositions involving real estate values. He holds several on-call real estate appraisal services contracts with municipalities similar to the City of Banning throughout Southern California, as demonstrated throughout this proposal.

LICENSES: CA General Real Estate Appraiser, #AG003087 | Designated Member of the Appraisal Institute, MAI Designation #9746

ROLE & RESPONSIBILITIES: As Lead Senior Appraiser, Kent will coordinate all appraisal assignments with City staff, inspect subject properties and comparable sales, coordinate site inspections with property owners or representatives, and sign assigned appraisal reports he completes.

NOTABLE ASSIGNMENT EXPERIENCE:

Market Analysis for Planned Transit Oriented Development (TOD), City of Hemet, Hemet, CA: In 2020, the City of Hemet selected Kent to perform a narrative, in-depth study for parcels designated for transit oriented development (TOD) in the downtown area of the City of Hemet. The study involved land use considerations (commercial and multi-family) based on prevailing land use patterns and city land use goals pertaining to light rail design. Kent evaluated and analyzed the location of and land area for specific land uses within the 14.79-acre parcel area and utilized a sales comparison approach to complete the market analysis.

Temescal Canyon Bridge over Temescal Wash Replacement, City of Lake Elsinore, CA: The intent of this project was to construct a new 4-lane, 98 feet wide, 375 feet long bridge along the realigned portion of the existing Temescal Canyon Road. This project required the acquisition of two habitat conservation easements, five slope easements, one road easement and four temporary construction easements. Due to Caltrans oversight and Highway Bridge Program (HBP) funding, all tasks were performed in accordance with Caltrans LAPM and the Caltrans Right of Way Manual. Kent completed two (2) appraisals for the impacted commercial zoned properties and successfully coordinated with the appraisal reviewer to make necessary revisions.

Adams & Kalmia Vacant Land Appraisal, City of Murrieta, CA: Kent completed an appraisal for three adjoining parcels which constituted a larger parcel at the northeast corner of Kalmia Street and Memorial Way in Murrieta totaling over 5 combined acres. The purpose of the appraisal was for the City to evaluate the potential sale of the properties on either a combined or individual basis. The highest and best use was determined to be for commercial, retail, or office use.

Vine & 12th Market Value Appraisal, Riverside Transit Authority (RTA), Riverside, CA: Kent completed an appraisal to establish market value for land located on the west side of Vine Street at 12th Street in Riverside. This report was intended to determine a potential land swap with the City of Riverside. This property was adjacent to the 91 freeway and across the street from the Riverside Metrolink Station, with the land swap potentially contributing to improved transit access to the Metrolink station in the future.

D. Disclosure

EPIC and its proposed staff do not have any past or current business or personal relationships with any current Banning elected official, appointed official, City employee, or family member of any current Banning elected official, appointed official, or City employee.

E. Experience & References

EPIC has not filed for bankruptcy under any business name over the past five (5) years.

EPIC's proposed key personnel, Kent Carpenter, MAI, meets the minimum experience requirements noted in the prerequisites of this RFP, including more than two (2) years' of experience within the past five (5) years under a legally registered business name and two (2) years experience of appraisal of rights for eminent domain purposes. Kent has been with EPIC providing real property appraisal services on public infrastructure projects involving eminent domain considerations for more than nine (9) years, and holds over 38 total years of experience providing real property appraisal services. He also possesses a California Certified General Real Estate Appraisal License issued through the CA Bureau of Real Estate Appraisers (License #AG003087) in addition to being a qualified Member of the Appraisal Institute (MAI) (#9746). A summary of his relevant contract and assignment experience along with client references are included below.

EPIC maintains an active account with OpenGov and confirms that we appear on the Bidders' List, otherwise known as the Followers List, for this opportunity.

CLIENT REFERENCES

REFERENCE CONTACT	RELEVANT ASSIGNMENT(S)
City of Hemet Chris Lopez | City Manager 445 E. Florida Avenue, Hemet, CA 92543 (951) 765-2301 | CLopez@hemetca.gov	Market Analysis for Planned Transit Oriented Development (TOD)
City of Riverside Sheryn Smay, SR/WA | Supervising Real Property Agent 3900 Main Street, Riverside, CA 92522 (951) 826-5343 | ssmay@riversideca.gov	Vine & 12th Market Value Appraisal and various other on-call appraisal task order assignments
City of Murrieta Scott Agajanian | Deputy City Manager 1 Town Square, Murrieta, CA 92562 (951) 461-6003 | SAgajanian@MurrietaCA.gov	Adams & Kalmia Vacant Land Appraisal and various other on-call appraisal task order assignments

FIRM OF CHOICE FOR PUBLIC AGENCY ON-CALLS

For over 25 years, EPIC has been the real estate acquisition and appraisal services consultant of choice for many municipalities, counties, and public agencies throughout California. Below lists some of the on-call contracts EPIC has provided ROW acquisition, appraisal, and related services similar to this contract.

CITY OF ANAHEIM
- ROW Acquisitions On-Call (2024 – 2027)
- PUD – General Services Agreement for Electric Services (2022 – 2023)
- ROW Acquisitions On-Call (2019 – 2025)
- ROW Relocation Services On-Call (2019 – 2023)
- Real Property Appraisal Services On-Call (2019 – 2023)

CITY OF BURBANK
- On-Call PSA for ROW Services (2018 – 2022)

CITY OF CHINO
- On-Call ROW Services (2018 – 2023)

CITY OF FULLERTON
- On-Call Real Property & Right of Way Services Contract (2022 – 2025)
- On-Call Real Property & Public Right of Way Engineering Services (2021 – 2022)

CITY OF GLENDALE
- Property Acquisition and/or Property Management Agent On-Call (2017 – 2018)

CITY OF IRVINE
- Appraisal Professional Consulting Services (2019 – 2022)
- Consultant Team Program for ROW Acquisition & Appraisal (2016 – 2019)

CITY OF LANCASTER
- Real Property Services/ROW Acquisition/Mapping On-Call (2019 – 2022)

CITY OF LOS ANGELES
- On-Call Appraisal Consulting Services (2023 – 2028)
- On-Call Appraisal Services (2016 – 2023)

CITY OF LONG BEACH
- Real Property Services/ROW Acquisition/Mapping On-Call (2019 – 2022)
- On-Call Acquisition, Relocation, & PM (2016 – 2019)

CITY OF MONTCLAIR
- On-Call Consultant Services (2023 – TBD)

CITY OF PASADENA
- On-Call ROW Services (2017 – 2022)
- On-Call Appraisal Services (2017 – 2022)
- On-Call Appraisal Services (2016 – 2017)

CITY OF RIVERSIDE
- On-Call Appraisal Review Services (2019 – 2024)
- On-Call Property Acquisition Services (2019 – 2024)
- On-Call Property Management Services (2019 – 2024)
- On-Call Property Relocation Services (2019 – 2024)

CITY OF SANTA ANA
- On-Call Right of Way Services Contract (2023 – 2026)
- On-Call Acquisition & Relocation Services (2015 – 2020)

CITY OF VISTA
- On-Call Property Appraisals (2017 – 2021)

COUNTY OF ORANGE
- Appraisal Services On-Call (2021 – 2026)
- On-Call Analysis & Transaction Services Contract (2016 – 2021)
- On-Call Relocation Assistance (2016 – 2021)

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
- Property Management Services Multiple Contracts (2015 – 2024)
- On-Call ROW Support Services Multiple Contracts (2006 – 2025)

ORANGE COUNTY TRANSPORTATION AUTHORITY
- On-Call Right of Way Support Services (2020 – 2024)

Thank you,

City of Banning,

for reviewing our Proposal!

EPIC

A CLS COMPANY

Corporate Headquarters · 1181 California Ave · Suite 270 · Corona, CA 92881

Epic Land Solutions, Inc.

PRICE PROPOSAL for
City of Banning for
Real Property Appraisal Services On-Call List
(RFP 26-128)

Submitted on May 20, 2026

PARTIAL ACQUISITIONS - MURRIETA HOT SPRINGS RD & SPARKMAN CT
EPIC APPRAISAL FOR CITY OF MURRIETA
PHOTO TAKEN BY KENT CARPENTER, MAI

EPIC
A CLS COMPANY

Corporate Headquarters · 1181 California Ave · Suite 270 · Corona, CA 92881

Price Proposal

HOURLY RATES

Kent Carpenter, MAI is anticipated to be key staff for this contract. Kari Anvick is merely his supervisor and is not anticipated to bill on task orders for this contract unless an extenuating circumstance arises. Chris Castile will provide support. EPIC appraisals are lump sum fees all-inclusive of any travel or other costs involved to complete an appraisal assignment. Thus, no travel costs, lodging, or other direct costs will be billed to the City.

STAFF NAME	TITLE/CLASSIFICATION	HOURLY BILLING RATE (AVERAGE)
Kari Anvick	Senior Advisory Manager	$267.75
Kent Carpenter	Senior Appraiser	$199.50
Chris Castile	Senior Appraisal Coordinator	$115.50

EPIC will increase these hourly rates 5% annually at the beginning of each calendar year. Staff billing rates provided do not include the Federal Acquisition Regulations (FAR) approved overhead rate for Epic Land Solutions, Inc. and are not suitable for state and federally funded projects. If the NTP is received after 120 days from this proposal, fees and billing rates may require revision.

TYPICAL LUMP SUM FEE RANGES

Appraisal and appraisal review services are billed as lump sum fees. The table below provides a sampling of our most typical appraisal assignments and their typical fee range. EPIC assumes each appraisal assignment will be performed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book), and the Appraisal Institute's Code of Ethics, where applicable.

PROPERTY TYPE	TYPICAL APPRAISAL FEE RANGE	TYPICAL APPRAISAL REVIEW FEE RANGE
Single Family Residential	$750 - $4,500	$1,000 - $2,000
Multi-family 2 to 4 units	$1,250 - $4,500	$1,000 - $2,000
Multi-family 5 to 20 units	$1,500 - $5,500	$1,250 - $2,500
Multi-family 21 to 100 units	$2,500 to $7,000	$1,500 - $2,500
Multi-family 100+ units	$7,000 to $11,000	$2,500 - $3,500
Retail Commercial	$3,000 - $15,000	$1,500 - $3,500
Office	$3,000 - $12,500	$1,500 - $3,500
Industrial Warehouse / Business Park	$3,000 - $11,000	$1,500 - $3,500
Land	$3,000 - $10,000	$1,500 - $3,500

Thank you,

City of Banning,

for reviewing our PRICE PROPOSAL!

EPIC

A CLS COMPANY

Corporate Headquarters · 1181 California Ave · Suite 270 · Corona, CA 92881

SANTOLUCITO DORÉ
GROUP, INC.
REAL ESTATE SERVICES

PROPOSAL
RFP 26-128 Real Property Appraisal Services – On Call List
May 20, 2026 • 4:00 PM

PREPARED FOR:

City of Banning
99 E. Ramsey Street
Banning, CA 92220

PREPARED BY:

Santolucito Doré Group, Inc.
31566 Railroad Canyon Road
Suite 2, PMB 10
Canyon Lake, CA 92587

PROPOSAL

A. STATEMENT OF UNDERSTANDING AND APPROACH

Santolucito Doré Group, Inc. (SD Group) is a 51% woman-owned business. We are a certified Disadvantaged Business Enterprise (DBE) by the CUCP through Caltrans and a certified Small Business Enterprise (SBE) by the Los Angeles County Metropolitan Transportation Authority (Metro) and the State of California Department of General Services, as well as a Woman-Owned Business (WBE) by the Supplier Clearinghouse.SD Group principals have over 60 years of combined appraisal experience. Christie and Lance, SD Group Principals, have a history of working together efficiently, producing high quality documents, and delivering exceptional service to our clients.

SD Group specializes in real estate appraisal services for public agencies, delivering tailored solutions to meet our client's needs. Our appraisal services always meet or exceed USPAP and, when required, UASFLA requirements. The majority of our real estate and right of way experience has been performed per the requirements of the Uniform Act and under the oversight of various government entities including Caltrans, FHWA, FTA, and FRA. We perform appraisal services in accordance with the requirements of the appraisal related portions of the Code of Civil Procedures and Title VI of the Civil Rights Act. As such, SD Group has extensive experience in ensuring compliance with state, federal and local public agency requirements for timely project delivery and the preservation of funding sources.

Our public agency clients include the Cities of Coachella, Colton, Corona, Costa Mesa, Eastvale, El Centro, Fontana, Fullerton, Glendale, Glendora, Irvine, Lake Elsinore, La Quinta, Menifee, Moreno Valley, Murrieta, Newport Beach, Ontario, Palmdale, Palm Springs, Perris, Pomona, Riverside, San Jacinto, Temecula, and Wildomar; the Counties of Frenso, Imperial, Kern, Madera, Orange, Riverside, and San Bernardino; San Bernardino County Transportation Authority (SBCTA); Omnitrans; Riverside County Transportation Commission (RCTC); Riverside County Flood Control and Water Conservation District (RCFCWCD); Orange County Transportation Authority (OCTA); Los Angeles County Metropolitan Transportation Authority (METRO); San Diego Association of Governments (SANDAG); Los Angeles World Airports (LAWA); the California High Speed Rail Authority (CHSRA); Hi Desert Water District (HDWD); Irvine Ranch Water District (IRWD); Eastern Municipal Water District (EMWD); Elsinore Valley Municipal Water District (EVWMD); Southern California Edison (SCE); and So Cal Gas; as well as other public entities and private property owners. Additionally, Christie has experience working with Union Pacific Railroad (UPRR) and Burlington Northern Santa Fe Railway (BNSF), both directly and acquiring right of way from them.

We assist clients with appraisal services such as: cost estimating for budgetary purposes, alternative design analysis, full and partial acquisition appraisals, appraisal reviews, litigation support, and expert testimony. We effectively communicate with engineers, planners, attorneys, and public agency staff to ensure appraisal compliance with federal, state, and local regulations.

We have completed assignments from one-off appraisals for private clients to large projects for public agencies (up to 63 appraisals at one time so far with the capability to handle more). Lance has completed hundreds of appraisals and Christie has completed hundreds of reviews for the High-Speed Rail Project over the past 10 years. We have a team of four appraisers with additional staffing resources that can be utilized, if needed. Please reference our relevant project experience and resumes to learn more about the assignments we have completed.

PROPOSED METHOD TO ACCOMPLISH WORK

SD Group looks forward to tailoring specific processes to comply with City's policies, procedures, and preferences. SD Group prides itself on its ability to complete complex projects on schedule and within budget. Christie and Lance have over 60 years of combined experience coordinating with various agencies and will strategize and coordinate each project thoroughly from the beginning to deliver high quality outstanding appraisal services. Christie and Lance will work closely with City's Project Managers and staff to discover ways to provide assistance, offer recommendations whenever challenges are presented, and will seek feedback pertaining to progress and satisfaction with SD Group's performance.

The proposed scope of services will include real estate research and analysis to produce appraisal reports that are consistent with, and comply with USPAP, City Policy, and various government regulations. Specifically, SD Group will provide the following services / tasks if awarded a contract:

- Consult with authorized employees, agents and representatives of the City and other agencies having jurisdiction relative to an assigned project;
- Attend project meetings as scheduled by the City;
- Review and interpret appraisal maps/right of way maps, legal descriptions and plat maps for acquisitions (including but not limited to, fee and permanent and temporary easements) or dispositions;
- Prepare Property Owner Notification Letters (for right-of-way appraisals);
- Develop and report appraisals pursuant to appropriate City, State, and Federal standards;
- Provide Appraisal Summary Statement and Parcel Diary along with the appraisal report for each Larger Parcel (for right-of-way appraisals);
- Provide litigation support, if condemnation of the property interest is necessary; and
- Assist with estimating project budgets.

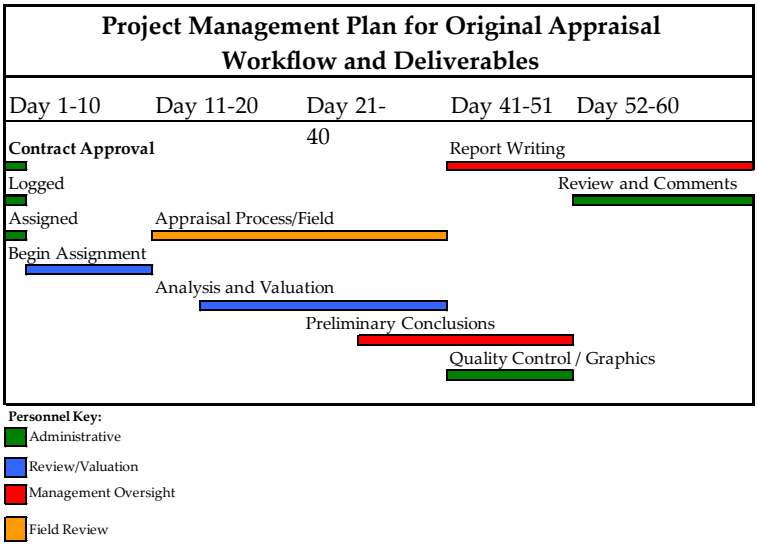
Appraisal is unique to each property and all recognized appraisal methodologies are completed with the highest level of quality. The following section describes our general work plan for completing the various appraisal and appraisal review assignments.

PROJECT MANAGEMENT / CONTROLS

Project management for appraisal services is an on-going process from pre-acquisition planning through condemnation, when necessary. Christie, Project Manager / Primary Contact for this contract, will meet with the City staff, consultants, and individual project teams to discuss property appraisal status and updates on progress. She will supervise and coordinate with the appraisal team.

Each assignment is managed by Christie. Christie works with her appraiser team at every step of the appraisal process, from reviewing assignment details, legal descriptions and plat maps, acting as the client and property owner interface (personally attending all appraisal inspections), to reviewing the comparables selected and the valuation analyses. Christie is intricately involved in the valuation of the parts acquired and analysis of severance damages. Her previous experience as Appraisal Manager at HDR provided invaluable knowledge in reading plans and interpreting parcel impacts. Further, she personally reads and reviews each and every report before it goes out the door. Once any changes are made by the appraiser team, Christie checks her requested changes to make sure they were made and nothing was overlooked. On top of Christie's in-depth review, Lance, as an MAI, provides oversight and reviews each report. This double level senior review is key to ensuring the most reliable appraisal documents are submitted to the City.

SD Group is used to adhering the projects schedules and providing progress reports. Christie will work with the City to develop a valuation schedule that meets their needs and funding deadlines. Below is a sample schedule for appraisal services for a typical project. Timing is adjusted depending on the type of assignment involved.



Once a project is given Notice to Proceed, it is entered on our job log, with the with delivery date recorded. We also use a separate spreadsheet for tracking each project with all pertinent parcel information identified. We include columns for dates to track each piece of pertinent information including the receipt of necessary documents from our client (preliminary title reports, legals and plats, etc.), the date(s) our Notice of Decision to appraise letters go out, the date of inspection, the date our draft appraisal report is due, the date our draft appraisal is submitted, and finally the date our final report is submitted. Below is an example of our spreadsheet. We also track deadlines in our Outlook calendars with notifications set up as the dates approach.

SDG-2018-#	APN	OWNER	SITE ADDRESS	CITY	PHONE NO.	PROP TYPE	PRESENT USE	9-1 RFP TYPE OF TAKE	Job ID	DATE OPC SENT NODA	DATE SDG MADE CONTACT (1st Attempt)	DATE SDG MADE CONTACT (2nd Attempt)	DATE SDG MADE CONTACT (3rd Attempt)	DATE PTR REC'D	DATE EXH. REC'D	DATE P&LL REC'D	INSP DATE	INSP TIME	DUE DATE	DRAFT REPORT SUB.	FINAL REPORT SUB.	LARGER PARCEL SIZE	ZONING	COMMENTS
001	1047-263-01	ALBIN, MICHAEL & SUSAN	444 E Alvarado St	Ontario	Michael Albin 909-[illegible]	Residential	SFR	TCE	APP-070	01/26/18	01/30/18	02/07/18	N/A	01/26/18	01/26/18	08/27/18	02/22/18	2:00 PM	10/08/18	11/02/18	11/08/18	0.19 acres 8,423 sq ft	LDR-5	
002	1047-272-01	ROMO, JOHN M & MONICA	761 S Sandy Way	Ontario	[illegible] 909-[illegible]	Residential	SFR	TCE	APP-071	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	05/25/18	02/08/18	5:30 PM	07/06/18	08/22/18	09/31/18	0.17 acres 7,405 sq ft	RS-7,500	Recommended after submission of final report
003	1047-272-02	KOKUGA RONALD H & KAREN A	425 S Vallejo Way	Ontario	Ronald 909-946-2419	Residential	SFR	TCE	APP-072	01/26/18	01/30/18	02/07/18	2/15/2018, 4/2/2018, 6/19/2018	01/26/18	01/26/18	05/25/18	2/8/18 6/22/18	Ext. Inspection from ROW	07/06/18	09/27/18	10/16/18	0.18 acres 7,841 sq ft	RS-7,500	No response from owner. Inspected from the public ROW. Did not have access to inspect the access area.
004	1047-272-04	REYES, NORBERTO & LISA	762 Acoma Ct	Ontario	Dan Schmidt 9[illegible]	Residential	SFR	TCE	APP-073	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	05/25/18	02/08/18	5:30 PM	07/06/18	08/24/18	08/31/18	0.26 acres 11,326 sq ft	RS-7,500	
005	1047-272-05	HAYLER, DANIEL & LETICIA	754 Acoma Ct	Upland	Dan 909-569-2[illegible]	Residential	SFR	TCE	APP-074	01/26/18	01/30/18	02/07/18	2/8/2018, 2/9/2018, 6/19/2018	01/26/18	01/26/18	05/25/18	06/22/18	10:30 AM	07/06/18	08/31/18 09/27/18	10/10/18	0.31 acres 13,504 sq ft	RS-7,500	
006	1047-281-55	JONES CHARLES & SANDY	1559 N Amber Ct	Ontario	Sandy 909-917-1658	Residential	SFR	FEE, PERM ESMT (SUBSURFACE), TCE	APP-075	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	07/27/18	02/08/18	3:00 PM	09/07/18	10/17/18	10/22/18	0.25 acres 10,890 sq ft	RE-4	Anchor wall easement
007	1047-281-54	MEDINA MICHAEL A JR & BERNICE	1563 N Amber Ct	Ontario	Michael 909-[illegible]	Residential	SFR	TCE	APP-076	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	05/25/18	02/08/18	3:15 PM	07/06/18	10/12/18	10/16/18	0.21 acres 9,148 sq ft	RE-4	
008	1047-281-53	REYES DAVID J & ROSITA	1565 N Amber Ct	Ontario	David 909-[illegible]	Residential	SFR	TCE	APP-077	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	05/30/18	02/08/18	3:30 PM	10/11/18	10/13/18	10/16/18 11/2/18	0.22 acres 9,583 sq ft	RE-4	
009	1047-281-58	REYES, JOHN, DAVID & ELIZABETH	1539 N Amber Ct	Ontario	David 909-[illegible]	Residential	SFR	TCE	APP-078	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	08/30/18	02/08/18	3:45 PM	07/11/18	10/13/18	10/16/18	0.22 acres 9,583 sq ft	RE-4	
010	1047-293-01	THE KEVORK V CHELDERS TRUST	808 Acoma Ct	Upland	Kevork 909-[illegible]	Residential	SFR	TCE	APP-079	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	05/15/18	02/08/18	11:00 AM	06/26/18	06/22/18	07/16/18	0.19 acres 8,276 sq ft	RS-7,500	
011	1047-282-10	L2 GROUP LLC	808 Acoma Ct	Upland	Steve 951-[illegible]	Residential	SFR	TCE	APP-080	01/26/18	01/30/18	02/07/18	2/15/2018, 4/2/2018, 6/19/2018	01/26/18	01/26/18	06/13/18	2/8/2018 8/15/18	11:15 AM 4:00 PM	07/25/18	10/19/18	10/23/18	0.19 acres 8,276 sq ft	RS-7,500	Inspected from public right-of-way, without owner present. Portion of TCE is within fenced yard, which we were not able to access.
012	1047-294-01	NEVILLE, JON-PAUL & GAYLEAN	1559 N San Antonio Ave	Ontario	Jon-Paul 909-[illegible]	Residential	SFR	PC-PM ESMT (SUBSURFACE), SCE, TCE	APP-081	01/26/18	01/30/18	02/07/18	2/15/2018, 4/2/2018, 6/19/2018	01/26/18	01/26/18	07/27/18	02/08/18	1:15 PM	09/07/18	09/27/18	10/16/18	0.51 acres 22,405 sq ft	LDR-5	Anchor wall easement
013	1047-294-02	ESPEJEL, LUIS & ANGELES	1551 N San Antonio Ave	Ontario	Luis 760-867-0[illegible]	Residential	SFR	TCE	APP-082	01/26/18	01/30/18	02/07/18	2/8/2018, 2/9/2018, 4/2/2018, 6/19/2018	01/26/18	01/26/18	07/27/18	2/8/2018 7/7/2018	1:30:00 PM, 12:00 PM	09/07/18	10/22/18	10/23/18	0.37 acres 16,030 sq ft	LDR-5	
014	1047-294-03	TUE, ANDRADE, FAMILY TRUST	1541 N San Antonio Ave	Ontario	Andrade 909-[illegible]	Residential	SFR	TCE	APP-083	01/26/18	01/30/18	02/07/18	N/A	01/26/18	01/26/18	05/15/18	02/08/18	1:45 PM	06/26/18	07/13/18	08/17/18	0.44 acres 19,200 sq ft	LDR-5	
015	1047-294-04	POULTON INVESTMENTS LLC	1533 N San Antonio Ave	Ontario	[illegible] 909-[illegible]	Residential	SFR	TCE	APP-084	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	05/15/18	02/08/18	4:00 PM	06/26/18	07/13/18	08/23/18	0.44 acres 19,200 sq ft	LDR-5	
016	1008-283-32	MARTIN, BENEDICTO & RUBY T.	1552 N Dahlia Ct	Ontario	Ruby 909-746-3604	Residential	SFR	TCE	APP-085	01/26/18	01/30/18	N/A	N/A	01/26/18	01/26/18	07/02/18	02/08/18	5:00 PM	08/13/18	11/01/18	11/08/18	0.22 acres 9,583 sq ft	5104-SP Mountain Village Residential District	
017	1008-283-31	BERNAL, ARMANDO & MARIA R.	1558 N Dahlia Ct	Ontario	Armando 909-621-3051 (disconnected)	Residential	SFR	TCE	APP-086	01/26/18	01/30/18	02/07/18	02/15/18	01/26/18	01/26/18	05/15/18	06/22/18	12:00 PM	06/26/18	08/10/18 09/21/18	10/10/18	0.21 acres 9,148 sq ft	5104-SP Mountain Village Residential District	No response from owner. Phone number is disconnected. Inspection from the public right of way.
018	1008-144-45	ARDEN GROUP, THE	Monte Vista Ave	Montclair		Residential	Condo Complex	Partial, PUE, TCE	APP-087	01/26/18	01/30/18	02/15/18	02/21/18	01/26/18	01/26/18	06/25/18	2/8/18 9/20/18	11:30 AM	08/06/18	10/18/18 11/2/18		9.19 acres 400,316 sq ft	R3	No response from owner. Inspected from public right of way, without owner present.
019	1008-144-46	DIAMOND AMERICAN ASSOCIATES	Monte Vista Ave	Montclair		Residential	Electric Corridor	FEE, TCE	APP-088	02/02/18	02/05/18	02/15/18	02/12/18 02/21/18	02/02/18	02/02/18	5/15/2018	02/08/18	12:00 PM	06/26/18	08/17/18	08/28/18	0.04 acres 1,818 sq ft	R1 (SL)	No response from owner. Inspected from public right of way, without owner present.

SD Group will closely monitor the appraisal budget throughout the term of the contract. Appraisal assignments are typically bid on a lump sum per appraisal basis. Unless there is a significant change in the scope of work for an appraisal (that is agreed upon with the City), SD Group invoices

for the amount approved, never more. There are times where there is a change in the scope of work, outside of the control of the appraiser and usually due to design changes. If this change is significant, we will alert the City immediately to discuss options to move forward.

Christie and Lance will be the Key Personnel for real property appraisal services and will not be replaced without the written consent of the City. As Principals of SD Group, the likelihood that either would be replaced is very slim.

APPRAISAL

The purpose of an appraisal report is to produce a document that can be used by the City in negotiations for the required interests, in fee or less than fee (easement) interests. The typical scope of work for an appraisal includes, but is not necessarily limited to, the following steps:

Detailed Inspection of the Property

The acquisition process begins when the appraiser sends out the Notice of Intent to Appraise letters to impacted property owners. The appraiser will invite the property owner to be present for the onsite inspection. Additionally, City staff, other consultants/experts involved in the project, and, if applicable, the acquisition agent, are encouraged to attend the inspection as well. A complete understanding of the larger parcel, the subject property and overall impacts are a critical step in the appraisal process.

Complete Highest and Best Use Property

The cornerstone of the appraisal process is a detailed highest and best use of the property as vacant and as improved, which will be performed to isolate any valuation issues that arise after a detailed analysis of the legal, physical, and financial aspects of the property. This is the essential basis for the valuation analysis and ultimately the just compensation. The last critical stage is to determine the highest and best use of the remainder. Issues that may arise from this final test is uneconomic remainders, determination of underlying fees, or additional considerations for partial takes and easements. This ultimately determines factors that may result in severance damages.

Research Market Data of the Neighborhood, Subject Property, and Comparable Sales

After the determination of the highest and best use, the comparables are selected with similar highest and best uses. When identifying sales of comparable properties, market research will include discussions with appropriate real estate professionals and governmental agencies. All sales data utilized in an appraisal report will be confirmed with a party to those transactions, whenever possible. Details of the comparables are presented to fully disclose all issues for adjustments applicable to the valuation of the subject.

Write a Narrative Appraisal Report

The type of appraisal report utilized will be determined on a parcel-by-parcel basis. This determination will be made after analyzing the particular assignment and interests to be acquired, i.e., fee, easement, etc. A narrative appraisal report is typically used for public agency/eminent domain purposes. The appraiser may also be required to complete an Appraisal Summary Statement at the request of the City. Typical steps in the appraisal process are listed below:

- Identify the larger parcel and the appraisal problem;
- Obtain and review legals, plats, title reports, environmental reports, and other documents (provided by the City or their other consultants);
- Send out Notice of Intent to Appraise letter;
- Gather market data;

- Perform property inspection;
- Meet with project designer and others to address property impacts;
- Perform a detailed highest and best use analysis;
- Analyze and inspect comparables;
- Valuation via the three approaches to value (sales, cost, income), as needed for the property type;
- Reconcile approaches to value;
- Valuation of the part(s) acquired and improvements located within the acquisition area;
- Valuation of the remainder after acquisition;
- Assess and value potential damages and project benefits;
- Prepare written appraisal report;
- Work with the Review Appraiser;
- Prepare the Appraisal Summary Statement; and
- Deliver the completed appraisal report.

After the delivery of the appraisal and following the City's review process, SD Group will address any comments/questions, and when required, the appraisal report will be corrected or expanded to ensure the most reliable document for public scrutiny.SD Group's turnaround for addressing comments and submitting final appraisals is typically five calendar days. Once the appraisal report is reviewed and finalized, SD Group will provide a Statement of Value and Summary of the Basis for Appraisal (SOV), as needed for right of way appraisals.

SD Group will testify as an expert witness on behalf of the City in any judicial proceedings involving property appraised under this scope of work.

Sample Appraisal Schedule
SD Group has the availability to deliver the appraisals to the City in a timely manner. Below is a sample project schedule with typical milestones in the appraisal process.

- **Day 1** – NTP and receipt of Preliminary Title Reports (PTR), legal descriptions and plat maps, project plans and specifications, and other relevant documents, and send out Notice of Decision to Appraise letter (NODA);
- **Days 2-12** – Research subject property (ownership, parcel size, existing land use/zoning, potential for a zone change, etc.), identify the appraisal problem, review PTRs, legal/plats, and other reports/documents, research neighborhood and market data;
- **Day 13** – Perform property inspection;
- **Day 14-24** – Perform detailed highest and best use analyses, and select, analyze, and verify comparables; meet with project designer and others to address property impacts, if necessary;
- **Day 25** – Comparables inspection;
- **Days 26-36** – Valuations via applicable approaches (sales, cost, income);
- **Day 37** – Reconcile the approaches used;
- **Days 38-44** – Type the narrative appraisal reports, followed by SD Group's internal review and QA/QC process; and
- **Day 45 – Deliver the draft appraisal reports to the City;**

APPRAISAL REVIEW

Appraisers are required to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when performing appraisals and appraisal reviews. As such, the review appraiser is required to address a number of specific items pertaining to the report under review including the

completeness of the report, adequacy and relevance of the data, propriety of the adjustments, form an opinion as to the appropriateness of the appraisal methods and techniques used to complete the appraisal, form an opinion as to whether or not the analyses, opinions, and conclusions are appropriate and reasonable or develop reasons for the disagreements, if any. In addition to USPAP, eminent domain projects with federal and state funding require compliance with various additional regulations and guidelines.

The scope of work for an appraisal review typically includes the following steps:

- Identify the appraiser(s) that conducted the appraisal;
- Become familiar with the subject property and review legals, plats, title reports, environmental reports, and other documents;
- Become familiar with the subject neighborhood and the comparable properties used in the various analyses;
- Check all mathematical calculations made by the appraiser(s);
- Cross-reference narrative descriptions within the report with photographs, maps, and other exhibits (when included in the work under review);
- Review the weighting assigned to the approaches to value used in the appraisal;
- Determine if accepted appraisal principles, techniques, and standards were followed in arriving at property value in accordance with USPAP, California law, and Caltrans, FHWA, and FTA regulations, when applicable;
- Ensure that the appraiser(s) did not overlook any feature that would materially affect the property value;
- Develop an opinion as to the completeness of the material under review, given the review appraiser's scope of work;
- Develop an opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data, given the review appraiser's scope of work;
- Develop an opinion as to appropriateness of the appraisal methods and techniques used, given the review appraiser's scope of work, and developed reasons for any disagreement;
- Develop an opinion as to whether the analyses, opinions, and conclusions are appropriate and reasonable, and developed the reasons for any disagreement; and
- Form an opinion as to whether the appraisal can be used to establish fair market value for the subject larger parcel and make a recommendation as to whether the appraisers' estimate of fair market value should be used as just compensation for the proposed acquisition.

SD Group will provide monthly written reports and weekly verbal reports regarding the status of individual appraisal assignments, along with information relative to future negotiations. At the time of reporting, we will also provide a recap of our QA/QC process to ensure reporting and valuation accuracy.

TASKS REQUIRED OF THE CITY / CITY-OWNED FACILITIES

The City will be required to provide SD Group with identifying information on the parcel(s) to be appraised (APN and/or address) and pertinent documents pertaining to the specific appraisal assignment, such as preliminary title reports, environmental studies, legal descriptions and plat maps, engineering maps, etc.

SD Group operates out of our corporate office in Canyon Lake and will not require the leasing or purchasing of any City-owned facilities / property or equipment.

B. COMPANY INFORMATION

Legal Name of Company:	Santolucito Doré Group, Inc.
DBA:	SD Group
Corporate Address:	31566 Railroad Canyon Road, Suite 2, PMB 10 Canyon Lake, CA 92587
Telephone No.:	951-225-3500
Contact Person:	Christine S. Santolucito, R/W-AC, President / CEO / Secretary Project Manager / Primary Contact 951-225-3500 x 101 christie@sdgroupinc.com
Website:	www.sdgroupinc.com
Incorporation:	S Corporation, filed November 23, 2015
Years in Business:	10+

SD Group was incorporated in November 2015 as a California S-Corporation and has been in business for over 10 years. The corporate office is located in Canyon Lake with secondary offices in San Diego and Bakersfield.

LITIGATION AND CONTRACT HISTORY

SD Group certifies that we (both the firm and Key Personnel) have not been disciplined in the last five years as a consultant by any government body or professional association, nor have we been subject to any of the following:

- Claims;
- Conviction or indictment of the firm or any officer of the firm involving alleged fraud, bribery, collusion, conspiracy, or violation of state or federal antitrust law;
- Adjudication or determination by any federal, state, or local agency that the firm or any officer of the firm has violated any provision of law relating to equal opportunity or fair employment; or
- Termination of a contract for convenience or for cause.

C. COMPANY PERSONNEL

We are a qualified team of high caliber appraisers with advanced designations including the Appraisal Institute's (AI) MAI designation, the International Right of Way Association's (IRWA) Right of Way Appraisal Certification R/W-AC, and the Royal Institute of Chartered Surveyors (RICS) FRICS designation. We understand the importance of the MAI designation and will ensure that each appraisal report is reviewed and signed by Lance, who holds the MAI designation, when required.

All key personnel are involved in various professional organizations, including local chapters of the IRWA, AI, and RICS. Christie is a past President of the Inland Empire Chapter of the IRWA (Chapter 57). She serves a committee member for the Southern California Chapter of the Appraisal Institute's (SCCAI) Inland Empire Market Trends Seminar (IEMTS), is a Regional Representative of Region VI for the Appraisal Institute, and is a third-year Leadership Development and Advisory Council (LDAC) attendee and participant. Lance is an instructor for the AI and RICS. Their voluntary involvement is rewarding and keeps them up to date on current industry news, issues, and trends.

Below are brief bios for the team we've selected, followed by our organizational chart, key personnel resumes, and licenses. All team members have the availability to perform the proposed scope of services. All assigned key personnel and senior appraisers are properly licensed to perform appraisal services in California.

Real Estate Appraisers:
Key Personnel

Christine S. Santolucito, R/W-AC* – President/CEO/Secretary
Project Manager/Primary Contact
Santolucito Doré Group, Inc.
CA Certified General Real Estate Appraiser License No. AG043715
IRWA, R/W-AC designation
AI, Candidate for Designation
20+ years real estate appraisal and consultation experience
Specializes in right of way and complex appraisal assignments, oversees appraisers and support staff, reviews all internal and external work
951-225-3500 x 101

Lance W. Doré, MAI, FRICS* – Treasurer/CFO and Associate in Charge/Principal Appraiser
Santolucito Doré Group, Inc.
CA Certified General Real Estate Appraiser License No. AG002464
AI, MAI
Royal Institute of Chartered Surveyors, FRICS designation
40± years of real estate appraisal and consultation experience
Specializes in right of way and complex appraisal assignments, oversees appraisers and provides MAI reviews of internal and external work
951-225-3500 x 102

Meredith McDonald – Senior Appraiser
Santolucito Doré Group, Inc.
CA Certified General RE Appraiser License No. AG043402
20+ years real estate appraisal and consultation experience
Completes appraisals with Christie's and Lance's oversight

Matthew Sunderland – Senior Appraiser
Santolucito Doré Group, Inc.
CA Certified General RE Appraiser License No. AG039963
20+ years real estate appraisal and consultation experience
Completes appraisals with Christie's and Lance's oversight

Jacqueline Shinn – Analyst/Appraiser Trainee
Santolucito Doré Group, Inc.
1< year real estate appraisal experience
Assists Christie with all aspects of the appraisal process

Andrea Lawson – Business Manager/Administrative/Research
Santolucito Doré Group, Inc.
3> year real estate appraisal administrative and research experience with 25+ years of business/project management experience

Kaitlynn Kunchick – Administrative/Research
Santolucito Doré Group, Inc.
3> year real estate appraisal administrative and research experience

All SD Group Key Personnel and Senior Appraisers are California Licensed Certified General Real Estate Appraisers in good standing. Below are snapshots of Christie's and Lance's current licenses.

Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Christine S. Santolucito

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 043715

Effective Date: February 15, 2026
Date Expires: February 14, 2028

Angela Jemmott, Bureau Chief, BREA

3085693

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Lance W. Dore

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 002464

Effective Date: October 2, 2024
Date Expires: October 1, 2026

Angela Jemmott, Bureau Chief, BREA

3078345

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

Below is a copy of Lance's MAI certificate.

American Institute of Real Estate Appraisers

This Certifies That
the American Institute of Real Estate Appraisers
has awarded
Lance William Dore
the Professional Designation
MAI
subject to the limiting conditions of membership as set forth in the By-Laws and Regulations of the American Institute of Real Estate Appraisers.

In Witness Whereof, the Governing Council of the American Institute of Real Estate Appraisers has authorized this certificate to be signed in its behalf by the President and Executive Vice President, and the Corporate Seal to be hereunto affixed on this 8th day of June, 1990.

A. Scruggs Love, Jr.
PRESIDENT

Richard B. Haskins
EXECUTIVE VICE PRESIDENT

Certificate No. 8471

One-page resumes for Key Personnel including qualifications, designations/certifications, educational background and skills, and professional associations for Christie and Lance are provided below.

CHRISTINE S. SANTOLUCITO, R/W-AC

(951) 225-3500 x 101

Christie is the President of the Santolucito Doré Group. In this role, Christie directs all valuation assignments and is responsible for the day-to-day operations of the business. She is the lead appraiser and works closely with her partner, Lance W. Doré, MAI, FRICS, and team of appraisers on complex appraisal assignments.

Christie is a Certified General Real Estate Appraiser who holds the Right of Way Appraisal Certification (R/W-AC) through the IRWA. She is a Candidate for Designation through the Appraisal Institute. Christie has performed hundreds of full and partial acquisition appraisals and appraisal reviews for right of way projects for public agency clients and fee simple and leased fee valuations for private clients and financial institutions. Property types appraised and/or reviewed include single- and multi-tenant office buildings, industrial properties, research and development buildings, retail properties, auto-related properties, mixed-use properties, single- and multi-family residential properties, special-use properties, open space/environmentally sensitive land, agricultural land, and other types of vacant land.

Christie is also a California Licensed Real Estate Salesperson and is currently pursuing her Brokers license (expected 2026). Christie has been involved with various real estate tasks/transactions for multiple public and private entities, including BNSF and UPRR.

Her previous experience includes more than eight years of office management in various capacities including management of a commercial appraisal firm.

EDUCATION

Bachelor of Arts, Business Administration and Leadership
Concordia University, Irvine, CA
Cum Laude Graduate, 2006
(GPA of 4.0 at Concordia)

LICENSES

Certified General RE Appraiser
State of California
Certificate No. AG043715
Expires 2/14/2028

Real Estate Salesperson
State of California
License No. 01820326
Expires: 1/23/2028 (Broker License expected 2026)

PROFESSIONAL MEMBERSHIPS

Member, International Right of Way Association (Chapter 57 2018/19 President)

Candidate for Designation, Appraisal Institute (SCCAI IEMTS Committee Member)

INDUSTRY TENURE

20 Years

PROJECT EXPERIENCE

County of San Bernardino / SBCTA, I-10 / Cedar Avenue Interchange Project, Bloomington, CA. Appraiser. Christie and her team completed 29 appraisals of single-family, commercial, and industrial property subject to partial acquisition for this interchange project.

San Bernardino County Transportation Authority (SBCTA) as a sub to Overland Pacific & Cutler, LLC, Epic Land Solutions, Inc., and Bender Rosenthal, Inc., West Valley Connector Project, San Bernardino County, CA. Christie and her team appraised 45 properties and reviewed 19 appraisals within segments 1, 2, and 4 for this road widening transit project. Property types includes multi-family residential, mixed-use, commercial, and industrial properties subject to proposed partial acquisitions.

Overland Pacific & Cutler, LLC/City of San Jacinto, San Jacinto, CA. Appraiser. Christie recently completed six appraisals of parcels impacted by the Esplanade Widening project. This project posed unique valuation challenges, since all parcels subject to proposed acquisition were subject to dedication requirements.

LANCE W. DORÉ, MAI, FRICS

(951) 225-3500 x 102

Lance is the Vice-President of the Santolucito Doré Group. In this role he is responsible for the co-management of the business operations. He works closely with his partner, Christie Santolucito R/W-AC, on complex appraisal assignments.

Lance is a Certified General Real Estate Appraiser who holds the MAI designation through the Appraisal Institute. He also holds the FRICS (Fellow of Royal Institute of Chartered Surveyors). Lance has performed hundreds of full and partial acquisition appraisals and appraised and reviewed thousands of real estate projects in Western United States, with specialize assignments in Mexico, Japan, Russia, and the Caribbean Islands. The appraisals have been predominately for public agency clients and fee simple and leased fee valuations for private clients and financial institutions. Property types appraised and/or reviewed include single- and multi-tenant office buildings, industrial properties, research and development buildings, retail properties, auto-related properties, mixed-use properties, single- and multi-family residential properties, special-use properties, open space/environmentally sensitive land, agricultural land, and other types of vacant land.

Lance is also a California Licensed Real Estate Broker and published *"The Secret of Real Estate Revealed"* a real estate primer. Additional published articles in *The Wall Street Journal, Appraisal Institute Journal and Energy Central.*

He has had executive level management for over 20 years in international real estate firms included Cushman & Wakefield and Colliers International.

EDUCATION
Bachelor of Science, Real Estate – Minor English – San Diego State University

LICENSES
Certified General RE Appraiser
State of California
Certificate No. AG002464
Expires 10/1/2026
Real Estate Broker
State of California
License No. 00976180
Expires: 1/23/2029 (Broker)

PROFESSIONAL MEMBERSHIPS
Member – Appraisal Institute
Member – IRWA
Member – Royal Institute of Chartered Surveyors (RICS)

INDUSTRY TENURE
40+ Years

PROJECT EXPERIENCE

Overland Pacific & Cutler, LLC / San Bernardino County Transportation Authority, I-10 Corridor Express Lanes Project, County of San Bernardino, CA. Appraisals for 50 single-family and multi-family properties for proposed partial acquisitions associated with this fast-paced design-build project.

City of Pomona, Various Assignments, Pomona, CA. Appraisals of various property types including vacant land, parking lots, and commercial buildings for potential acquisition or disposition purposes.

Epic Land Solutions / City of Palmdale, Avenue R Widening, Palmdale, CA. Appraisals for 42 parcels subject to partial acquisition. Proposed improvements include installing sidewalks and dedicated bike lanes to increase pedestrian safety.

Eastern Municipal Water District (EMWD), On-Call Appraisal Contract, Riverside County, CA. Appraisals for various projects. Recently completed were appraisals of sewer and access easements impacting two large acreage multi-family properties.

D. DISCLOSURES

The Santolucito Dore Group, Inc., it's staff, and/or representatives do not have any past or current business and personal relationships with any Banning elected official, appointed official, City employee, or family member of any current Banning elected official, appointed official, or City employee.

E. EXPERIENCE AND REFERENCES

EXPERIENCE

SD Group has performed over 1,000 appraisals and reviews since our formation. Below is some of the relevant project experience within the past five years of being in business.

Client Name:	Los Angeles County Metropolitan Transportation Authority (LACMTA)
Project Title:	Southeast Gateway Line Project (SGL)
Location:	Los Angeles County, Ca
Date of Services:	2025
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group is performing 9 appraisals for full acquisition for the SGL project. Property types include commercial and industrial properties, most with highest and best use issues, requiring additional analyses.
Staff Involved:	Christie Santolucito, Lance Dore, Meredith McDonald, and Matthew Sunderland
Performance:	Services are on time and within budget**.**
Contracted/Invoiced Cost:	$62,400
Client Contact Name:	Michael Daniels, MAI – Senior Director of Real Property Management & Development
Phone No.:	213-922-3584
Email address:	danielsm@metro.net

Client Name:	Eastern Municipal Water District (EMWD)
Project Title:	Land Swap-Warm Springs Lift Station & Cherry Street
Location:	Temecula, Ca
Date of Services:	2025
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group performed two appraisals for negotiations for a proposed land swap between EMWD and RCFCWCD; specifically, a partial acquisition of a portion of the larger parcel of the RCFCWCD property, which will later be "swapped" for an adjacent EMWD owned parcel.
Staff Involved:	Christie Santolucito, Lance Dore, and Meredith McDonald
Performance:	Services were delivered within budget and on schedule**.**
Contracted/Invoiced Cost:	$8,800
Client Contact Name:	Monica McGrath, RWP – Real Property Technician
Phone No.:	951-928-3777 ext. 4416
Email address:	mcgrathm@emwd.org

Client Name:	City of San Jacinto, as a sub to Best, Best & Krieger LLP
Project Title:	San Jacinto Avenue Safety Improvements Project
Location:	San Jacinto, Ca
Date of Services:	2024-2025
Firm's Role:	Prime Consultant – Real Estate Appraisal Services

Description of Services:	SD Group performed nine appraisals for acquisition and negotiation for the proposed safety improvement project in 2024. Several appraisals are being update in Fall 2025.
Staff Involved:	Christie Santolucito, Lance Dore, Meredith McDonald, and Matthew Sunderland.
Performance:	Services were delivered within budget and on schedule**.**
Contracted/Invoiced Cost:	$58,000
Client Contact Name:	Mark Easter, Partner
Phone No.:	951-334-8320
Email address:	mark.easter@bbklaw.com

Client Name:	County of San Bernardino / San Bernardino County Transportation Authority (SBCTA) / Woodruff Law
Project Title:	I-10 Cedar Avenue Interchange Improvement
Location:	Bloomington, Ca
Date of Services:	2020, 2023, 2025
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided 29 appraisals of residential and commercial land subject to partial acquisition of fee and permanent and temporary easements. We are currently preparing appraisals for TCE extensions on several parcels for SBCTA through Woodruff Law.
Staff Involved:	Christie Santolucito, Lance Dore, Matthew Sunderland, Mark Demkiw, and Meredith McDonald
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$78,000
Client Contact Name:	Nancy Summers, MAI, SR/WA, Real Property Agent
Phone No.:	909-228-8323
Email address:	nancysummers.home@gmail.com
Client Contact Name:	Craig Farrington, Director & Shareholder
Phone No.:	714-415-1016
Email address:	cfarrington@woodruff.law

Client Name:	Riverside County Flood Control and Water Conservation District (RCFCWCD)
Project Title:	Murrieta Creek Project
Location:	Temecula, Ca
Date of Services:	2024
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided an appraisal on an RCFC parcel zoned to a Specific Plan with Open Space Uses subject to partial acquisition for channel improvements within the Murrieta Creek.
Staff Involved:	Christie Santolucito, Lance Dore, and Meredith McDonald
Performance:	Services were delivered on time and within budget.
Contracted/Invoiced Cost:	$5,400
Client Contact Name:	Yolanda King, Principal Real Property Agent
Phone No.:	951-955-1304
Email address:	yking@rivco.org

Client Name:	Riverside County Flood Control and Water Conservation District (RCFCWCD)
Project Title:	Sycamore Dam Outlet Modification Project
Location:	Riverside, Ca
Date of Services:	2024
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided 2 appraisals of multi-family properties subject to partial fee acquisition of the land only for the construction, modification, and maintenance of the dam and access to the existing flood control facility.
Staff Involved:	Christie Santolucito, Lance Dore, and Matthew Sunderland
Performance:	Services were delivered on time and within budget.
Contracted/Invoiced Cost:	$10,000
Client Contact Name:	Thomas Hanks, Real Property Agent I
Phone No.:	951-955-8041
Email address:	thhanks@rivco.org
Client Contact Name:	Yolanda King, Principal Real Property Agent
Phone No.:	951-955-1304
Email address:	yking@rivco.org

Client Name:	San Bernadino Transportation Authority (SBCTA) as a sub to Epic Land Solutions
Project Title:	US 395 Freight Mobility and Safety Project
Location:	Hesperia & Victorville, Ca
Date of Services:	2024
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group recently reviewing (20) appraisals of commercial, industrial, residential, and open space land subject to partial fee acquisitions, and permanent and temporary easements.
Staff Involved:	Christie Santolucito, Lance Dore, Meredith McDonald, and Matthew Sunderland,
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$84,800
Client Contact Name:	Darcy Mendoza, SR-WA, R/W-NAC – Regional Manager, CA Right of Way
Phone No.:	951-321-4748
Email address:	dmendoza@epicland.com

Client Name:	City of Moreno Valley, as a sub to Clark Land Resources
Project Title:	Sunnymead Master Drainage Plan – Storm Drain Line F and Line F-7 Project
Location:	Moreno Valley, Ca
Date of Services	2023
Firm's Role:	Subconsultant – Real Estate Appraisal Services
Description of Services:	SD Group recently completed (2) appraisals to provide an opinion of the fair market value on the sites for property acquisition purposes.
Staff Involved:	Christie Santolucito, Lance Dore, and Meredith McDonald

Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$9,200
Client Contact Name:	Vince McCaw, SR/WA – Client Services Manager / Sr. Project Manager
Phone No.:	760-758-1562
Email address:	vince.mccaw@clarklandresources.com

Client Name:	San Bernardino County Transportation Authority (SBCTA), as a sub to Transystems (formerly OPC)
Project Title:	SBCTA I-10 Corridor Project – Contracts 1, 2, & 4
Location:	Ontario, Montclair, Upland & Bloomington, Ca
Date of Services:	2018 - 2023
Firm's Role:	Subconsultant – Real Estate Appraisal Services
Description of Services:	SD Group provided 70+ appraisals of single-family and multi-family residential and commercial properties subject to partial acquisition for this fast-paced design-build project. Acquisition types included partial fee acquisitions, subsurface anchor wall easements, subsurface drainage easements, underground and overhead public utility easements, and TCE's.
Staff Involved:	Christie Santolucito, Lance Dore, Matthew Sunderland, Mark Demkiw, Meredith McDonald and Paul Kim
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$192,000
Client Contact Name:	Victoria Cook, Senior Program Manager at Transystems
Phone No.:	951-683-2353
Email address:	vCook@transystems.com

Client Name:	Riverside County Flood Control and Water Conservation District (RCFCWCD)
Project Title:	Moreno MDP Project
Location:	Moreno Valley, Ca
Date of Services:	2023
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided an appraisal of an Office/Commercial zoned site consisting of six parcels for negotiation purposes for the potential voluntary acquisition.
Staff Involved:	Christie Santolucito, Lance Dore, and Merideth McDonald
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$4,800
Client Contact Name:	Mireya Reutter, Real Property Agent II
Phone No.:	951-955-1314
Email address:	mreutter@rivco.org

Client Name:	Riverside County Flood Control and Water Conservation District (RCFCWCD)
Project Title:	Palm Canyon Wash – Indian Land
Location:	Palm Springs, Ca
Date of Services:	2023

Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided an appraisal of vacant land lying within Indian Allotted land (Allotment 61C) for the purpose of determining Fair Market Value of the property interest as part of the proposed 50-year easement. The easement is for the routine operation and maintenance of a flood control channel.
Staff Involved:	Christie Santolucito, Lance Dore, and Jacinto Munoz
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$4,600
Client Contact Name:	Jack Peabody, Senior Real Property Agent
Phone No.:	951-955-4211
Email address:	jpeabody@rivco.org

Client Name:	Riverside County Flood Control and Water Conservation District (RCFCWCD)
Project Title:	Woodcrest – Rinehart Drainage Project
Location:	Riverside, Ca
Date of Services:	2022-2023
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided an appraisal of Residential Agricultural zoned property improved with a single-family home subject to a partial fee acquisition for inlet drainage purposes.
Staff Involved:	Christie Santolucito, Lance Dore, and Paul Kim
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$4,200
Client Contact Name:	William Lara, Real Property Agent II
Phone No.:	951-955-8041
Email address:	wlara@rivco.org
Client Contact Name:	Yolanda King, Principal Real Property Agent
Phone No.:	951-955-1304
Email address:	yking@rivco.org

Client Name:	Riverside County Flood Control and Water Conservation District (RCFCWCD)
Project Title:	Palm Springs MDP Line 41 Project, Stages 3 and 4
Location:	Palm Springs, Ca
Date of Services	2022
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided an appraisal on portions of a 58.52-acre Multi-Family and Open Land site to use to assist RCFCWCD to negotiate future easement terms in relation to the Palm Springs MDP Line 41 Project, Stages 3 and 4.
Staff Involved:	Christie Santolucito, Lance Dore, and Matthew Sunderland
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$6,400
Client Contact Name:	Jack Peabody
Phone No.:	951-955-4211
Email address:	jpeabody@rivco.org

Client Name:	Riverside County Flood Control and Water Conservation District (RCFCWCD)
Project Title:	Lakeview Dam Project
Location:	Nuevo, Ca
Date of Services:	2022
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided an appraisal of a portion of Residential Agricultural zoned property for internal asset valuation purposes for possible disposition.
Staff Involved:	Christie Santolucito, Lance Dore, and Noble Tucker
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$4,200
Client Contact Name:	Jack Peabody, Senior Real Property Agent
Phone No.:	951-955-4211
Email address:	jpeabody@rivco.org

Client Name:	SBCTA as a sub to Transystems (formerly OPC), Epic Land Solutions, Inc., and Bender Rosenthal, Inc.
Project Title:	SBCTA West Valley Connector Project
Location:	Ontario, Montclair, Pomona, Ca
Date of Services:	2021
Firm's Role:	Subconsultant – Real Estate Appraisal & Appraisal Review Services
Description of Services:	SD Group provided appraisals of 45 properties and reviewed 19 appraisals within segments 1, 2, and 4 for this transit project. Property types include multi-family residential, mixed-use, commercial, and industrial properties subject to proposed partial acquisitions.
Staff Involved:	Christie Santolucito, Lance Dore, Matthew Sunderland, Meredith McDonald, and Paul Kim
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$100,000+
Client Contact Name:	Chip Willett, Vice President at Monument ROW / Program Manager for SBCTA
Phone No.:	951-683-2353
Email address:	c.willett@benderrosenthal.com

Client Name:	Riverside County Flood Control and Water Conservation District (RCFCWCD)
Project Title:	Wildomar MDP Lateral C, Stage 3 Project
Location:	Wildomar, Ca
Date of Services:	2021
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group provided 3 appraisals of industrial and commercial land subject to partial acquisition of storm drain easements for the Wildomar MDP Lateral C, Stage 3 Project.
Staff Involved:	Christie Santolucito, Lance Dore, and Meredith McDonald

Performance:	Services were delivered within budget. There was a delay in delivering the appraisals due to zoning changes at the City and the receipt of current information.
Contracted/Invoiced Cost:	$12,800
Client Contact Name:	Mireya Reutter, Real Property Agent I
Phone No.:	951-955-1314
Email address:	mreutter@rivco.org
Client Contact Name:	Yolanda King, Principal Real Property Agent
Phone No.:	951-955-1304
Email address:	Yking@rivco.org

Client Name:	Eastern Municipal Water District (EMWD)
Project Title:	Multiple Projects
Location:	Temecula, Winchester, Perris, Moreno Valley, Ca
Date of Services:	2017 to Present
Firm's Role:	Prime Consultant – Real Estate Appraisal Services
Description of Services:	SD Group recently appraised a full acquisition of a landlocked parcel in Moreno Valley adjacent to one of EMWD's facilities and provided an updated appraisal of residential subdivision land subject to partial acquisition for a water line easement for the Dunlap Drive Project, which was originally appraised in 2020. SD Group previously provided two appraisals, rural residential land subject to full acquisition and business park land subject to partial acquisition of a sewer easement and temporary construction easement for the Sky Canyon Sewer Project. SD Group provided two appraisals of vacant medium-to-high density residential acreage properties subject to partial acquisition for sewer and access easements for the Pala Lift Station Project.
Staff Involved:	Christie Santolucito, Lance Dore, Mark Demkiw, Matthew Sunderland, and Meredith McDonald
Performance:	Services were delivered within budget and on schedule.
Contracted/Invoiced Cost:	$100,000
Client Contact Name:	Corinne Galloway, SR/WA, R/W-NAC
Phone No.:	951-928-3777 x 4825
Email address:	gallowac@emwd.org

REFERENCES

REFERENCE	PROJECT DESCRIPTION
City of Irvine Rudy Romo *Senior Project Manger* (949) 724-7303 rromo@cityofirvine.com 1 Civic Center Plaza Irvine, CA	**Services/Projects** SD Group has an active contract for appraisal services with the City of Irvine. We are currently working on appraisals for the Jamboree Road and Barranca Parkway Intersection Improvement Project. We have previously completed an appraisal for the Jeffery Road and Walnut Avenue Improvement Project. **Date of Service** 2022 to present
Nossaman, LLP Brad Kuhn *Partner* (949) 477-7651 bkuhn@nossaman.com 18101 Von Karman Avenue, Suite 1800 Irvine, CA	**Services/Projects** Existing SD group client since 2018, former HDR client 2011-2016, and professional associate for over 10 years – SD Group has provided appraisals and appraisal reviews for Nossaman for various projects, including 21 appraisals for LS Power's electrical transmission project (currently), appraisal reviews for LAWA'S LAX Landside Access Modernization Program and a litigation appraisal for SBCTA's Redlands Passenger Rail Projects. Christie provided 59 appraisal reviews for Mr. Kuhn for SANDAG's Inland Rail Trail Project while she was employed at HDR. The reviews were completed on an extremely rushed schedule and completed on time and within budget. **Date of Service** 2018 to present
Riverside County Flood Control and Water Conservation District Jack Peabody *Senior Real Property Agent* (951) 955-4211 jpeabody@rivco.org 1995 Market Street Riverside, CA	**Services/Projects** Palm Springs MDP Line 41, Stage 4 Project; 2 appraisal of mobile home park land and open space land. Wildomar MDP; 3 appraisals of single-family, industrial, and commercial land. Moreno MDP; 1 appraisal of commercial/office land. An additional appraisal was completed for a private property owner impacting District property (the owner was referred to SD Group by Ruben Duran, former Supervising Real Property Agent for the District). **Date of Service** 2019 to present
County of San Bernardino, Real Estate Services Department Brenda Fusco, *MAI, R/W-AC* *Real Property Agent III* (909) 361-8976 brenda.fusco@res.sbcounty.gov 385 North Arrowhead Avenue San Bernardino, CA	**Services/Projects** 40th Street ADA Project; we provided 24 appraisals of commercial and residential properties subject to partial acquisition. I-10 Cedar Avenue Interchange Improvement project; we provided 30 appraisals of residential and commercial land subject to partial acquisition of fee and permanent and temporary easements. We've also appraised a school property and fire station for disposition purposes. **Date of Service** 2017 to present
GFT/TranSystems (formerly OPC) Victoria Cook *Senior Program Manager* (951) 683-2353 vcook@gftinc.com 5000 Airport Plaza Drive, Suite 250 Long Beach, CA	**Services/Projects** We are currently appraising 60 parcels for primarily partial acquisitions for the County of Riverside's Temescal Canyon Road Widening Project. SBCTA I-10 Project, we provided 50 appraisals of single-family and multi-family residential properties subject to partial acquisition for this fat paced design- build project. Acquisition types included partial fee acquisitions, subsurface anchor wall easements, subsurface drainage easements, underground and overhead public utility easements and TCE's. We've also appraised property for the City of San Jacinto's Esplanade widening project and City of Palmdale's Avenue S-8 & 40th Street East Roundabout project. **Date of Service** 2018 to present

SD GROUP PRICE PROPOSAL
FEE SCHEDULE AND HOURLY RATES

Appraisals and appraisal reviews are typically bid on a lump sum per subject property or larger parcel basis. Our fee depends on the type of property being appraised, complexity of the appraisal problem, the availability of market data, as well as economies of scale achieved when appraising or reviewing appraisals of multiple similar properties. Other types of appraisal/consulting services are billed on an hourly rate basis. SD Group's fee schedule is outlined below. This is not an all-inclusive schedule, as each property and project is unique and varies in the level of complexity.

Real Estate Appraisal Fees:

- Single Family Residences – $1,000 to $2,500+ per property
- Traditional Commercial – $3,000 to $10,000+ per property
- Agricultural Land – $3,000 to $10,000+ per property
- Special Use Property – $5,000 to $20,000+ per property
- Eminent Domain – $3,000+ for uncomplicated partial acquisitions of land only, $7,000+ for complete before and after appraisals with thorough damages analysis

Real Estate Appraisal Review Fees:

- Single Family Residences – $800 to $1,200+ per appraisal review
- Traditional Commercial – $800 to $1,800+ per appraisal review
- Agricultural Land – $1,000 to $2,500+ per appraisal review
- Special Use Property – $1,500 to $5,000+ per appraisal review
- Eminent Domain – $1,400+ for appraisal reviews of uncomplicated partial acquisitions of land only, $2,500+ for review of complete before and after appraisals with thorough damages analysis

Hourly Rates:

- Christine S. Santolucito, R/W-AC (Principal) – $350 per hour for valuation and consultation
- Lance W. Doré, MAI, FRICS (Principal) – $500 per hour for valuation and consultation
- Christine S. Santolucito, R/W-AC (Principal) – $450 per hour for litigation support / depositions / court appearances
- Lance W. Doré, MAI, FRICS (Principal) – $600 per hour for litigation support / depositions / court appearances
- Senior Appraiser – $200 per hour for valuation and consultation
- Staff Appraiser - $150 per hour for valuation and consultation
- Trainee Appraiser - $120 per hour for valuation and consultation
- Administrative/Research – $80-100 per hour for valuation support

Out-of-Pocket Expenses:

In addition to the professional hourly rates set forth above, Client shall reimburse for any of the following out-of-pocket expenses incurred in connection with any consulting assignment: travel expenses including, but not limited to, transportation, lodging, meals and incidental expenses; overnight or courier delivery charges; and copies of original documents submitted to Client. *These reimbursable expenses are only for hourly consulting assignments, not for appraisals billed on a lump sum basis.*

- Travel Expenses At Cost
- Messenger Services At Cost
- Mileage Reimbursement At Rate Allowed by IRS
- Overnight or Express Mail At Cost

AGREEMENT FOR PROFESSIONAL SERVICES (C01289)
BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR ("Agreement") is made and effective as of the _____ by and between the **CITY OF BANNING**, a California municipal corporation ("City") whose address is 99 East Ramsey Street, Banning, California 92220, and **SANTOLUCITO DORE GROUP, INC.**, a California Corporation whose address is 23140 Pretty Doe Drive, Canyon Lake, California 92587 ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as "party" and hereinafter collectively referred to as the "parties."

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. City desires to engage Contractor to provide the following services: On-Call Real Property Appraisal Services; and

B. Contractor has made a proposal ("Proposal") to the City to provide such professional services, which Proposal is attached hereto as **Exhibit "A"** and incorporated herein by this reference; and

C. Contractor agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to City that Contractor possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, City and Contractor agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended for up to four (4) additional one (1) year terms upon approval of the City Council of the City.

2. Services to be Performed. Contractor agrees to provide the services ("Services") as follows: On-Call Real Property Appraisal Services in accordance with Exhibit "A". All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. Contractor designates Christine S. Santolucito as Contractor's Representative responsible for overseeing the Services provided by Contractor ("Contractor's Representative"). City designates the City Manager, or his or her designee, to act as the Project Manager ("Project Manager") in connection with the delivery of Services under this Agreement. Contractor shall supply, at its sole expense, all equipment, tools, materials, and supplies necessary to perform Services. In the event that the Proposal contains terms that are in addition to or in conflict with this Agreement, other than the price for Services, such terms shall not be valid and shall be of no force or effect.

3. Associates and Subcontractors. Contractor may, at Contractor's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as Contractor deems necessary to perform the Services; provided, however, that Contractor shall not subcontract any of the Services without the prior written consent of City. Contractor shall ensure that all subcontractors comply with the requirements of this Agreement, including, but not limited to, insurance, indemnification, and licensing requirements.

4. Compensation.

4.01 Contractor shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the City. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by City to Contractor under this Agreement shall not exceed the amount of Thirty Thousand Dollars and Zero Cents ($30,000.00) and the total aggregate compensation for all three consultants (CBRE, Inc., Santolucito Dore Group, Inc., and Epic Land Solutions, Inc.) will not exceed $50,000 during the initial one-year term of the agreements.

4.02 Contractor shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the City, in writing.

4.03 Contractor shall submit to City, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The City shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. City shall have the right to review and audit all invoices prior to or after payment to Contractor. This review and audit may include, but not be limited to City's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Verification that the hours billed, when multiplied by the approved hourly rates, result in the correct total;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If City determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, City shall either return the bill to Contractor with a request for explanation or adjust the payment accordingly and give notice to Contractor of the adjustment.

4.04 If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should City dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Contractor in writing of the disputed portion.

5. Obligations of Contractor.

5.01 Contractor agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the City other than the Services to be rendered and the hourly rate for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, Contractor will supply all personnel, materials and equipment required to perform the Services. Contractor shall provide its own offices, telephones, vehicles and computers. Contractor will determine the method, details, and means of performing the Services under this Agreement.

5.03 Contractor shall keep City informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by City, Contractor shall prepare written status reports.

5.04 Contractor is responsible for paying, when due, all income and other taxes, fees, and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. Contractor agrees to indemnify, defend, and hold harmless City for any claims, costs, losses, fees, penalties, interest, or damages suffered by City resulting from Contractor's failure to comply with this provision.

5.05 In the event Contractor is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 Contractor represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event City is required to obtain an approval or permit from another governmental entity, Contractor shall provide all necessary supporting documents to be filed with such entity.

5.07 Contractor shall be solely responsible for obtaining Employment Eligibility Verification information from Contractor's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that Contractor's employees are eligible to work in the United States.

5.08 In the event that Contractor employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the City and shall be subject to the City's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the Contractor hereby certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 Contractor shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict, the most stringent shall apply.

5.11 Contractor shall keep itself informed concerning and shall render all Services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any federal, state or local governmental entity having jurisdiction in effect at the time service is rendered.

5.12 By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of Services to be performed, (ii) has carefully considered how the Services should be performed, and (iii) fully understands the conditions, circumstances, difficulties and restrictions attending performance of the Services under this

Agreement. If the Services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of Services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the Services hereunder, Contractor shall immediately inform the City of such facts and shall not proceed except at Contractor's sole risk until written instructions are received from the Project Manager.

Contractor warrants all Services under the Agreement to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Services, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Services or non-conformance of the Services to the Agreement, commence and prosecute with due diligence all Services necessary to fulfill the terms of the warranty at Contractor's sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Services (or work of other contractors) damaged by Contractor's defective Services or which becomes damaged in the course of repairing or replacing defective Services. For any Services so corrected, Contractor's obligation hereunder to correct defective Services shall be reinstated for an additional one-year period, commencing with the date of acceptance of such corrected Services. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor.

In the event that Contractor fails to fulfil its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Services and any work damaged by such services or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

5.13 Time is of the essence in the performance of this Agreement.

6. Insurance. Contractor hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, Contractor hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as

Exhibit "B" are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate; Contractor agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's City, its officials, employees and agents. Contractor also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than $1 million per accident. If Contractor or Contractor's employees will use personal autos in performance of the Services hereunder, Contractor shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation insurance for any of Contractor's employees that will be providing any Services hereunder. Contractor will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any Workers' Compensation insurance will not limit the obligations of Contractor under this Agreement. Contractor expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents. Sole proprietors with no employees, LLCs, or partnerships using the services of members or partners who do not carry Workers' Compensation insurance acknowledge that they are not subject to the Workers' Compensation Act of the State of California and agree to complete a signed workers compensation exemption form.

6.04 Optional Insurance Coverage. Choose and check one: Required X /Not Required __; Errors and omissions insurance in a minimum amount of $2 million per occurrence to cover any negligent acts or omissions committed by Contractor, its employees and/or agents in the performance of any Services for City.

6.05 Cyber Liability Insurance REQUIRED IF CHECKED HERE ONLY [___] (Technology Professional Liability – Errors and Omissions), with limits not less than $2,000,000 per occurrence or claim, and $2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach

response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Contractor will file with City, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to City evidencing.

6.06 If Claims Made Policies (applies only to professional liability and cyber liability policies):

i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

ii. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

iii. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the contract work.

7. General Conditions pertaining to Insurance Coverage.

7.01 No liability insurance coverage provided shall prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor waives all rights of subrogation against City regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do the same.

7.02 Prior to beginning the Services under this Agreement, Contractor shall furnish City with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03 All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A-VII". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. Contractor acknowledges and agrees that that all insurance coverage required to be provided by

Contractor or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to City.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Contractor shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7.06 Contractor agrees to provide immediate notice to City of any claim or loss against Contractor or arising out of the Services performed under this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

7.07 The coverage shall contain no special limitations on the scope of protection afforded to City, its directors, officers, employees, or authorized volunteers. If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

8. Indemnification.

8.01 Contractor and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by Contractor or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to City. Contractor acknowledges that City would not enter into this Agreement in the absence of the commitment of Contractor to defend, indemnify, and protect City as set forth herein.

a. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, injuries, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement.

Contractor's obligation to defend, indemnify, and hold harmless shall include any and all claims, suits, and proceedings in which Contractor (and/or Contractor's agents and/or employees) is alleged to be an employee of City. All obligations under this provision are to be paid by Contractor as they are incurred by City.

b. Without affecting the rights of City under any provision of this Agreement or this Section, Contractor shall not be required to indemnify and hold harmless City as set forth above for liability attributable solely to the fault of City, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A Indemnification Design Professionals. In the event that Contractor is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, Contractor shall defend, indemnify, and hold harmless the City, its officers, employees, trustees and members ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of Contractor, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to Contractor shall not exceed Contractor's proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01. In the event Contractor performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of City, Contractor shall not be compensated for such services. Contractor expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the City in writing.

9.02 Contractor shall promptly advise the City Manager and Finance Director of City as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the City and/or City Council.

10. Termination of Agreement.

10.01. Notwithstanding any other provision of this Agreement, City, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to Contractor.

10.02 In the event of termination, the payment of monies due Contractor for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, Contractor agrees to promptly provide and deliver to City all original documents, reports, studies, plans, specifications and the like which are in the possession or control of Contractor and pertain to City.

11. Status of Contractor.

11.01 Contractor shall perform the Services in Contractor's own way as an independent contractor, and in pursuit of Contractor's independent calling, and not as an employee of City. However, Contractor shall regularly confer with City's City Manager or Project Manager as provided for in this Agreement.

11.02 Contractor agrees that it is not entitled to the rights and benefits afforded to City's employees, including disability or unemployment insurance, Workers' Compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. Contractor is responsible for providing, at its own expense, disability, unemployment, Workers' Compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 Contractor hereby specifically represents and warrants to City that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of City and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the City is located. Further, Contractor represents and warrants that the individual signing this Agreement on behalf of Contractor has the full authority to bind Contractor to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties, and all other documents of any kind or nature prepared, developed, or obtained by Contractor in connection with the performance of Services

performed for the City shall become the sole property of City, and Contractor shall promptly deliver all such materials to City upon request. At the City's sole discretion, Contractor may be permitted to retain original documents, and furnish reproductions to City upon request, at no cost to City.

12.02 Subject to applicable federal and state laws, rules and regulations, City shall hold all intellectual property rights to any materials developed pursuant to this Agreement. Contractor shall not use such data or documents for purposes other than the performance of this Agreement, nor shall Contractor release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of City.

12.03 Contractor shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as City may deem necessary, Contractor shall make available to City's agents for examination all of such records and shall permit City's agents to audit, examine and reproduce such records.

12.04 Contractor acknowledges that the City is a California municipal corporation and is subject to the California Public Records Act, Government Code § 7920.000 et seq. ("CPRA"), and other applicable laws requiring public access to records. Contractor further acknowledges and agrees that any and all documents, records, data, writings, communications, materials, and other information of any kind, in any format (including electronic format), that Contractor (or any associate, subcontractor, consultant, or agent of Contractor) prepares, develops, obtains, provides, transmits, or submits to the City, or that are otherwise received or maintained by the City, in connection with this Agreement or the Services may constitute public records and may be subject to disclosure to third parties in response to a CPRA request, unless the City determines that all or a portion of the Submitted Materials are exempt from disclosure under the CPRA or other applicable law.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by Contractor for City and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 Contractor shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of City. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 Contractor shall timely file FPPC Form 700 Conflict of Interest Statements with City if required by California law and/or the City's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 Contractor covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 Contractor has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. Contractor agrees that they are unaware of any financial or economic interest of any public officer or employee of the City relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the City may immediately terminate this Agreement by giving notice thereof. Contractor shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the City in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by City. The City, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the City with respect to the proposal and award process of this

Agreement or any City contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any City contract has been awarded. Contractor shall immediately report any attempt by any City officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor.

13.09 Severability. If any portion, section, sentence, provision or paragraph of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

13.10 Prevailing Wages. Contractor shall be responsible to comply with applicable prevailing wages laws. As a condition of payment, if applicable Contractor shall show proof of payment of wages under applicable state and federal laws and regulations relating to prevailing wages in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773, 1773.1, 1773.5, and 1773.9", for Riverside County and/or 40 U.S.C. Section 276a, et. seq. Such wage rates shall conform with those posted at City offices and the project site. In the event that the Contractor fails to pay the prevailing wages, the Contractor shall be solely liable for penalties and for the shortfall in wages and shall indemnify, defend and hold harmless City under Section 8.01 against any of the same. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1771 - Requirement to Pay Prevailing Wages
2. Section 1773.1 – Per Diem Wages; Travel and Subsistence Pay.
3. Section 1774 – Payment of Prevailing Wage Rates.
4. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
5. Section 1776 – Payroll Records and Certified Payroll Reports.
6. Section 1777.5 - Apprenticeship Requirements.
7. Sections 1810 and 1811 - Working Hour Restrictions.
8. Section 1813 - Penalty for Failure to Pay Overtime.

13.11 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

13.12 Waiver. Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or Services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

13.13 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

13.14 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purpose of this Agreement.

13.15 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

13.16 Force Majeure. Neither party shall be deemed in default of this Agreement to the extent that performance of its obligations is delayed or prevented by causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, riots, fires, floods, epidemics, pandemics, earthquakes, strikes, labor disputes, governmental orders, or failure of utilities. The affected party shall promptly notify the other party in writing of the occurrence of such event and shall use reasonable efforts to resume performance as soon as practicable. Force majeure shall not excuse the obligation to make payments when due. In no event shall force majeure entitle Contractor to additional compensation, but only to a reasonable extension of time.

13.17 Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified neither party shall be responsible for the service of the other.

13.18 The parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. The parties expressly adopt and confirm each electronic signature made by a party to this Agreement, regardless of whether delivered in person, by mail, courier, facsimile, email, or in portable document format (PDF), as if the same were manually signed and delivered in person. Each party agrees not to assert that any electronic signature is inadequate to bind such party to the same extent as if signed manually and delivered in person.

13.19 The provisions of this Agreement that by their nature are intended to survive the expiration or termination of this Agreement shall survive such expiration or termination. Without limiting the foregoing, the provisions relating to indemnification, ownership of documents and intellectual property, audit and records retention, insurance obligations, confidentiality, and payment obligations shall survive the termination or expiration of this Agreement.

13.20 Notice. Any notice, demand, request, consent, approval, or other communication required or permitted to be given under this Agreement ("Notice") shall be in writing and shall be deemed to have been duly given if delivered personally, sent by nationally recognized overnight courier, sent by certified or registered mail (return receipt requested), or sent by electronic mail, addressed as follows:

To City:
City of Banning
Attn: City Manager
99 East Ramsey Street
Banning, California 92220
Email: eclifford@banningca.gov

To Contractor:
Santolucito Dore Group, Inc.
Attn Christine S. Santolucito
31566 Railroad Canyon Road, Suite 2 PMB 10
Canyon Lake, California 92587
Email: christie@sdgroupinc.com

Notices shall be deemed received as follows: (i) on the date of delivery if delivered personally; (ii) one (1) business day after deposit with a nationally recognized overnight courier; (iii) three (3) business days after deposit in the United States mail, postage prepaid; or (iv) on the date transmitted if sent by electronic mail during normal business hours of the receiving party, or on

the next business day if sent after normal business hours. Either party may change its address for Notice by providing written Notice of such change to the other party in accordance with this Section.

13.21 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which counterparts taken together shall constitute one and the same instrument for all purposes of this Agreement.

13.22 The recitals set forth in the preamble of this Agreement are hereby incorporated into and made a substantive part of this Agreement as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CITY OF BANNING

By:_____
Elizabeth Gibbs, City Manager

Date: _____

CONTRACTOR:

SANTOLUCITO DORE GROUP, INC

By:_____
Print
Name: _____

Date: _____

ATTEST:

By: _____
Sandra Calderon, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
John O. Pinkney, City Attorney

Date: _____

EXHIBIT “A”
PROPOSAL

A. Statement of Understanding and Approach

Santolucito Doré Group, Inc. (SD Group) is a 51% woman-owned business. We are a certified Disadvantaged Business Enterprise (DBE) by the CUCP through Caltrans and a certified Small Business Enterprise (SBE) by the Los Angeles County Metropolitan Transportation Authority (Metro) and the State of California Department of General Services, as well as a Woman-Owned Business (WBE) by the Supplier Clearinghouse.SD Group principals have over 60 years of combined appraisal experience. Christie and Lance, SD Group Principals, have a history of working together efficiently, producing high quality documents, and delivering exceptional service to our clients.

SD Group specializes in real estate appraisal services for public agencies, delivering tailored solutions to meet our client's needs. Our appraisal services always meet or exceed USPAP and, when required, UASFLA requirements. The majority of our real estate and right of way experience has been performed per the requirements of the Uniform Act and under the oversight of various government entities including Caltrans, FHWA, FTA, and FRA. We perform appraisal services in accordance with the requirements of the appraisal related portions of the Code of Civil Procedures and Title VI of the Civil Rights Act. As such, SD Group has extensive experience in ensuring compliance with state, federal and local public agency requirements for timely project delivery and the preservation of funding sources.

Our public agency clients include the Cities of Coachella, Colton, Corona, Costa Mesa, Eastvale, El Centro, Fontana, Fullerton, Glendale, Glendora, Irvine, Lake Elsinore, La Quinta, Menifee, Moreno Valley, Murrieta, Newport Beach, Ontario, Palmdale, Palm Springs, Perris, Pomona, Riverside, San Jacinto, Temecula, and Wildomar; the Counties of Frenso, Imperial, Kern, Madera, Orange, Riverside, and San Bernardino; San Bernardino County Transportation Authority (SBCTA); Omnitrans; Riverside County Transportation Commission (RCTC); Riverside County Flood Control and Water Conservation District (RCFCWCD); Orange County Transportation Authority (OCTA); Los Angeles County Metropolitan Transportation Authority (METRO); San Diego Association of Governments (SANDAG); Los Angeles World Airports (LAWA); the California High Speed Rail Authority (CHSRA); Hi Desert Water District (HDWD); Irvine Ranch Water District (IRWD); Eastern Municipal Water District (EMWD); Elsinore Valley Municipal Water District (EVWMD); Southern California Edison (SCE); and So Cal Gas; as well as other public entities and private property owners. Additionally, Christie has experience working with Union Pacific Railroad (UPRR) and Burlington Northern Santa Fe Railway (BNSF), both directly and acquiring right of way from them.

We assist clients with appraisal services such as: cost estimating for budgetary purposes, alternative design analysis, full and partial acquisition appraisals, appraisal reviews, litigation support, and expert testimony. We effectively communicate with engineers, planners, attorneys, and public agency staff to ensure appraisal compliance with federal, state, and local regulations.

We have completed assignments from one-off appraisals for private clients to large projects for public agencies (up to 63 appraisals at one time so far with the capability to handle more). Lance has completed hundreds of appraisals and Christie has completed hundreds of reviews for the High-Speed Rail Project over the past 10 years. We have a team of four appraisers with additional staffing resources that can be utilized, if needed. Please reference our relevant project experience and resumes to learn more about the assignments we have completed.

PROPOSED METHOD TO ACCOMPLISH WORK

SD Group looks forward to tailoring specific processes to comply with City's policies, procedures, and preferences. SD Group prides itself on its ability to complete complex projects on schedule and within budget. Christie and Lance have over 60 years of combined experience coordinating with various agencies and will strategize and coordinate each project thoroughly from the beginning to deliver high quality outstanding appraisal services. Christie and Lance will work closely with City's Project Managers and staff to discover ways to provide assistance, offer recommendations whenever challenges are presented, and will seek feedback pertaining to progress and satisfaction with SD Group's performance.

The proposed scope of services will include real estate research and analysis to produce appraisal reports that are consistent with, and comply with USPAP, City Policy, and various government regulations. Specifically, SD Group will provide the following services / tasks if awarded a contract:

- Consult with authorized employees, agents and representatives of the City and other agencies having jurisdiction relative to an assigned project;
- Attend project meetings as scheduled by the City;
- Review and interpret appraisal maps/right of way maps, legal descriptions and plat maps for acquisitions (including but not limited to, fee and permanent and temporary easements) or dispositions;
- Prepare Property Owner Notification Letters (for right-of-way appraisals);
- Develop and report appraisals pursuant to appropriate City, State, and Federal standards;
- Provide Appraisal Summary Statement and Parcel Diary along with the appraisal report for each Larger Parcel (for right-of-way appraisals);
- Provide litigation support, if condemnation of the property interest is necessary; and
- Assist with estimating project budgets.

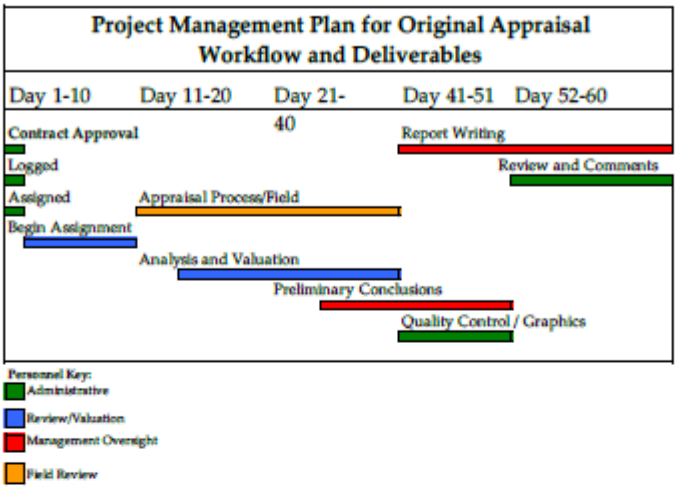
Appraisal is unique to each property and all recognized appraisal methodologies are completed with the highest level of quality. The following section describes our general work plan for completing the various appraisal and appraisal review assignments.

PROJECT MANAGEMENT / CONTROLS

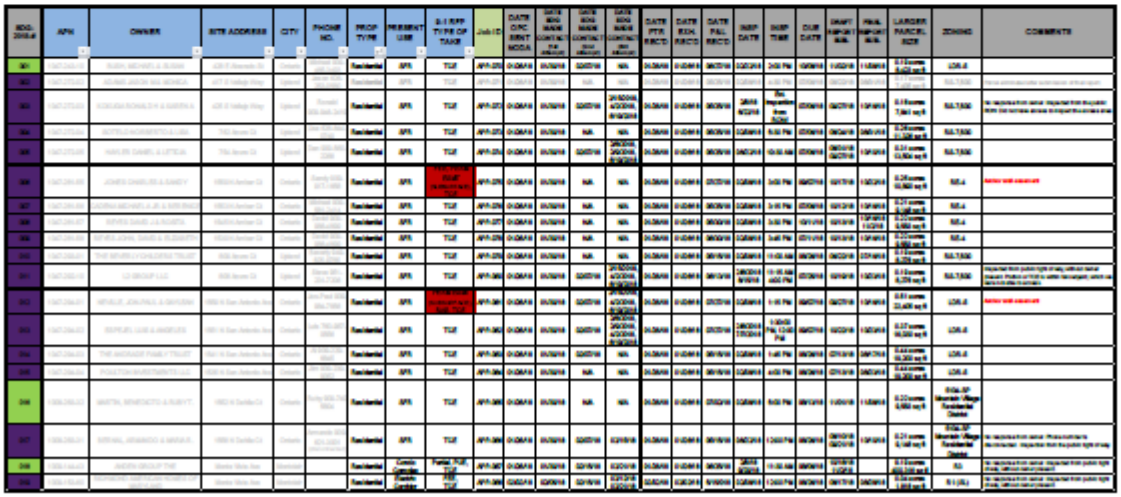
Project management for appraisal services is an on-going process from pre-acquisition planning through condemnation, when necessary. Christie, Project Manager / Primary Contact for this contract, will meet with the City staff, consultants, and individual project teams to discuss property appraisal status and updates on progress. She will supervise and coordinate with the appraisal team.

Each assignment is managed by Christie. Christie works with her appraiser team at every step of the appraisal process, from reviewing assignment details, legal descriptions and plat maps, acting as the client and property owner interface (personally attending all appraisal inspections), to reviewing the comparables selected and the valuation analyses. Christie is intricately involved in the valuation of the parts acquired and analysis of severance damages. Her previous experience as Appraisal Manager at HDR provided invaluable knowledge in reading plans and interpreting parcel impacts. Further, she personally reads and reviews each and every report before it goes out the door. Once any changes are made by the appraiser team, Christie checks her requested changes to make sure they were made and nothing was overlooked. On top of Christie's in-depth review, Lance, as an MAI, provides oversight and reviews each report. This double level senior review is key to ensuring the most reliable appraisal documents are submitted to the City.

SD Group is used to adhering the projects schedules and providing progress reports. Christie will work with the City to develop a valuation schedule that meets their needs and funding deadlines. Below is a sample schedule for appraisal services for a typical project. Timing is adjusted depending on the type of assignment involved.



Once a project is given Notice to Proceed, it is entered on our job log, with the with delivery date recorded. We also use a separate spreadsheet for tracking each project with all pertinent parcel information identified. We include columns for dates to track each piece of pertinent information including the receipt of necessary documents from our client (preliminary title reports, legals and plats, etc.), the date(s) our Notice of Decision to appraise letters go out, the date of inspection, the date our draft appraisal report is due, the date our draft appraisal is submitted, and finally the date our final report is submitted. Below is an example of our spreadsheet. We also track deadlines in our Outlook calendars with notifications set up as the dates approach.



SD Group will closely monitor the appraisal budget throughout the term of the contract. Appraisal assignments are typically bid on a lump sum per appraisal basis. Unless there is a significant change in the scope of work for an appraisal (that is agreed upon with the City), SD Group invoices

for the amount approved, never more. There are times where there is a change in the scope of work, outside of the control of the appraiser and usually due to design changes. If this change is significant, we will alert the City immediately to discuss options to move forward.

Christie and Lance will be the Key Personnel for real property appraisal services and will not be replaced without the written consent of the City. As Principals of SD Group, the likelihood that either would be replaced is very slim.

APPRAISAL

The purpose of an appraisal report is to produce a document that can be used by the City in negotiations for the required interests, in fee or less than fee (easement) interests. The typical scope of work for an appraisal includes, but is not necessarily limited to, the following steps:

Detailed Inspection of the Property

The acquisition process begins when the appraiser sends out the Notice of Intent to Appraise letters to impacted property owners. The appraiser will invite the property owner to be present for the onsite inspection. Additionally, City staff, other consultants/experts involved in the project, and, if applicable, the acquisition agent, are encouraged to attend the inspection as well. A complete understanding of the larger parcel, the subject property and overall impacts are a critical step in the appraisal process.

Complete Highest and Best Use Property

The cornerstone of the appraisal process is a detailed highest and best use of the property as vacant and as improved, which will be performed to isolate any valuation issues that arise after a detailed analysis of the legal, physical, and financial aspects of the property. This is the essential basis for the valuation analysis and ultimately the just compensation. The last critical stage is to determine the highest and best use of the remainder. Issues that may arise from this final test is uneconomic remainders, determination of underlying fees, or additional considerations for partial takes and easements. This ultimately determines factors that may result in severance damages.

Research Market Data of the Neighborhood, Subject Property, and Comparable Sales

After the determination of the highest and best use, the comparables are selected with similar highest and best uses. When identifying sales of comparable properties, market research will include discussions with appropriate real estate professionals and governmental agencies. All sales data utilized in an appraisal report will be confirmed with a party to those transactions, whenever possible. Details of the comparables are presented to fully disclose all issues for adjustments applicable to the valuation of the subject.

Write a Narrative Appraisal Report

The type of appraisal report utilized will be determined on a parcel-by-parcel basis. This determination will be made after analyzing the particular assignment and interests to be acquired, i.e., fee, easement, etc. A narrative appraisal report is typically used for public agency/eminent domain purposes. The appraiser may also be required to complete an Appraisal Summary Statement at the request of the City. Typical steps in the appraisal process are listed below:

- Identify the larger parcel and the appraisal problem;
- Obtain and review legals, plats, title reports, environmental reports, and other documents (provided by the City or their other consultants);
- Send out Notice of Intent to Appraise letter;
- Gather market data;

- Perform property inspection;
- Meet with project designer and others to address property impacts;
- Perform a detailed highest and best use analysis;
- Analyze and inspect comparables;
- Valuation via the three approaches to value (sales, cost, income), as needed for the property type;
- Reconcile approaches to value;
- Valuation of the part(s) acquired and improvements located within the acquisition area;
- Valuation of the remainder after acquisition;
- Assess and value potential damages and project benefits;
- Prepare written appraisal report;
- Work with the Review Appraiser;
- Prepare the Appraisal Summary Statement; and
- Deliver the completed appraisal report.

After the delivery of the appraisal and following the City's review process, SD Group will address any comments/questions, and when required, the appraisal report will be corrected or expanded to ensure the most reliable document for public scrutiny.SD Group's turnaround for addressing comments and submitting final appraisals is typically five calendar days. Once the appraisal report is reviewed and finalized, SD Group will provide a Statement of Value and Summary of the Basis for Appraisal (SOV), as needed for right of way appraisals.

SD Group will testify as an expert witness on behalf of the City in any judicial proceedings involving property appraised under this scope of work.

Sample Appraisal Schedule
SD Group has the availability to deliver the appraisals to the City in a timely manner. Below is a sample project schedule with typical milestones in the appraisal process.

- **Day 1** – NTP and receipt of Preliminary Title Reports (PTR), legal descriptions and plat maps, project plans and specifications, and other relevant documents, and send out Notice of Decision to Appraise letter (NODA);
- **Days 2-12** – Research subject property (ownership, parcel size, existing land use/zoning, potential for a zone change, etc.), identify the appraisal problem, review PTRs, legal/plats, and other reports/documents, research neighborhood and market data;
- **Day 13** – Perform property inspection;
- **Day 14-24** – Perform detailed highest and best use analyses, and select, analyze, and verify comparables; meet with project designer and others to address property impacts, if necessary;
- **Day 25** – Comparables inspection;
- **Days 26-36** – Valuations via applicable approaches (sales, cost, income);
- **Day 37** – Reconcile the approaches used;
- **Days 38-44** – Type the narrative appraisal reports, followed by SD Group's internal review and QA/QC process; and
- **Day 45 – Deliver the draft appraisal reports to the City;**

APPRAISAL REVIEW

Appraisers are required to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when performing appraisals and appraisal reviews. As such, the review appraiser is required to address a number of specific items pertaining to the report under review including the

completeness of the report, adequacy and relevance of the data, propriety of the adjustments, form an opinion as to the appropriateness of the appraisal methods and techniques used to complete the appraisal, form an opinion as to whether or not the analyses, opinions, and conclusions are appropriate and reasonable or develop reasons for the disagreements, if any. In addition to USPAP, eminent domain projects with federal and state funding require compliance with various additional regulations and guidelines.

The scope of work for an appraisal review typically includes the following steps:

- Identify the appraiser(s) that conducted the appraisal;
- Become familiar with the subject property and review legals, plats, title reports, environmental reports, and other documents;
- Become familiar with the subject neighborhood and the comparable properties used in the various analyses;
- Check all mathematical calculations made by the appraiser(s);
- Cross-reference narrative descriptions within the report with photographs, maps, and other exhibits (when included in the work under review);
- Review the weighting assigned to the approaches to value used in the appraisal;
- Determine if accepted appraisal principles, techniques, and standards were followed in arriving at property value in accordance with USPAP, California law, and Caltrans, FHWA, and FTA regulations, when applicable;
- Ensure that the appraiser(s) did not overlook any feature that would materially affect the property value;
- Develop an opinion as to the completeness of the material under review, given the review appraiser's scope of work;
- Develop an opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data, given the review appraiser's scope of work;
- Develop an opinion as to appropriateness of the appraisal methods and techniques used, given the review appraiser's scope of work, and developed reasons for any disagreement;
- Develop an opinion as to whether the analyses, opinions, and conclusions are appropriate and reasonable, and developed the reasons for any disagreement; and
- Form an opinion as to whether the appraisal can be used to establish fair market value for the subject larger parcel and make a recommendation as to whether the appraisers' estimate of fair market value should be used as just compensation for the proposed acquisition.

SD Group will provide monthly written reports and weekly verbal reports regarding the status of individual appraisal assignments, along with information relative to future negotiations. At the time of reporting, we will also provide a recap of our QA/QC process to ensure reporting and valuation accuracy.

TASKS REQUIRED OF THE CITY / CITY-OWNED FACILITIES

The City will be required to provide SD Group with identifying information on the parcel(s) to be appraised (APN and/or address) and pertinent documents pertaining to the specific appraisal assignment, such as preliminary title reports, environmental studies, legal descriptions and plat maps, engineering maps, etc.

SD Group operates out of our corporate office in Canyon Lake and will not require the leasing or purchasing of any City-owned facilities / property or equipment.

SD Group Price Proposal
Fee Schedule and Hourly Rates

Appraisals and appraisal reviews are typically bid on a lump sum per subject property or larger parcel basis. Our fee depends on the type of property being appraised, complexity of the appraisal problem, the availability of market data, as well as economies of scale achieved when appraising or reviewing appraisals of multiple similar properties. Other types of appraisal/consulting services are billed on an hourly rate basis. SD Group's fee schedule is outlined below. This is not an all-inclusive schedule, as each property and project is unique and varies in the level of complexity.

Real Estate Appraisal Fees:

- Single Family Residences – $1,000 to $2,500+ per property
- Traditional Commercial – $3,000 to $10,000+ per property
- Agricultural Land – $3,000 to $10,000+ per property
- Special Use Property – $5,000 to $20,000+ per property
- Eminent Domain – $3,000+ for uncomplicated partial acquisitions of land only, $7,000+ for complete before and after appraisals with thorough damages analysis

Real Estate Appraisal Review Fees:

- Single Family Residences – $800 to $1,200+ per appraisal review
- Traditional Commercial – $800 to $1,800+ per appraisal review
- Agricultural Land – $1,000 to $2,500+ per appraisal review
- Special Use Property – $1,500 to $5,000+ per appraisal review
- Eminent Domain – $1,400+ for appraisal reviews of uncomplicated partial acquisitions of land only, $2,500+ for review of complete before and after appraisals with thorough damages analysis

Hourly Rates:

- Christine S. Santolucito, R/W-AC (Principal) – $350 per hour for valuation and consultation
- Lance W. Doré, MAI, FRICS (Principal) – $500 per hour for valuation and consultation
- Christine S. Santolucito, R/W-AC (Principal) – $450 per hour for litigation support / depositions / court appearances
- Lance W. Doré, MAI, FRICS (Principal) – $600 per hour for litigation support / depositions / court appearances
- Senior Appraiser – $200 per hour for valuation and consultation
- Staff Appraiser - $150 per hour for valuation and consultation
- Trainee Appraiser - $120 per hour for valuation and consultation
- Administrative/Research – $80-100 per hour for valuation support

Out-of-Pocket Expenses:

In addition to the professional hourly rates set forth above, Client shall reimburse for any of the following out-of-pocket expenses incurred in connection with any consulting assignment: travel expenses including, but not limited to, transportation, lodging, meals and incidental expenses; overnight or courier delivery charges; and copies of original documents submitted to Client. *These reimbursable expenses are only for hourly consulting assignments, not for appraisals billed on a lump sum basis.*

- Travel Expenses At Cost
- Messenger Services At Cost
- Mileage Reimbursement At Rate Allowed by IRS
- Overnight or Express Mail At Cost

EXHIBIT “B”
CERTIFICATES OF INSURANCE

AGREEMENT FOR PROFESSIONAL SERVICES (C01288)
BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR ("Agreement") is made and effective as of the _____ by and between the **CITY OF BANNING**, a California municipal corporation ("City") whose address is 99 East Ramsey Street, Banning, California 92220, and **EPIC LAND SOLUTIONS, INC.**, a California Corporation whose address is 1181 California Avenue, Suite 270, Corona, California 92881 ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as "party" and hereinafter collectively referred to as the "parties."

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. City desires to engage Contractor to provide the following services: On-Call Real Property Appraisal Services; and

B. Contractor has made a proposal ("Proposal") to the City to provide such professional services, which Proposal is attached hereto as **Exhibit "A"** and incorporated herein by this reference; and

C. Contractor agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to City that Contractor possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, City and Contractor agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended for up to four (4) additional one (1) year terms upon approval of the City Council of the City.

2. Services to be Performed. Contractor agrees to provide the services ("Services") as follows: On-Call Real Property Appraisal Services in accordance with Exhibit "A". All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. Contractor designates Kent Carpenter as Contractor's Representative responsible for overseeing the Services provided by Contractor ("Contractor's Representative"). City designates the City Manager, or his or her designee, to act as the Project Manager ("Project Manager") in connection with the delivery of Services under this Agreement. Contractor shall supply, at its sole expense, all equipment, tools, materials, and supplies necessary to perform Services. In the event that the Proposal contains terms that are in addition to or in conflict with this Agreement, other than the price for Services, such terms shall not be valid and shall be of no force or effect.

3. Associates and Subcontractors. Contractor may, at Contractor's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as Contractor deems necessary to perform the Services; provided, however, that Contractor shall not subcontract any of the Services without the prior written consent of City. Contractor shall ensure that all subcontractors comply with the requirements of this Agreement, including, but not limited to, insurance, indemnification, and licensing requirements.

4. Compensation.

4.01 Contractor shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the City. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by City to Contractor under this Agreement shall not exceed the amount of Thirty Thousand Dollars and Zero Cents ($30,000.00) and the total aggregate compensation for all three consultants (CBRE, Inc., Santolucito Dore Group, Inc., and Epic Land Solutions, Inc.) will not exceed $50,000 during the initial one-year term of the agreements.

4.02 Contractor shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the City, in writing.

4.03 Contractor shall submit to City, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The City shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. City shall have the right to review and audit all invoices prior to or after payment to Contractor. This review and audit may include, but not be limited to City's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Verification that the hours billed, when multiplied by the approved hourly rates, result in the correct total;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If City determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, City shall either return the bill to Contractor with a request for explanation or adjust the payment accordingly and give notice to Contractor of the adjustment.

4.04 If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should City dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Contractor in writing of the disputed portion.

5. Obligations of Contractor.

5.01 Contractor agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the City other than the Services to be rendered and the hourly rate for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, Contractor will supply all personnel, materials and equipment required to perform the Services. Contractor shall provide its own offices, telephones, vehicles and computers. Contractor will determine the method, details, and means of performing the Services under this Agreement.

5.03 Contractor shall keep City informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by City, Contractor shall prepare written status reports.

5.04 Contractor is responsible for paying, when due, all income and other taxes, fees, and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. Contractor agrees to indemnify, defend, and hold harmless City for any claims, costs, losses, fees, penalties, interest, or damages suffered by City resulting from Contractor's failure to comply with this provision.

5.05 In the event Contractor is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 Contractor represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event City is required to obtain an approval or permit from another governmental entity, Contractor shall provide all necessary supporting documents to be filed with such entity.

5.07 Contractor shall be solely responsible for obtaining Employment Eligibility Verification information from Contractor's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that Contractor's employees are eligible to work in the United States.

5.08 In the event that Contractor employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the City and shall be subject to the City's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the Contractor hereby certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 Contractor shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict, the most stringent shall apply.

5.11 Contractor shall keep itself informed concerning and shall render all Services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any federal, state or local governmental entity having jurisdiction in effect at the time service is rendered.

5.12 By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of Services to be performed, (ii) has carefully considered how the Services should be performed, and (iii) fully understands the conditions, circumstances, difficulties and restrictions attending performance of the Services under this

Agreement. If the Services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of Services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the Services hereunder, Contractor shall immediately inform the City of such facts and shall not proceed except at Contractor's sole risk until written instructions are received from the Project Manager.

Contractor warrants all Services under the Agreement to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Services, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Services or non-conformance of the Services to the Agreement, commence and prosecute with due diligence all Services necessary to fulfill the terms of the warranty at Contractor's sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Services (or work of other contractors) damaged by Contractor's defective Services or which becomes damaged in the course of repairing or replacing defective Services. For any Services so corrected, Contractor's obligation hereunder to correct defective Services shall be reinstated for an additional one-year period, commencing with the date of acceptance of such corrected Services. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor.

In the event that Contractor fails to fulfil its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Services and any work damaged by such services or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

5.13 Time is of the essence in the performance of this Agreement.

6. Insurance. Contractor hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, Contractor hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as

Exhibit "B" are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate; Contractor agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's City, its officials, employees and agents. Contractor also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than $1 million per accident. If Contractor or Contractor's employees will use personal autos in performance of the Services hereunder, Contractor shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation insurance for any of Contractor's employees that will be providing any Services hereunder. Contractor will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any Workers' Compensation insurance will not limit the obligations of Contractor under this Agreement. Contractor expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents. Sole proprietors with no employees, LLCs, or partnerships using the services of members or partners who do not carry Workers' Compensation insurance acknowledge that they are not subject to the Workers' Compensation Act of the State of California and agree to complete a signed workers compensation exemption form.

6.04 Optional Insurance Coverage. Choose and check one: Required X /Not Required __; Errors and omissions insurance in a minimum amount of $2 million per occurrence to cover any negligent acts or omissions committed by Contractor, its employees and/or agents in the performance of any Services for City.

6.05 Cyber Liability Insurance REQUIRED IF CHECKED HERE ONLY [___] (Technology Professional Liability – Errors and Omissions), with limits not less than $2,000,000 per occurrence or claim, and $2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach

response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Contractor will file with City, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to City evidencing.

6.06 If Claims Made Policies (applies only to professional liability and cyber liability policies):

i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

ii. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

iii. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the contract work.

7. General Conditions pertaining to Insurance Coverage.

7.01 No liability insurance coverage provided shall prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor waives all rights of subrogation against City regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do the same.

7.02 Prior to beginning the Services under this Agreement, Contractor shall furnish City with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03 All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A-VII". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. Contractor acknowledges and agrees that that all insurance coverage required to be provided by

Contractor or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to City.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Contractor shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7.06 Contractor agrees to provide immediate notice to City of any claim or loss against Contractor or arising out of the Services performed under this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

7.07 The coverage shall contain no special limitations on the scope of protection afforded to City, its directors, officers, employees, or authorized volunteers. If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

8. Indemnification.

8.01 Contractor and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by Contractor or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to City. Contractor acknowledges that City would not enter into this Agreement in the absence of the commitment of Contractor to defend, indemnify, and protect City as set forth herein.

a. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, injuries, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement.

Contractor's obligation to defend, indemnify, and hold harmless shall include any and all claims, suits, and proceedings in which Contractor (and/or Contractor's agents and/or employees) is alleged to be an employee of City. All obligations under this provision are to be paid by Contractor as they are incurred by City.

b. Without affecting the rights of City under any provision of this Agreement or this Section, Contractor shall not be required to indemnify and hold harmless City as set forth above for liability attributable solely to the fault of City, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A Indemnification Design Professionals. In the event that Contractor is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, Contractor shall defend, indemnify, and hold harmless the City, its officers, employees, trustees and members ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of Contractor, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to Contractor shall not exceed Contractor's proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01. In the event Contractor performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of City, Contractor shall not be compensated for such services. Contractor expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the City in writing.

9.02 Contractor shall promptly advise the City Manager and Finance Director of City as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the City and/or City Council.

10. Termination of Agreement.

10.01. Notwithstanding any other provision of this Agreement, City, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to Contractor.

10.02 In the event of termination, the payment of monies due Contractor for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, Contractor agrees to promptly provide and deliver to City all original documents, reports, studies, plans, specifications and the like which are in the possession or control of Contractor and pertain to City.

11. Status of Contractor.

11.01 Contractor shall perform the Services in Contractor's own way as an independent contractor, and in pursuit of Contractor's independent calling, and not as an employee of City. However, Contractor shall regularly confer with City's City Manager or Project Manager as provided for in this Agreement.

11.02 Contractor agrees that it is not entitled to the rights and benefits afforded to City's employees, including disability or unemployment insurance, Workers' Compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. Contractor is responsible for providing, at its own expense, disability, unemployment, Workers' Compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 Contractor hereby specifically represents and warrants to City that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of City and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the City is located. Further, Contractor represents and warrants that the individual signing this Agreement on behalf of Contractor has the full authority to bind Contractor to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties, and all other documents of any kind or nature prepared, developed, or obtained by Contractor in connection with the performance of Services

performed for the City shall become the sole property of City, and Contractor shall promptly deliver all such materials to City upon request. At the City's sole discretion, Contractor may be permitted to retain original documents, and furnish reproductions to City upon request, at no cost to City.

12.02 Subject to applicable federal and state laws, rules and regulations, City shall hold all intellectual property rights to any materials developed pursuant to this Agreement. Contractor shall not use such data or documents for purposes other than the performance of this Agreement, nor shall Contractor release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of City.

12.03 Contractor shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as City may deem necessary, Contractor shall make available to City's agents for examination all of such records and shall permit City's agents to audit, examine and reproduce such records.

12.04 Contractor acknowledges that the City is a California municipal corporation and is subject to the California Public Records Act, Government Code § 7920.000 et seq. ("CPRA"), and other applicable laws requiring public access to records. Contractor further acknowledges and agrees that any and all documents, records, data, writings, communications, materials, and other information of any kind, in any format (including electronic format), that Contractor (or any associate, subcontractor, consultant, or agent of Contractor) prepares, develops, obtains, provides, transmits, or submits to the City, or that are otherwise received or maintained by the City, in connection with this Agreement or the Services may constitute public records and may be subject to disclosure to third parties in response to a CPRA request, unless the City determines that all or a portion of the Submitted Materials are exempt from disclosure under the CPRA or other applicable law.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by Contractor for City and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 Contractor shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of City. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 Contractor shall timely file FPPC Form 700 Conflict of Interest Statements with City if required by California law and/or the City's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 Contractor covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 Contractor has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. Contractor agrees that they are unaware of any financial or economic interest of any public officer or employee of the City relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the City may immediately terminate this Agreement by giving notice thereof. Contractor shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the City in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by City. The City, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the City with respect to the proposal and award process of this

Agreement or any City contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any City contract has been awarded. Contractor shall immediately report any attempt by any City officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor.

13.09 Severability. If any portion, section, sentence, provision or paragraph of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

13.10 Prevailing Wages. Contractor shall be responsible to comply with applicable prevailing wages laws. As a condition of payment, if applicable Contractor shall show proof of payment of wages under applicable state and federal laws and regulations relating to prevailing wages in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773, 1773.1, 1773.5, and 1773.9", for Riverside County and/or 40 U.S.C. Section 276a, et. seq. Such wage rates shall conform with those posted at City offices and the project site. In the event that the Contractor fails to pay the prevailing wages, the Contractor shall be solely liable for penalties and for the shortfall in wages and shall indemnify, defend and hold harmless City under Section 8.01 against any of the same. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1771 - Requirement to Pay Prevailing Wages
2. Section 1773.1 – Per Diem Wages; Travel and Subsistence Pay.
3. Section 1774 – Payment of Prevailing Wage Rates.
4. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
5. Section 1776 – Payroll Records and Certified Payroll Reports.
6. Section 1777.5 - Apprenticeship Requirements.
7. Sections 1810 and 1811 - Working Hour Restrictions.
8. Section 1813 - Penalty for Failure to Pay Overtime.

13.11 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

13.12 Waiver. Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or Services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

13.13 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

13.14 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purpose of this Agreement.

13.15 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

13.16 Force Majeure. Neither party shall be deemed in default of this Agreement to the extent that performance of its obligations is delayed or prevented by causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, riots, fires, floods, epidemics, pandemics, earthquakes, strikes, labor disputes, governmental orders, or failure of utilities. The affected party shall promptly notify the other party in writing of the occurrence of such event and shall use reasonable efforts to resume performance as soon as practicable. Force majeure shall not excuse the obligation to make payments when due. In no event shall force majeure entitle Contractor to additional compensation, but only to a reasonable extension of time.

13.17 Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified neither party shall be responsible for the service of the other.

13.18 The parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. The parties expressly adopt and confirm each electronic signature made by a party to this Agreement, regardless of whether delivered in person, by mail, courier, facsimile, email, or in portable document format (PDF), as if the same were manually signed and delivered in person. Each party agrees not to assert that any electronic signature is inadequate to bind such party to the same extent as if signed manually and delivered in person.

13.19 The provisions of this Agreement that by their nature are intended to survive the expiration or termination of this Agreement shall survive such expiration or termination. Without limiting the foregoing, the provisions relating to indemnification, ownership of documents and intellectual property, audit and records retention, insurance obligations, confidentiality, and payment obligations shall survive the termination or expiration of this Agreement.

13.20 Notice. Any notice, demand, request, consent, approval, or other communication required or permitted to be given under this Agreement ("Notice") shall be in writing and shall be deemed to have been duly given if delivered personally, sent by nationally recognized overnight courier, sent by certified or registered mail (return receipt requested), or sent by electronic mail, addressed as follows:

To City:
City of Banning
Attn: City Manager
99 East Ramsey Street
Banning, California 92220
Email: eclifford@banningca.gov

To Contractor:
Epic Land Solutions, Inc.
Attn Kari Anvick
1181 California Ave, Suite 270
Corona, California 92881
Email: kanvick@epicland.com; contract@epicland.com

Notices shall be deemed received as follows: (i) on the date of delivery if delivered personally; (ii) one (1) business day after deposit with a nationally recognized overnight courier; (iii) three (3) business days after deposit in the United States mail, postage prepaid; or (iv) on the date

transmitted if sent by electronic mail during normal business hours of the receiving party, or on the next business day if sent after normal business hours. Either party may change its address for Notice by providing written Notice of such change to the other party in accordance with this Section.

13.21 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which counterparts taken together shall constitute one and the same instrument for all purposes of this Agreement.

13.22 The recitals set forth in the preamble of this Agreement are hereby incorporated into and made a substantive part of this Agreement as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CITY OF BANNING

By:_____
Elizabeth Gibbs, City Manager

Date: _____

CONTRACTOR:

EPIC LAND SULTUIONS, INC

By:_____
Print
Name: _____

Date: _____

ATTEST:

By: _____
Sandra Calderon, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
John O. Pinkney, City Attorney

Date: _____

EXHIBIT “A”
PROPOSAL

A. Statement of Understanding & Approach

TYPICAL APPRAISAL APPROACH

Processes and specific tasks will vary per task order for this contract based on complexity and specialty area. However, EPIC appraisers typically follow the process below to complete most real estate appraisal assignments.

PROJECT MANAGEMENT

Project management services includes meetings, project guidance, and interfacing with appraisal staff. It is EPIC's privileged responsibility to represent the City in a professional and respectful manner. EPIC's Appraiser will work closely with the City staff to review project assignments and establish lines of communication, procedures, and protocols to ensure a task order assignment is on track to reach goals.

SCOPING SESSION & COORDINATION

At the notice to proceed for a task order, EPIC's Appraiser will coordinate with the Cityand relevant stakeholders to understand assumptions and the information available to the appraiser. EPIC Appraisers encourage open communication throughout the appraisal process for efficient approach and sound methodology. EPIC Appraisers have a robust history being both an appraiser and review appraiser, working with a wide variety of appraisal firms throughout California. They often adapt to different workstyles and will limit the City's oversight by maintaining regular communication.

APPRAISAL INSPECTION LETTERS

EPIC will work with the City personnel to send out a standard Notice of Decision to Appraise (NoDA) to the owner of any property being valued. The notice shall include an invitation for the owner, or owner's representative, to accompany the EPIC Appraiser during the inspection. All property owner contact is noted in a diary form.

PROPERTY INSPECTIONS

EPIC's Appraiser will coordinate inspection with the property owner and will personally inspect the subject property. If the acquisition area is impacting improvements, EPIC's Appraiser will also inspect buildings, structures, fixtures, and other improvements.

PROPERTY IDENTIFICATION

All appraisal assignments begin with a proper approach to understanding property issues. This understanding is based on specific identifications gleaned from communication with the client. These basic identifications include intended users of the appraisal service; intended use of the appraisal service; type and definition of value; date of value; relevant property characteristics; assignment conditions; and scope of work.

MARKET RESEARCH AND DATA VERIFICATION

Market research, sales verification and ground inspections of each market data item is completed. EPIC maintains access to county- and municipal-level websites for zoning, general plan and other public information related to any appraisal assignment. To provide a thorough analysis, EPIC subscribes to various sources of data for completion of appraisal assignments.

List of Market Data Sources: EPIC Appraisers obtain the latest property owner information, parcel maps, and comparable sales data from a variety of resources, including:

RealQuest Pro | California Regional Multiple Listing Service (CRMLS) | AIR CRE | Costar Property Pro | Site-to-Do Business from the CCIM | Marshall & Swift | LandVision

HIGHEST AND BEST USE & VALUATION CONCLUSIONS

Once these identifications are made, the highest and best use conclusion is formed, and data can be gathered to apply the appropriate approaches to value. These approaches are the sales comparison, cost, and income. The appropriate approach(es) will be dictated by the identifications, which were previously made. The final step is reconciliation of the various indications of value into a single estimate. After the appraisal has been performed, an appraisal report which conforms to USPAP will be provided. EPIC's Quality Management Plan (QMP) requires that each report is reviewed by our Senior Appraisal Coordinator for quality assurance prior to submittal to the City.

CLIENT REVIEW AND REVISIONS REQUESTS

EPIC will deliver appraisal reports to the City for approval of Amount of Just Compensation. EPIC will be available to make any revisions required by the City as part of the standard appraisal service process.

EXPERT WITNESS TESTIMONY

Should the need arise for court support, appraisers will consider factors such as: the date of value not necessarily being the date of inspection, damages, before and after condition for part takes, the potential need for the appraiser to testify as expert witnesses in court, and whether fixtures need to be included. EPIC appraisers have always qualified as expert witnesses and have never had any limitations placed on their ability to testify as an expert. They are experienced with providing litigation and mediation support while also having appeared as expert witnesses in a broad range of judicial and quasi-judicial settings.

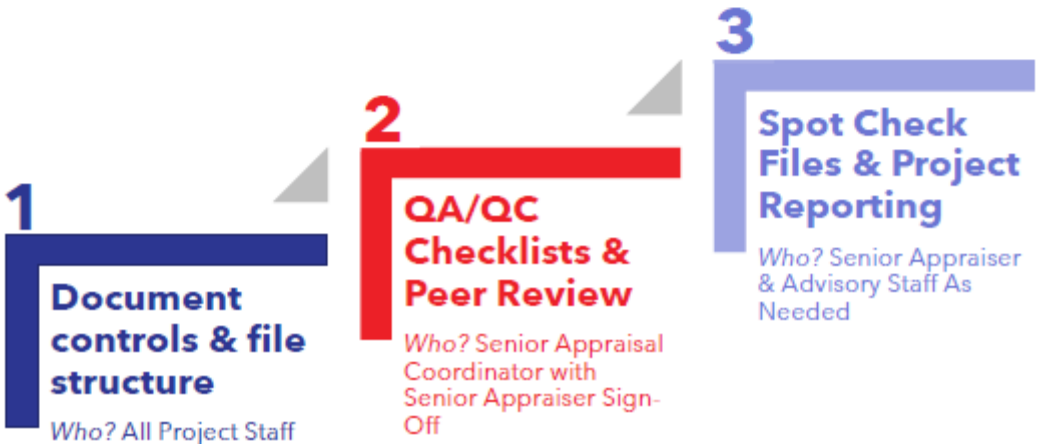
APPRAISAL REVIEW

Should federal funding arise or just the desire of the City for an appraisal review, EPIC's licensed and qualified Lead Senior Appraiser will provide Independent Desk Review of the appraisal reports prepared by others or will coordinate with a third-party appraiser for appraisal review of EPIC prepared appraisals. The EPIC appraiser or third-party appraiser as applicable will verify the appraisal report's conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute's Code of Ethics, and federal policies and regulations, where applicable.

PROJECT METHODS & CONTROLS

QUALITY CONTROLS & INTERNAL AUDITS

All EPIC projects are guided by quality management procedures and guidelines ("QA/QC Plan") that have been developed, tested, and proven through our 26 years delivering real estate appraisal assignments for public agencies. QA/QC procedures guide our team structure, staff role and responsibilities, document controls, management requirements, and high-level of service for our clients. EPIC's QA/QC procedures rely on a ***three-tiered approach*** that engage all levels of staff in procedures and tools to safeguard quality deliverables for the City:



Tier 1: Document Control, Versioning, and Redundancy

Full Staff Engagement: All levels of staff engage in document control by utilizing EPIC's SharePoint, a Microsoft file management platform and collaboration tool. SharePoint automatically supports error-free versioning control, real-time collaboration, file organization, and modification change tracking. Each change to any project document is tracked and can be rolled back, if necessary. EPIC even employs dedicated IT staff that develop and maintain the SharePoint system.

Document Availability and Retention: All personnel working on the assignment have access to the SharePoint filing system, which is accessed only with a unique log-in username and password. SharePoint file storage allows for controlled access requirements, selective editing abilities, and document version tracking. SharePoint is stored on Microsoft's enterprise cloud platform which guarantees near 100% up-time and built-in redundancy. All records are maintained by EPIC for a statutorily required 7-year period.

Tier 2: QA/QC Checklists & Peer Review

QA/QC Compliance Checklists: Utilized for distinct appraisal milestones and deliverables, checklists verify file details and documents issues/resolutions and ensure project documentation contains consistent and accurate information. Each checklist requires approval signatures from the Preparer and an Independent Reviewer.

Peer Review of Project Documentation: All documents prepared by EPIC will be reviewed by our dedicated Senior Appraisal Coordinator and signed off by the Senior Appraiser before submission to the City. The application of EPIC's dual quality reviews process is a key component in upholding EPIC's reputation for high-quality deliverables. A final review of the document is conducted by the Project Manager prior to delivery. Each file will have a review checklist attached to the file prior to close-out.

Tier 3: Spot Check Files & Project Reporting

Spot Checking: Appraisal files are randomly spot-checked at various milestones throughout the project to verify that all documents are uploaded and maintained into electronic and hard files. EPIC's Senior Appraisal Coordinator or upper management can perform the spot check QA/QC. Appraisal documentation is reviewed regularly to ensure that communications are being tracked on a "real time" basis.

Reporting: The EPIC Senior Appraiser will review all project reports and electronic access to EPIC's progress can be provided to the City for real-time visibility into project progress.

METHODOLOGY FOR SOLICITING AND DOCUMENTING VIEWS OF INTERNAL/EXTERNAL STAKEHOLDERS:

EPIC's Appraisal Department utilizes a structured and transparent process to solicit and document feedback from both internal and external stakeholders throughout the appraisal and right of way process. Input is gathered through regular coordination meetings, project updates, direct interviews, and email correspondence. Feedback and viewpoints are documented in project files, meeting notes, correspondence logs, and appraisal review records to insure compliance with company and client requirements.

OTHER PROJECT MANAGEMENT STRATEGIES FOR APPRAISAL SERVICES:

We employ a structured approach to project management, utilizing tools such as Microsoft Project, SharePoint, and Excel for collaborative document and schedule management. All project activities are conducted in accordance with applicable local, state, and federal regulations, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), USPAP, and MAI guidelines. We also maintain frequent and regular communication with all project stakeholders to ensure alignment and timely resolution of challenges.

ACHIEVING CLIENT SATISFACTION & SCOPE OF WORK

Our firm is committed to achieving client satisfaction and fulfilling all requirements outlined in the Scope of Work through a comprehensive, detail-oriented, and collaborative approach. Our appraisals are prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute Code of Ethics, and all applicable laws and regulations. We coordinate closely with clients and property owners, conduct thorough market research, and provide detailed appraisal reports. Independent review appraisals are conducted as required. Request and delivery of needed information, property owner contact information, and report delivery timelines are part of EPIC's quality management plan. Epic is committed to delivering successful project outcomes and maintaining open communication.

SAMPLE APPRAISAL ASSIGNMENT SCHEDULE

Every appraisal will vary depending on parcel complexity and other considerations. Multiple appraisals can often to be completed concurrently within the same window, and considering larger parcels can be joined where ownership is the same, certain groups of appraisals can be expedited as needed. Timeframes for appraisals will be determined on an assignment/task order basis considering current workload, the City's requested deadline, and any other specific assignment parameters. Below are typical timeframes for a non-complex and complex real estate appraisal assignment.

NON-COMPLEX SCENARIO (ASSUMES 1 NON-COMPLEX APPRAISAL)	
TASK	DURATION (FROM NTP)
Kick-Off Meeting	Within 7 days
Property Owner Contact	Within 14 days *(Owner has 14 days to respond to Notice of Decision to Appraise [NDA])*
Site Inspection	Within 21 to 28 days
Market Research, Sales Verification, & Ground Inspections	Within 21 to 35 days
Market Data Verification	Within 21 to 35 days
Appraisal Report Finalized	Within 45 days
Address Comments (As Applicable)	Within 21 days
TOTAL ESTIMATED DURATION	45 - 60 DAYS (MAXIMUM)

COMPLEX SCENARIO (ASSUMES 1 COMPLEX APPRAISAL)	
TASK	DURATION (FROM NTP)
Kick-Off Meeting	Within 7 days
Property Owner Contact	Within 14 days *(Owner has 14 days to respond to Notice of Decision to Appraise [NDA])*

Site Inspection	Within 21 to 28 days
Market Research, Sales Verification, & Ground Inspections	Within 28 to 42 days
Market Data Verification	Within 28 to 42 days
Appraisal Report Finalized	Within 60 days
Address Comments (As Applicable)	Within 21 days
TOTAL ESTIMATED PROJECT DURATION	**60 - 90 DAYS (MAXIMUM)**

ROLE & TASKS REQUIRED BY CITY STAFF

EPIC anticipates the following services or data to be provided by the City for task order projects under this contract. Exact needs will be identified and communicated for each task order.

1. Legals and Plats
2. Project Design Plans
3. Any Environmental Reports (if available/needed)
4. Preliminary Title Reports
5. Right of Way Appraisal Maps (if required)
6. Copy of Sample Grant of Easement Language for any Easements being Acquired
7. Any Other Pertinent Information of the Parcel Available to the City

The City will be responsible for providing the requested documentation and data as outlined above. EPIC will utilize these materials to perform the real estate appraisal services specified in the Scope of Work and will coordinate with City staff to ensure all appraisal requirements are met, such as coordinating with another appraiser for reviews as applicable.

INNOVATIVE & CREATIVE APPROACHES TO SERVICES

EPIC has a dedicated Senior Appraisal Coordinator available to support Kent and the City on all task orders under this on-call contract. Chris Castile, *EPIC's in-house dedicated Senior Appraisal Coordinator, has held real estate licensure and experience, which grants him tailored understanding to real estate appraisal services* so he can provide technically informed quality assurance beyond the average administrative support. In addition, Chris has worked with Kent directly for over eight (8) years, collaborating on numerous appraisal assignments ensuring quality and effective document maintenance. Chris also serves as the Accounts Payable lead for EPIC's Appraisal Department, ensuring a dedicated resource to handle invoicing appraisal services with an understanding of the services provided and its typical fee structure. Chris has also interfaced with numerous municipalities and local agencies on similar on-calls, establishing an understanding of task order procedures for both assignment delivery and invoicing.

Price Proposal

HOURLY RATES

Kent Carpenter, MAI is anticipated to be key staff for this contract. Kari Anvick is merely his supervisor and is not anticipated to bill on task orders for this contract unless an extenuating circumstance arises. Chris Castile will provide support. EPIC appraisals are lump sum fees all-inclusive of any travel or other costs involved to complete an appraisal assignment. Thus, no travel costs, lodging, or other direct costs will be billed to the City.

STAFF NAME	TITLE/CLASSIFICATION	HOURLY BILLING RATE (AVERAGE)
Kari Anvick	Senior Advisory Manager	$267.75
Kent Carpenter	Senior Appraiser	$199.50
Chris Castile	Senior Appraisal Coordinator	$115.50

EPIC will increase these hourly rates 5% annually at the beginning of each calendar year. Staff billing rates provided do not include the Federal Acquisition Regulations (FAR) approved overhead rate for Epic Land Solutions, Inc. and are not suitable for state and federally funded projects. If the NTP is received after 120 days from this proposal, fees and billing rates may require revision.

TYPICAL LUMP SUM FEE RANGES

Appraisal and appraisal review services are billed as lump sum fees. The table below provides a sampling of our most typical appraisal assignments and their typical fee range. EPIC assumes each appraisal assignment will be performed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book), and the Appraisal Institute's Code of Ethics, where applicable.

PROPERTY TYPE	TYPICAL APPRAISAL FEE RANGE	TYPICAL APPRAISAL REVIEW FEE RANGE
Single Family Residential	$750 - $4,500	$1,000 - $2,000
Multi-family 2 to 4 units	$1,250 - $4,500	$1,000 - $2,000
Multi-family 5 to 20 units	$1,500 - $5,500	$1,250 - $2,500
Multi-family 21 to 100 units	$2,500 to $7,000	$1,500 - $2,500
Multi-family 100+ units	$7,000 to $11,000	$2,500 - $3,500
Retail Commercial	$3,000 - $15,000	$1,500 - $3,500
Office	$3,000 - $12,500	$1,500 - $3,500
Industrial Warehouse / Business Park	$3,000 - $11,000	$1,500 - $3,500
Land	$3,000 - $10,000	$1,500 - $3,500

EXHIBIT “B”
CERTIFICATES OF INSURANCE

AGREEMENT FOR PROFESSIONAL SERVICES (C01290)
BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR ("Agreement") is made and effective as of the _____ by and between the **CITY OF BANNING**, a California municipal corporation ("City") whose address is 99 East Ramsey Street, Banning, California 92220, and CBRE, INC., a Delaware Corporation whose address is _2121 North Pearl Street, Suite 300, Dallas, Texas 75201 ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as "party" and hereinafter collectively referred to as the "parties."

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. City desires to engage Contractor to provide the following services: On-Call Real Property Appraisal Services; and

B. Contractor has made a proposal ("Proposal") to the City to provide such professional services, which Proposal is attached hereto as **Exhibit "A"** and incorporated herein by this reference; and

C. Contractor agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to City that Contractor possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, City and Contractor agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended for up to four (4) additional one (1) year terms upon approval of the City Council of the City.

2. Services to be Performed. Contractor agrees to provide the services ("Services") as follows: On-Call Real Property Appraisal Services in accordance with Exhibit "A". All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. Contractor designates Michael R. Rowland as Contractor's Representative responsible for overseeing the Services provided by Contractor ("Contractor's Representative"). City designates the City Manager, or his or her designee, to act as the Project Manager ("Project Manager") in connection with the delivery of Services under this Agreement. Contractor shall supply, at its sole expense, all equipment, tools, materials, and supplies necessary to perform Services. In the event that the Proposal contains terms that are in addition to or in conflict with this Agreement, other than the price for Services, such terms shall not be valid and shall be of no force or effect.

3. Associates and Subcontractors. Contractor may, at Contractor's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as Contractor deems necessary to perform the Services; provided, however, that Contractor shall not subcontract any of the Services without the prior written consent of City. Contractor shall ensure that all subcontractors comply with the requirements of this Agreement, including, but not limited to, insurance, indemnification, and licensing requirements.

4. Compensation.

4.01 Contractor shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the City. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by City to Contractor under this Agreement shall not exceed the amount of Thirty Thousand Dollars and Zero Cents ($30,000.00) and the total aggregate compensation for all three consultants (CBRE, Inc., Santolucito Dore Group, Inc., and Epic Land Solutions, Inc.) will not exceed $50,000 during the initial one-year term of the agreements.

4.02 Contractor shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the City, in writing.

4.03 Contractor shall submit to City, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The City shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. City shall have the right to review and audit all invoices prior to or after payment to Contractor. This review and audit may include, but not be limited to City's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Verification that the hours billed, when multiplied by the approved hourly rates, result in the correct total;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If City determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, City shall either return the bill to Contractor with a request for explanation or adjust the payment accordingly and give notice to Contractor of the adjustment.

4.04 If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should City dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Contractor in writing of the disputed portion.

5. Obligations of Contractor.

5.01 Contractor agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the City other than the Services to be rendered and the hourly rate for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, Contractor will supply all personnel, materials and equipment required to perform the Services. Contractor shall provide its own offices, telephones, vehicles and computers. Contractor will determine the method, details, and means of performing the Services under this Agreement.

5.03 Contractor shall keep City informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by City, Contractor shall prepare written status reports.

5.04 Contractor is responsible for paying, when due, all income and other taxes, fees, and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. Contractor agrees to indemnify, defend, and hold harmless City for any claims, costs, losses, fees, penalties, interest, or damages suffered by City resulting from Contractor's failure to comply with this provision.

5.05 In the event Contractor is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 Contractor represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event City is required to obtain an approval or permit from another governmental entity, Contractor shall provide all necessary supporting documents to be filed with such entity.

5.07 Contractor shall be solely responsible for obtaining Employment Eligibility Verification information from Contractor's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that Contractor's employees are eligible to work in the United States.

5.08 In the event that Contractor employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the City and shall be subject to the City's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the Contractor hereby certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 Contractor shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict, the most stringent shall apply.

5.11 Contractor shall keep itself informed concerning and shall render all Services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any federal, state or local governmental entity having jurisdiction in effect at the time service is rendered.

5.12 By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of Services to be performed, (ii) has carefully considered how the Services should be performed, and (iii) fully understands the conditions, circumstances, difficulties and restrictions attending performance of the Services under this

Agreement. If the Services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of Services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the Services hereunder, Contractor shall immediately inform the City of such facts and shall not proceed except at Contractor's sole risk until written instructions are received from the Project Manager.

Contractor warrants all Services under the Agreement to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Services, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Services or non-conformance of the Services to the Agreement, commence and prosecute with due diligence all Services necessary to fulfill the terms of the warranty at Contractor's sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Services (or work of other contractors) damaged by Contractor's defective Services or which becomes damaged in the course of repairing or replacing defective Services. For any Services so corrected, Contractor's obligation hereunder to correct defective Services shall be reinstated for an additional one-year period, commencing with the date of acceptance of such corrected Services. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor.

In the event that Contractor fails to fulfil its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Services and any work damaged by such services or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

5.13 Time is of the essence in the performance of this Agreement.

6. Insurance. Contractor hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, Contractor hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as

Exhibit "B" are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of $2,000,000 per occurrence and $4,000,000 in the aggregate; Contractor agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's City, its officials, employees and agents. Contractor also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount of $1 million per accident. If Contractor or Contractor's employees will use personal autos in performance of the Services hereunder, Contractor shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation insurance for any of Contractor's employees that will be providing any Services hereunder. Contractor will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any Workers' Compensation insurance will not limit the obligations of Contractor under this Agreement. Contractor expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents. Sole proprietors with no employees, LLCs, or partnerships using the services of members or partners who do not carry Workers' Compensation insurance acknowledge that they are not subject to the Workers' Compensation Act of the State of California and agree to complete a signed workers compensation exemption form.

6.04 Optional Insurance Coverage. Choose and check one: Required __ /Not Required X; Errors and omissions insurance in an amount of $2 million per occurrence/$2 million annual aggregate to cover any negligent acts or omissions committed by Contractor, its employees and/or agents in the performance of any Services for City.

6.05 Cyber Liability Insurance REQUIRED IF CHECKED HERE ONLY [X] (Technology Professional Liability – Errors and Omissions), with limits of $2,000,000 per occurrence or claim, and $2,000,000 aggregate Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring

expenses with limits sufficient to respond to these obligations. Contractor will file with City, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to City evidencing the vendor's agreement to evidence up to $10 million in limits.

6.06 If Claims Made Policies (applies only to professional liability and cyber liability policies):

i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

ii. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

iii. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the contract work.

7. General Conditions pertaining to Insurance Coverage.

7.01 No liability insurance coverage provided shall prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor waives all rights of subrogation against City regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do the same.

7.02 Prior to beginning the Services under this Agreement, Contractor shall furnish City with certificates of insurance, endorsements, and upon request, allow the City to review complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03 All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A-:VII". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that should any described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the insurance policy provisions. Contractor shall provide no less than thirty (30) days prior written notice to the City in the event any of the coverages herein are suspended, voided, canceled or limits reduced. Upon the expiration, suspension, voiding, cancellation, nonrenewal, or reduction in limits of any required policy, Contractor shall obtain and maintain replacement insurance providing

coverage and limits equivalent to or greater than those required herein, effective no later than the date of such event, so that no lapse or gap in required insurance coverage occurs.

7.04 Self-insurance does not comply with these insurance specifications. Contractor acknowledges and agrees that that all insurance coverage required to be provided by Contractor or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to City.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Contractor shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7.06 Contractor agrees to provide immediate notice to City of any claim or loss against Contractor or arising out of the Services performed under this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City

7.07 The coverage shall contain no special limitations on the scope of protection afforded to City, its directors, officers, employees, or authorized volunteers.

8. Indemnification.

8.01 Contractor and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related or as a result of any claims by a third party for bodily injury, including death, or property damage, to the extent such claims arise from Contractor's entry on to the subject property and result from, or are attributable to, Contractor's negligence or wrongful misconduct. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to City. Contractor acknowledges that City would not enter into this Agreement in the absence of the commitment of Contractor to defend, indemnify, and protect City as set forth herein.

a. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, injuries, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or

limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement to the extent such claims arise from Contractor's entry on to the subject property and result from, or are attributable to, Contractor's negligence or wrongful misconduct. Contractor's obligation to defend, indemnify, and hold harmless shall include any and all claims, suits, and proceedings in which Contractor (and/or Contractor's agents and/or employees) is alleged to be an employee of City. All obligations under this provision are to be paid by Contractor as they are incurred by City.

b. Without affecting the rights of City under any provision of this Agreement or this Section, Contractor shall not be required to indemnify and hold harmless City as set forth above for liability attributable solely to the fault of City, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A Indemnification Design Professionals. In the event that Contractor is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, Contractor shall defend, indemnify, and hold harmless the City, its officers, employees, trustees and members ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of Contractor, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to Contractor shall not exceed Contractor's proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01. In the event Contractor performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of City, Contractor shall not be compensated for such services. Contractor expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the City in writing.

9.02 Contractor shall promptly advise the City Manager and Finance Director of City as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes,

modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the City and/or City Council.

10. Termination of Agreement.

10.01. Notwithstanding any other provision of this Agreement, City, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to Contractor.

10.02 In the event of termination, the payment of monies due Contractor for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, Contractor agrees to promptly provide and deliver to City all original documents, reports, studies, plans, specifications and the like which are in the possession or control of Contractor and pertain to City.

11. Status of Contractor.

11.01 Contractor shall perform the Services in Contractor's own way as an independent contractor, and in pursuit of Contractor's independent calling, and not as an employee of City. However, Contractor shall regularly confer with City's City Manager or Project Manager as provided for in this Agreement.

11.02 Contractor agrees that it is not entitled to the rights and benefits afforded to City's employees, including disability or unemployment insurance, Workers' Compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. Contractor is responsible for providing, at its own expense, disability, unemployment, Workers' Compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 Contractor hereby specifically represents and warrants to City that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of City and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the City is located. Further, Contractor represents and warrants that the individual signing this Agreement on behalf of Contractor has the full authority to bind Contractor to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties, and all other documents of any kind or nature prepared, developed, or obtained by Contractor in connection with the performance of Services performed for the City shall become the sole property of City, and Contractor shall promptly deliver all such materials to City upon request. At the City's sole discretion, Contractor may be permitted to retain original documents, and furnish reproductions to City upon request, at no cost to City.

12.02 Subject to applicable federal and state laws, rules and regulations, City shall hold all intellectual property rights to any materials developed pursuant to this Agreement. Contractor shall not use such data or documents for purposes other than the performance of this Agreement, nor shall Contractor release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of City.

12.03 Contractor shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as City may deem necessary, Contractor shall make available to City's agents for examination all of such records and shall permit City's agents to audit, examine and reproduce such records.

12.04 Contractor acknowledges that the City is a California municipal corporation and is subject to the California Public Records Act, Government Code § 7920.000 et seq. ("CPRA"), and other applicable laws requiring public access to records. Contractor further acknowledges and agrees that any and all documents, records, data, writings, communications, materials, and other information of any kind, in any format (including electronic format), that Contractor (or any associate, subcontractor, consultant, or agent of Contractor) prepares, develops, obtains, provides, transmits, or submits to the City, or that are otherwise received or maintained by the City, in connection with this Agreement or the Services may constitute public records and may be subject to disclosure to third parties in response to a CPRA request, unless the City determines that all or a portion of the Submitted Materials are exempt from disclosure under the CPRA or other applicable law.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by Contractor for City and contains all of the covenants and agreements

between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 Contractor shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of City. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 Contractor shall timely file FPPC Form 700 Conflict of Interest Statements with City if required by California law and/or the City's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 Contractor covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 Contractor has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. Contractor agrees that they are unaware of any financial or economic interest of any public officer or employee of the City relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the City may immediately terminate this Agreement by giving notice thereof. Contractor shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the City in an attempt to secure favorable treatment regarding this Agreement or any

contract awarded by City. The City, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the City with respect to the proposal and award process of this Agreement or any City contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any City contract has been awarded. Contractor shall immediately report any attempt by any City officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor.

13.09 Severability. If any portion, section, sentence, provision or paragraph of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

13.10 Prevailing Wages. Contractor shall be responsible to comply with applicable prevailing wages laws. As a condition of payment, if applicable Contractor shall show proof of payment of wages under applicable state and federal laws and regulations relating to prevailing wages in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773, 1773.1, 1773.5, and 1773.9", for Riverside County and/or 40 U.S.C. Section 276a, et. seq. Such wage rates shall conform with those posted at City offices and the project site. In the event that the Contractor fails to pay the prevailing wages, the Contractor shall be solely liable for penalties and for the shortfall in wages and shall indemnify, defend and hold harmless City under Section 8.01 against any of the same. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1771 - Requirement to Pay Prevailing Wages
2. Section 1773.1 – Per Diem Wages; Travel and Subsistence Pay.
3. Section 1774 – Payment of Prevailing Wage Rates.
4. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
5. Section 1776 – Payroll Records and Certified Payroll Reports.
6. Section 1777.5 - Apprenticeship Requirements.
7. Sections 1810 and 1811 - Working Hour Restrictions.
8. Section 1813 - Penalty for Failure to Pay Overtime.

13.11 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that employees are treated during

employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

13.12 Waiver. Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or Services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

13.13 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

13.14 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purpose of this Agreement.

13.15 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

13.16 Force Majeure. Neither party shall be deemed in default of this Agreement to the extent that performance of its obligations is delayed or prevented by causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, riots, fires, floods, epidemics, pandemics, earthquakes, strikes, labor disputes, governmental orders, or failure of utilities. The affected party shall promptly notify the other party in writing of the occurrence of such event and shall use reasonable efforts to resume performance as soon as practicable. Force majeure shall not excuse the obligation to make payments when due. In no event shall force majeure entitle Contractor to additional compensation, but only to a reasonable extension of time.

13.17 Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all

instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified neither party shall be responsible for the service of the other.

13.18 The parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. The parties expressly adopt and confirm each electronic signature made by a party to this Agreement, regardless of whether delivered in person, by mail, courier, facsimile, email, or in portable document format (PDF), as if the same were manually signed and delivered in person. Each party agrees not to assert that any electronic signature is inadequate to bind such party to the same extent as if signed manually and delivered in person.

13.19 The provisions of this Agreement that by their nature are intended to survive the expiration or termination of this Agreement shall survive such expiration or termination. Without limiting the foregoing, the provisions relating to indemnification, ownership of documents and intellectual property, audit and records retention, insurance obligations, confidentiality, and payment obligations shall survive the termination or expiration of this Agreement.

13.20 Notice. Any notice, demand, request, consent, approval, or other communication required or permitted to be given under this Agreement ("Notice") shall be in writing and shall be deemed to have been duly given if delivered personally, sent by nationally recognized overnight courier, sent by certified or registered mail (return receipt requested), or sent by electronic mail, addressed as follows:

To City:
City of Banning
Attn: City Manager
99 East Ramsey Street
Banning, California 92220
Email: eclifford@banningca.gov

To Contractor:
CBRE, Inc.
Attn: Nicole B. Galvez
5921 Owensmouth Avenue
Woodland Hills, California 91367
nicole.galvez@cbre.com

Notices shall be deemed received as follows: (i) on the date of delivery if delivered personally; (ii) one (1) business day after deposit with a nationally recognized overnight courier; (iii) three (3) business days after deposit in the United States mail, postage prepaid; or (iv) on the date transmitted if sent by electronic mail during normal business hours of the receiving party, or on the next business day if sent after normal business hours. Either party may change its address for Notice by providing written Notice of such change to the other party in accordance with this Section.

13.21 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which counterparts taken together shall constitute one and the same instrument for all purposes of this Agreement.

13.22 The recitals set forth in the preamble of this Agreement are hereby incorporated into and made a substantive part of this Agreement as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CITY OF BANNING

By:_____
Elizabeth Gibbs, City Manager

Date: _____

CONTRACTOR:

CBRE, INC

By:_____
Print
Name: _____

Date: _____

ATTEST:

By: _____
Sandra Calderon, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
John O. Pinkney, City Attorney

Date: _____

EXHIBIT “A”
PROPOSAL

SECTION B. PROPOSAL

A. Firm Statement of Understanding and Approach

Understanding of the City and the Project Scope of Services

We understand that the City is seeking on-call real property appraisal services to provide the appraisal, valuation, and related consulting services for public works improvement projects, acquisition or disposition of property by the City. The sale, purchase, and disposition of City-owned property must comply, as applicable, with the reporting requirements set forth in:

1. Uniform Standards of Professional Appraisal Practice (USPAP),
2. California Code of Civil Procedure, particularly Title 25-Housing and Community Development Code of Regulations,
3. Title XI of the Financial Intuition Reform, Recovery, and Enforcement Act (FIRREA),
4. California Code of Regulations,
5. California Government Code, and
6. California Department of Transportation Services (Caltrans) Right of Way Manual if federal funding is involved for a specific project.
7. Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and applicable federal regulations (when federal funding is involved)

It is our understanding that the real estate valuation needs of the City would be similar to those of other large public agencies for whom we have provided services. We would expect our services for the City to fall into the following categories:

- Acquisition of fee simple interest property rights, either as full fee acquisitions or as partial acquisitions.
- Acquisition of dedicated easement rights for utilities, streets, temporary construction easements (TCEs), or other specified needs.
- Completion of these valuation services in the context of a single or multi-parcel acquisition appraisal assignment.
- Valuation of excess City properties for lease or sale.
- Establishing the lease and/or license rate structure for lessees/license holders who are granted the right of limited property use within utility, flood control or other corridors.
- Assisting in the establishment or renegotiation of ground rent for existing corridors or other property in which the City is a land lessee
- Valuation of City properties that are used in bond financing programs, Mello-Roos Community Facilities projects, etc.
- Valuation of property used to set in-lieu park fees under the Quimby Act.
- Special valuation needs and consulting services.

CBRE's VAS Group considers all applicable approaches to value in each appraisal and uses accepted methodologies that are appropriate for the type of property being appraised. Scope of work and appraisal formats are discussed with the client in advance in order to meet with the client's objectives.

We present our descriptions of all tasks necessary to perform the required services at the onset of the City's appraisal assignment(s) as follows:

Overview of Technical Approach for Appraisals

Appraisal Methodology

All of our appraisal work is completed pursuant to USPAP, and all appraisals prepared for potential acquisition purposes, subject to an eminent domain action, are also prepared in compliance with the California Code of Civil Procedure Section 1263.320. The methodology utilized in eminent domain appraisals is consistent with the methodology found in the Caltrans Right of Way Manual, Chapter 7. When appropriate, we prepare full and partial acquisition appraisals subject to the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA). We are also experienced in providing appraisals based on Federal Aviation Administration (FAA) guidelines as well as California Department of General Services (DGS) guidelines.

Appraisal assignments would be completed with the use of the most appropriate valuation methods for the specific property type. These include the Sales Comparison Approach, the Income Approach, and the Cost Approach. For single-family residential properties, the Sales Comparison Approach is usually the most relevant approach and is typically the only one that has application to the property. For income-producing properties, including multifamily residential properties, the Income Approach is commonly utilized along with the Sales Comparison Approach. For buildings that are newer (non-residential), or which contain fairly specialized improvements, the Cost Approach is frequently relevant. Land is typically valued using the Sales Comparison Approach. Corridors are typically valued using ATF methodology.

In the process of completing appraisals of partial acquisitions, subject to California Eminent Domain Law, we give full consideration to possible severance damages and benefits that may accrue to the remainder parcel as a result of the acquisition and project. We are very experienced in preparing damage studies that are well researched and have been accepted by the courts when we are called to testify. When we conclude that there are damages, every attempt is made to quantify benefits that accrue to the remainder, as benefits can be utilized to offset severance damages. In the State Rule, benefits may not offset the value of the actual acquisitions.

When completing an appraisal for a partial acquisition that is subject to the guidelines of UASFLA, a complete before and after analysis is required. The Federal Rule differs from the State Rule in that benefits can offset the value of the parts taken. However, it should be noted that when applying the Federal Rule, a direct calculation of the value of the parts acquired, damages and benefits is not undertaken. Rather the property is appraised in its before condition and this is compared the what the value of the property would have been on the date of value if the project were implemented, and the acquisitions already made. The difference between the before and after valuations results in the value of the proposed acquisitions.

In certain assignments, we would expect to encounter appraisals dealing with vacant land and/or various types of easements affecting vacant land. For analysis of this type of property, an investigation into zoning and entitlements is a critical issue. Particular attention would be given to interviews with City representatives who are in the proper positions to comment on the entitlement process for the subject property. This level of investigation would also frequently include a review of relevant sections of the general plan, a review of specific plans that may affect the property, review of zoning, slope density analysis, fire department approvals, location in a sensitive habitat area, and investigations with other individuals at relevant governmental jurisdictions.

Non-Eminent Domain Related Appraisals

CBRE VAS considers all applicable approaches to value in each appraisal and uses accepted methodologies that are appropriate for the type of property being appraised. Scope of work and appraisal formats are discussed with the client in advance in order to meet with the client's objectives. These generally include the Cost, Sales Comparison and Income approaches to value.

Upon receiving authorization to proceed, we would complete a thorough inspection of the subject property(s) and review available information about its history(s) and operations. We would conduct an independent investigation of market factors, including investigations into comparable properties that would be relevant in the valuation process. We would analyze this data and develop an opinion of the value of the subject property based on the City's requested scope of work. Upon completion of our analysis, we would prepare an appraisal report in full compliance with USPAP.

Market Rent Appraisals

Market Rent Approach

We are uniquely qualified to conduct Market Rental Surveys on behalf of the City. Being part of CBRE allows us access to a wealth of data. This includes not only data that is available from public sources such as CoStar, MLS, professional organizations and Internet searches, but includes access to our proprietary data base system. Our proprietary data system allows us not only to find comparable rental (lease) data, but also give us access to the unique deal points of the transactions that our brokerage firm was involved with.

Improved Properties

Our general approach to conducting a rental survey is to view the subject property and understand the tier of market in which it competes. We then review our data sources and reach out to brokers active in the segment of the market we are surveying and locate the buildings which we feel are the primary competition for the subject. Once making this determination we strive to locate recent leasing activity in these buildings. If no data is available in the primary competitive buildings, we look to the secondary competition.

Once the data is located, we can present it to the City as a survey, or we can analyze it with respect to a particular asset. Alternatively, we can compare a number of transactions to determine which is the most advantageous by considering the present value of the various leases.

To determine the market rent for improved properties we generally rely on a direct comparison of comparable leased properties. However, for special purpose properties, we may need to rely on a rate of return applied to a valuation of the property as improved (most often concluded by the cost approach).

- Non-Special Purpose Properties: As previously indicated we rely on a direct comparison of comparable lease properties. Comparable data is obtained by interviewing active market participants such as brokers, investors and property owners. We also review public records, when appropriate and utilize pay data services such as CoStar. We also have an internal data base that is proprietary to CBRE. We are able to access rental comparable data from across the county utilizing this system. While we generally focus on comparable transactions that are in the same market area as the subject, there are instances where a national search may be appropriate.

  Factors of comparison that are considered include, but are not limited to the following:

  - Lease date
  - Lease term
  - Escalation factors
  - Free rent
  - Tenant improvements and other concessions
  - Location and access
  - Size
  - Quality and condition of the improvements
  - Property type and use
  - Coverage ratio

- Special Purpose Properties: As previously indicated, for special purpose properties, where there is not an active market for leases, we often apply a market derived rate of return to the improved property value. For special purpose properties, the cost approach is the typical valuation methodology employed. This involves determining a value for the underlying land and adding to it a depreciated replacement cost for the improvements. To determine the appropriate rate of return to apply to the improved value of the improvements, we follow a procedure similar to that associated with ground leases, described previously.

Ground Leases, Easement Rents and License Rates of Land

The two primary methods for analyzing the rental value of land as if vacant are described below.

1. Analyze recent leases of sites that are similar to the subject and conduct a direct comparison process using these comparable lease transactions.

2. Reach an opinion regarding the market value of the subject land as if vacant and conduct an analysis that leads to a conclusion as to the appropriate annual rate of return to apply to the land value.

We would conduct a search in an effort to find comparable land lease transactions that would allow us to perform the first study. Depending on the type of land involved and its location, comparable data may or may not be available. To search for comparable ground leases, we rely on interviews with active market participants, interviews with representatives of public agencies know to be active in leasing land, a search of public records, pay data services such as CoStar, as well as our internal data base.

A direct comparison of the comparable leases is the most ideal way to conclude to a market rent for land. Comparable ground leases are analyzed based on highest and best use of the underlying land, location, date of lease, term of lease, type and frequency of rent escalations and the frequency the ground lease adjusts to market. Consideration is also given

to the methodology utilized to initially set the market rent and ground lease terms associated with the comparables. Any free rent or other incentives provided are also considered.

It is important to note that limited current and comparable transactional data is often available. As such, we often focus on the latter method of analysis (item 2 above), which involves reaching an opinion regarding the market value of the subject land as if vacant and conducting an analysis that leads to a conclusion as to the appropriate annual rate of return to apply to the land value. To determine the underlying value of the subject land, we generally rely on the sales comparison approach to value, whereby we compare sales of comparable land transactions to the subject. Generally, the subject land is valued based on its highest and best use as vacant, unless an existing ground lease requires a different methodology.

Once a conclusion of land value is reached for the subject land, it represents the appropriate starting point in the appraisal of the market rental value. The next steps in this process are:

1. Identify and analyze data that is relevant for the purpose of setting the appropriate annual rate of return.
2. Examine the similarities and differences between the rate of return comparables (and other data) and the terms of the subject lease. Make adjustments as warranted to account for the material differences.
3. Apply the results of the analysis and express an opinion regarding the market rental value, taking care to explain how this rate is applied within the context of the ground lease obligations for the option term. Our conclusions can either be presented as a point estimate of market rent, a range or both.
4. If we are asked to value an easement rent or license, a factor is typically applied to the concluded market rent for the fee simple bundle of rights.

Eminent Domain/Condemnation Related Appraisals

Our efforts will at all times be centered on our profound respect for property rights. This includes both the property owner's right to full use and enjoyment of their property and the client's right to acquire all necessary property rights for public or private use. This perspective will guide our efforts toward just compensation and allow the client to acquire rights-of-way and to minimize the amount of potential litigation.

If a large multi-property assignment is awarded, we would like to set a meeting with the project manager at the City to discuss the project and to glean any information available as to property owner concerns and project impacts. We have found that sitting with the client at the onset of a larger multi-property assignment and going over the individual properties and reviewing maps together can result in tremendous time savings down the road. In the case of an individual property award, this can often be handled over the phone.

Our process, once authorized, typically will follow this general framework. Please note that once engaged, we will consult with the client to customize an appraisal process to meet the needs of the contract.

Property Owner Notification (as needed): At commencement of engagement, CBRE will identify the properties to be appraised with information such as address, tax parcel identification number, owner of record, type of property, site size, and building size. Upon collection of the parcel specific information, CBRE will prepare letters to the owners of record for each parcel. These letters will outline the scope of the project and the purpose and use of the proposed acquisition in fee and/or easement. Letters will be delivered via certified mail to the owners of record within approximately one business week from commencement of engagement. CBRE will be responsible for the cost of delivery of the certified letters.

Front-End File Development: In conjunction with development of the market study if requested, our administrative staff, in conjunction with one of our right of way valuation experts, will develop individual files for each parcel in the project. Each file will contain all correspondence with property owner of record, assessor records, floodplain maps, zoning maps, surveys of the whole property and proposed acquisition, legal descriptions of the whole property and proposed acquisition, title commitments, right of way maps, easement documents, aerials, etc. Development of files is anticipated to be completed within approximately two weeks after commencement of engagement.

Inspection and Property Owner Interaction: Within one to two weeks after our administrative staff have mailed certified letters to the owners of record, we would anticipate return responses from the property owners. During this correspondence period, CBRE would attempt to set up inspections of the identified parcels. As needed, CBRE staff will send out an additional letter, via certified mail, which outlines the information which CBRE will be requesting in order to complete the appraisal assignment.

An appraiser/right of way expert will attend each property inspection and insist on providing each property owner the opportunity to articulate the project's effect on their property. This is coordinated with the City, if a City representative

wishes to be present. The Vice President and/or Senior Appraiser remains directly involved in all aspects of the inspection, analysis, and appraisal completion. Limited amounts of research assistance may be provided by less senior appraisal staff, under the direct guidance and supervision of the project's Vice President and/or Senior Appraiser. This serves to provide an error-free report, with a well-developed opinion of the fair market value of the acquisitions and decrease the chances of litigation. The inspections of the parcels would include an inspection of the interior and exterior of all improvements located on the parcel as well as an inspection of the proposed acquisition. However, please note that our level of inspection will be contingent on the cooperation of the landowner of the parcel(s) affected by the Project.

Valuation: Applying the market data and feedback from the property inspection and meeting with the owners, the CBRE team will analyze the property and determine the fair market value of the acquisition(s) that is due to the property owner.

The appraisal reports will be written according to the applicable requirements and guidelines with the market value definition being based on current Federal and State standards. The development of the appraisal will consider all relevant facts and aspects of the property being appraised and the proposed acquisitions in fee and/or easement.

If there are damages, CBRE will estimate the cost to cure and effective age of the improvements within the proposed acquisition and any effect(s) to the remainder after the acquisition. Our analysis may utilize sources such as the Marshall & Swift Valuation Guide and/or construction cost estimates developed by outside consulting firms. Further, depending on the complexity of the appraisal assignment, CBRE, Inc. may consult with a certified land planner to determine appropriate land use plans and designs in the cost to cure and remainder after scenario.

Report Delivery: Our key personnel designated for work with the City specialize in various property types and are experienced in right of way projects. Ultimately, we will staff the project to meet the scope of the project within the required delivery time.

Appraisal Review Services

We have significant experience in the review of outside appraisals of all types, including those related to right-of-way acquisitions. We are familiar with the appraisal review requirements for Federal, State, City, and County-funded projects, to Title 25 California Code of Regulations §6000 et seq. §7260 et seq. of the California Government Code 42 U.S.C. §4601 et seq. (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970) and 49 CFR Part 24 to the extent they apply to the appraisal assignment. We are also experienced at reviewing appraisals subject to Federal Standards in accordance with UASFLA. The following are the general steps that we take in preparing these reviews.

1. Discuss the project with the client so that we can develop an appropriate scope of work and understand the client's needs. In addition, having a strong project overview will enable us to better understand the Project and be better prepared to review the individual reports.

    a) Generally, for right-of-way projects we are asked to review the reports and discuss them with the appraiser in order to obtain a credible appraisal for delivery to the client.
    b) In some cases (rarely) we find that we are unable to obtain a credible work product from the appraiser that we can recommend for approval. If this is the case, our scope of work may be expanded to include a reappraisal of the property or to recommend that another appraisal be obtained.
    c) Most right of way work in California must comply with the California Code of Civil Procedure, and the Caltrans Right of Way Manual in addition to USPAP, but in some instances the work needs to be compliant with UASFLA. This is part of our scope of work determination so that we know what standards the report should be reviewed to.

2. If possible, we like to be engaged at the outset of an assignment related to a right of way project that that we can act as a resource to the appraiser performing the appraisal if they have any questions. We understand that this is not always possible.
3. Make a determination of how many appraisals we will be reviewing related to a specific project and develop a spreadsheet summarizing these properties and their specifics, as well as the value conclusions and other pertinent details. This will enable us to help maintain a level of consistency across a project to the extent possible.
4. As appraisals come in for review, they are assigned to a senior review appraiser and to a researcher.
5. The researcher will be responsible for confirming all factual data in the report including land areas, zoning, confirmation of comparables through public records, ownership, etc. They will also check all mathematical calculations, including adjustments to comparable data. Any inconsistencies or errors are noted on the document and the report is given to the senior review appraiser.
6. The senior review appraiser will then read the appraisal report in its entirety, noting any sections that require further analysis or comment.

a) The review appraiser will review the research and analyses in the report with respect to its completeness, accuracy, adequacy, relevance and reasonableness.
b) The market data will be checked for reasonableness;
c) The appraisal methodology will be checked for applicability to the property type.
d) Adjustments to the comparable data will be reviewed and a determination will be made as to their market derived support or the reasonableness of the logical explanations for them.

7. The review appraiser will view the subject property and the comparables if a field review is requested. This is not done for desk reviews.
8. The review appraiser will develop an opinion as to whether the analyses are appropriate within the context of the requirements applicable to that work. Special consideration is given to the valuation of the parts acquired and any possible severance damages resulting from the project.
9. The reviewer will develop an opinion as to whether the opinions and conclusions are credible within the context of the requirement applicable to that work.
10. The reviewer will develop reasons for any disagreement and discuss these with the appraiser.
11. The goal is to work with the appraiser so that a credible appraisal is completed.
12. If the scope of work requires that the review appraiser develop his or her own opinion of value this is completed. Typically, this is not part of a review of a right of way appraisal at the outset.
13. The review appraiser prepares a review report for delivery to the client making our recommendation of acceptance and confirmation of applicable valuation standards. Any applicable Caltrans forms or project specific forms are included.
14. The review appraiser can prepare an appraisal summary to present to the property owner.

Our appraisal review services can be tailored to meet the needs of the City by adequately understanding your scope of work requirements. We can track all value conclusions on an appropriate unit basis for land and improvements and summarize easement values as a percent of land value for differing types of easements on a given project. This will enable the City to be confident that property owners are being treated fairly and consistently within a project area.

Firm Quality Control

Right-Of-Way Expert Review

At least one Right of Way appraiser (Expert) at the level of Vice President or higher will be assigned to each parcel. This expert will direct appraisal assignments within the project. Professionals and Experts discuss the assignments up front and periodically throughout to ensure all client expectations are being met. Right of Way Experts are selected based on their experience and credentials and are knowledgeable in current approved methodologies and applicable case law.

Key areas of review are:

- Engagement letter and required scope of work.
- Unique client requirements were followed.
- Applicable ownership history is presented.
- All Extraordinary and/or Hypothetical Assumptions are clearly stated.
- A detailed review of the entire report encompassing all sections, methodologies including damage/enhancement calculations (if any), etc.
- Only client approved appraisers are assigned, inspect subject properties and complete assignments (sign the certification and report). In most cases, it is acceptable for other licensed appraisal staff to significantly contribute, if this is approved by the client and adheres to USPAP.
- Consistency is maintained within the project regarding methodology, data used, value component conclusions and value conclusions. This will be accomplished through project review and audit.
- Proper right-of-way valuation methodology is utilized. The Expert will work with assigned appraisers to resolve questions regarding right-of-way specific valuation issues, as well as current case law application.
- Compliance with State guidelines.
- Proper report format utilized in the preparation of reports.

QRM Philosophy

CBRE's QRM philosophy helps to deliver superior quality products to our clients and is key to building a sustainable industry leading business. QRM practices set us apart from our competitors and is recognized by our clients as providing them with a distinct competitive advantage. One of our core philosophies is that QRM practices help win business, reduce losses, attract the best appraisers, and provide a safe and secure working environment.

We have also found that taking the time, up front, to thoroughly understand our clients' needs and how our services will be utilized enables us to act as a trusted consultant by making recommendations related to the type of appraisal report that should be ordered along with a discussion of the proper methodology and the impacts of that methodology. We have found that helping our clients understand their options and being able to make recommendations at the onset of an assignment (even pre-award) helps reduce any challenges in utilizing our deliverables for their intended use.

Quality Control

A major focus of our practice is preparing appraisals for litigation support and for public agency and right-of-way clients. As such, a high-quality and error-free product is a necessity. Our professional team members meet regularly to discuss relevant valuation topics, and exchange information from their knowledge and experience that is mutually beneficial in the completion of work for the City. An MAI will be involved in the determination of the appropriate approaches to value and analyses of each property. This approach has set an excellent foundation for the work we have completed on behalf of other public agency clients.

Additionally, all work prepared for the City will be independently reviewed by one of our MAI's prior to submitting it to the City for review. If we are awarded a multi-property assignment, the same MAI will review all of the appraisals relating to a given project to ensure that our values make sense and are consistent across a given project. The MAI signing the appraisal report will take full responsibility for the quality and all of the content in the appraisal and will be available to address any questions the City may have.

Lastly, the report writing software we have developed helps us to maintain consistency throughout our reports by employing linking technology. For example, the subject land area is typed once into Excel and is then linked and populated into our appraisal report (Word document) everywhere the land area is used.

Project Schedule for Appraisals

Project Schedule for Appraisals

Our work will progress through the completion of the following steps and others that may be deemed relevant as we complete the assignments. This schedule is written for a multi-property assignment and can be significantly compressed for a single assignment or a non-eminent domain assignment.

Week 1

1. Nicole Galvez will notify the administrative support staff of all jobs awarded and assign them to key personnel.
2. Within 24 hours, each individual property will be assigned a job number, posted on TOPS2 and attached to a routing form that follows the project through the production process. As part of this process, all of the properties are input into VIEW, our proprietary database and management system utilized in part to coordinate large property assignments.
3. Meet with client to review mapping, ownership records, aerial photos, and other project-specific documents.
4. Organize a series of work notebooks (one for each property being appraised) that will allow us to maintain a high level of organization throughout the project.
5. Prepare and send owner notification letters (for condemnation-related appraisals).
6. Determine if the services of a business/goodwill and/or Furniture, Fixtures & Equipment (FF&E) appraiser are needed If they are needed we would notify the City and request approval for their services. This is often done prior to the award of an assignment, however sometimes the need does not become apparent until after the appraisal process is started.

Weeks 2-3

7. Begin research for comparable sales and for relevant land use issues in appropriate jurisdictions.
8. Review subject title reports (if available).
9. Review the easement deeds for the subject properties.
10. Conduct onsite inspections of the subject properties and meet the property owners who have responded positively to our offers to do so (for condemnation-related appraisals).
11. Complete field inspection of comparable sale transactions.
12. Conduct confirmation interviews for the comparable sales.
13. Meet with representatives of relevant jurisdictions to review land planning maps and documents and to conduct appropriate interviews concerning zoning and general plans.
14. Prepare master report detailing appraisals for each geographic region.
15. Coordinate the services of outside sub-contractors (business/goodwill and/or FF&E appraisers) to ensure that all items are considered in an appraisal, but that there is no duplication or double counting.

Week 4

16. Senior appraisers meet with Jennifer Hsu, Alex Nunn, James Bray, John Ellis or Steve Parent to conclude preliminary values for a geographic region.
17. Complex valuation issues will be personally addressed by Jennifer Hsu, Alex Nunn, James Bray, John Ellis or Steve Parent.
18. Senior appraisers prepare valuation analysis within a framework that allows us to review values on a parcel-by-parcel basis, to assure the development of value opinions that are both well-supported and consistent across all parcels of the project.
19. For partial acquisitions, evaluate the impact of the acquisition and the project on the remainder, and complete the analysis of severance damages (for condemnation-related appraisals).

Weeks 5-6

20. Jennifer Hsu, Alex Nunn, James Bray, John Ellis or Steve Parent review all final valuations.
21. Senior appraisers finalize the appraisal reports, statements of valuation, and parcel diaries.
22. Organize the subject photos and comparable sale data sheets.
23. Upload all final documents to the designated, secure website or deliver electronic and hardcopies of reports as requested.

Post Delivery

24. We would anticipate receiving review comments (if any) from the City within a reasonable time frame upon delivery of the Appraisal Report. Upon receipt of any suggested revisions, we would deliver a revised Appraisal Report within three business days, or sooner if needed.

Project Schedule for Appraisal Reviews

A sample work plan for a **typical multi-property right-of-way appraisal review assignment is summarized as follows.** Upon receipt of notice to proceed, our work will progress through the completion of the following steps and others that may be deemed relevant as we complete the assignments. Please note that the time schedule below assumes multiple property appraisal reviews are awarded at a single time. This timeframe can be compressed for smaller assignments or to meet client needs.

Week 1

1. Assign the report to be reviewed to a researcher and senior appraiser.
2. Researcher will fact check all data in the report.
3. Senior appraiser will view subject and comparables, if a field review is requested.

Weeks 2-3

4. The senior review appraiser will thoroughly read the appraisal report for each subject property under review in its entirety, noting significant sections with an evaluative comment.
5. The review appraiser will make a determination of the appraisal's full compliance with USPAP and other applicable state and federal laws and regulations.
6. The review appraiser will evaluate the appraiser's support and reasonableness of the conclusion of highest and best use of the subject property(s) being appraised.
7. The review appraiser will evaluate the appraiser's support and reasonableness of the applications of the acceptable valuation approaches.
8. The review appraiser will evaluate the appraiser's support and reasonableness of the valuation conclusion(s).
9. The review appraiser will evaluate the completeness of the confirmation of the market data used for the purposes of estimating market value of the subject property(s).
10. Appraisal methodology will be checked for applicability to the property type.
11. Mathematical calculations will be checked for accuracy. The review appraiser may attempt to contact the original appraiser if there are questions to the inputs utilized in a discounted cash flow analysis.
12. If adjustments are made to market data, determination will be made as to their market-derived support or the reasonableness of the logical explanations for them.
13. The review appraiser will further make determinations of whether the real property appraiser's concluded value(s) is sufficiently credible.
14. Any questions or deficiencies will be addressed directly with the appraiser.
15. If a 2nd draft is submitted to correct deficiencies, it will be reviewed.
16. The appraisal review will be submitted to the City, along with the PDF of each appraisal report reviewed, after completion of the analysis. Our appraisal review will not include a re-appraisal of the property(s) without a change in the scope of services provided.
17. If we find that we are not able to recommend the appraisal for acceptance, we will notify you as soon as this determination is made so that you can decide how to proceed. This rarely happens but is a possibility.

18. We will be readily accessible to address any questions or concerns that arise from the City's review of our delivered work product. Attention to post-delivery inquiries will be a high priority item to be addressed immediately upon presentation.

Our deliverables can be tailored to meet the needs of the City, and any pertinent documentation agreed to up front. We can prepare a sample review template for major project and invite your input at the onset so that you are confident that all requirements are met and that the review is user friendly and meets your individual needs. All reviews can be prepared in a uniform format so that you know where to find what you need in every report. In some instances, the City may want something less than a full review. We can comment on general methodology or consult with the City relative to ongoing negotiations.

The only potential hurdles that we see with review work, related to the delivery of the project relate to timing and appraisal quality. If the appraisal(s) is (are) delivered late to the reviewer, it can cause delays in acquiring the right of way and hence delay the project. Due to the size of our staff, we can assign a researcher to all appraisals for review within a day of their receipt. The researcher can fact check the reports before they are given to the reviewer so that the reviewer can focus on the analysis, methodology and appropriates of the analysis and data. This enables us to review a significant number of reports in a short time. We can also group the appraisals so that the reviewer can view a number of the subject properties and comparables in a given day, rather than making multiple trips. This assumes a field review in required. In some instances, if an appraiser is running late, we can get them to send us their market data in advance of the report so that we can start the fact checking process and shave some time off of the review process.

It is our goal to always work with the appraiser so that a credible and quality product is delivered to the client. In those rare instances where we are unable to recommend an appraisal for acceptance, we have the ability to reappraise it ourselves, if you so desire. This can help to save time, and some cost as compared to retaining the services of a new appraiser.

Tailoring Our Services to Meet the Needs of the City

Management Approach to the Work

CBRE has business processes in place to perform the scope of services as set forth in the City's RFP. The firm operates a well-organized project management system that streamlines the workflow, freeing up our analysts to concentrate a very high percentage of their time on doing analysis rather than administrative tasks.

Prior to bidding on an assignment, Nicole Galvez would discuss the individual project with the appropriate representative of the City to make sure we understand the needs of the City and the purpose of the appraisal. This will allow us to advise the City as to special considerations and or alternative valuation analyses that they may want to consider. For right-of-way (eminent domain) assignments the general impact the project may have on the individual property(ies) to be appraised is discussed with the project manager. If possible, this would include a preliminary review of project maps (right-of-way maps) and aerial photographs. This will enable Ms. Galvez and/or the team leaders to provide an appropriate fee quote to the City that can result in the greatest economies of scale. For example, if it can be ascertained that an individual property or properties can be valued as land only, as the required acquisitions are minor and no severance damages are anticipated, then a lower fee can be quoted versus automatically assuming a full before and after analysis, as improved, must be undertaken.

In terms of the processes for workflow management, CBRE has business processes in place to perform the scope of work as set forth in the City's RFP. The firm operates a well-organized project management system (TOPS2) that streamlines the workflow, freeing up our analysts to concentrate a very high percentage of their time on doing analysis rather than administrative tasks.

As soon as a project (may include multiple appraisals for a large project) is awarded, each individual appraisal assignment is entered into TOPS2, is assigned to a senior appraiser, and is automatically assigned a unique job number and an electronic file is created. For multi-property assignments, an Excel Master Tracking Spreadsheet (EMTS) is created that is updated daily as milestones on each individual assignment are reached. This EMTS is maintained and updated daily through the assignment's completion. Every process has a column on the EMTS, so that at a glance, the precise status of each appraisal can be known at any moment in time. In this manner, CBRE is able to coordinate the large number of properties that it values on assignments, such as the valuation of over 100 properties under different ownerships impacted by the I-405 Improvement Project in Orange County. Such cases require thorough inspection of all of the properties involved on very tightly run inspection schedules. Individual assignments are easily tracked in TOPS2.

We propose to provide a copy of the EMTS (for multi-property assignments) to the City of on a weekly basis, so the progress of an assignment can be followed. If a different reporting frequency is requested, this can be easily

accommodated. The EMTS is tailored to the individual assignment and the reporting needs of the client. Items that are typically tracked include property identification number, APN, physical address, property owner contact information, date notice of intent to appraise letter is received, date owner notification letter sent, status of return receipt (all owner notification letters are sent certified mail, return receipt requested), date of inspection, ongoing summary of owner contact (parcel diary), comments (summarize missing information or items that require resolution), date draft report is anticipated to be delivered, actual date draft report is delivered, date review comments are received, date review comments are responded to, date of final report delivery. Similarly, we are able to accommodate any reporting requirements the City has for individual assignments.

Maintaining this type of system allows us to see at a glance if all milestones are being met so that we can deliver the assignment on time to our client. The EMTS is reviewed weekly or more often if necessary, and if any of the milestones are not being met, we have the ability to pull in more staffing to put a project back on track for timely delivery. If the delays are beyond our control, such as a lack of data received from the client or the property owner, we will notify you immediately (by phone and email) and will send out weekly reminders of what we are missing and the impact it will have on the timing for delivery. We will work with the City to determine if we can proceed without receiving requested information and will discuss the impact it will have on the appraisal. We take on-time delivery of a quality appraisal very seriously. It is the foundation of our business model.

If a larger multi-property assignment is awarded, we would like to set a meeting with the project manager at the City to discuss the project and to glean any information available as to property owner concerns and project impacts. We have found that sitting with the client at the onset of a larger multi-property assignment and going over the individual properties and reviewing maps together can result in tremendous time savings down the road. In the case of an individual property award, this can often be handled over the phone.

Information Requested from the City

The following items are typically requested to assist in our efforts at completing the appraisal(s) according to the terms set forth in our proposals to the City:

1. A survey or site plan that shows the boundaries of the subject land and the placement of all buildings and major site improvements.
2. A set of floor plans.
3. A summary of the square footage of all buildings, including an allocation of major categories of interior space.
4. Information concerning the age of all existing buildings and major site improvements.
5. A building condition assessment report.
6. An identification of all planned capital expenditures for the property.
7. Reports addressing the environmental status of the property and the presence or absence of any known adverse environmental conditions.
8. The most recent title policy or report.
9. Information concerning the acquisition and development history of the subject property, including details for any purchase or construction of the property within the last 10 years.
10. Information concerning any efforts to sell the property within the last five years.
11. Information concerning any offers to purchase the property within the last five years.
12. Operating income and expense statements for last three years, the current year-to-date, and the budget for the current year.
13. The current property tax bill.
14. A current and complete set of leases and a current rent roll.
15. Name and telephone number of contact to obtain access to the subject.
16. Copy of notice of decision to appraise.
17. Copy of legals and plats relating to the partial acquisitions.
18. Copy of proposed grant of easement language for each type of easement being acquired.
19. Name and phone number of acquisition agent for the property.
20. Any other information you would like us to consider or think would be helpful.

Additional Information Relating to Technical Approach

Firm Resources

CBRE valuation team members have access to all of the latest technology and software. Our analysts/appraisers have and/or utilize CBRE proprietary report software, Argus Valuation DCF and/or AE, Argus Asset Management, Flood Insights, NDC Data, Real Facts, Costar, ESRI, Real Capital Analytics, Hoovers, Hanley Wood Market Intelligence, LoopNet, Real Quest, Real Data Apartment Insights, all major Multiple Listing Services and Marshall Valuation Service. Our appraisers also have access to robust in-house research and GIS departments which provides our team members with the most current real estate information available. CBRE also uses the most current file sharing software. This allows us to receive and transmit large electronic files such as title work, CAD drawings, plats, images, as well as provide seamless and efficient electronic delivery of our appraisal reports to clients.

As part of CBRE, Inc., our firm has access to relevant transactions on a nationwide basis. While the most relevant data for any local assignment will be obtained from the local market, the ability to obtain accurate, verified data in other markets is a useful source of additional information to supplement local data.

Community Involvement

As real property appraisers, we work to maintain a solid and consistent flow of communication with the appropriate agency representatives who are involved in the project, and with the lead right of way agents who are working on the project. Our direct communication with property owners typically begins with a letter to the owner notifying them of our role as appraisers in the project and inviting them to meet us onsite for an inspection and an opportunity for them to discuss with us how the project might affect their property. We are always respectful of the owners, but we remain aware that our client is the City (agency). Therefore, we would not communicate our findings or opinions to the owners, or to anyone else without the City's specific permission.

In some projects we have been asked to participate in community meetings to explain the valuation process to a group of owners and other interested parties. If requested, we would be available to provide this service for the City.

Appraisal Scheduling

Our approach to bringing a project back on schedule as a result of a Consultant Team firm-caused delay, at no additional cost to the City is as follows:

- In a large multi-property appraisal assignment, we have the flexibility of adding additional appraisers from our staff to the assignment to get it completed more quickly than initially anticipated.
- Once we know we have been awarded an assignment, we can begin collecting all of the background information prior to receipt of final mapping or notice of decision to appraise letters. This includes determining highest and best use, researching zoning, general plan designation, property history, etc.
- The front end of the report can be drafted including the neighborhood and market analysis as well as the property description sections. This will enable us to focus on just the valuation once we receive the required information.
- If the assignment is multi-property in nature and requires the preparation of a specialized report template, this can be completed and reviewed while we wait for information.

If we have an idea of what the time delay will be, it may be prudent for us to start our market research for comparable data before all final property information is received. The challenge is that we want our market research to be current as of the date of value, so we do not want to begin the research phase too early.

We have a staff of nine qualified appraisers identified as key personnel. This includes five members of our team which are MAI's, and four Senior Appraisers, and our Senior Valuation Associates to support them. With this staffing level we can typically deliver an appraisal report within three to six weeks, depending on our current level of commitments. This allows us flexibility in meeting the timing needs of the City. For complex assignments we may need a longer time period to allow for specialized studies that may be required. We are generally able to get started on the foundational aspects of an assignment within one week of authorization to proceed. We accomplish this by having one of our MAI's team with a senior appraiser that can begin the collection of background data.

If multiple appraisals are awarded at the same time, the timeline may be extended somewhat, but we have the ability to have more than one Senior Appraiser work with an MAI and can also enlist the help of our Senior Valuation Associates. Also, we have found that when we are conducting multiple assignments at the same time in a given area there are many economies of scale that not only can reduce the time to complete a single appraisal but can reduce the fee we charge.

Commitment of Key Personnel

CBRE, Inc. has adequate labor resources to perform appraisal work for the City. Our firm has a reputation of delivering quality work, on-time, which has led to the substantial amount of repeat business we enjoy with our clients. Generally speaking, we can meet the timing requirements of all of our clients and have the ability to rush assignments when requested by adding additional personnel to any given assignment or task. We are generally able quote a report delivery of 3 to 4 weeks for any given assignment that is not eminent domain related. For eminent domain assignments we typically quote 6 weeks to allow time for the property owner(s) to be notified and respond to our request for inspection.

SECTION C: PRICE PROPOSAL

In completing other large, multi-parcel assignments, we have found that the most effective way to minimize costs is to organize each assignment after gaining an understanding of all of the work involved. That is, we would carefully consider all of the appraisal assignments to be completed in the reasonably foreseeable future. By identifying all appraisal assignments to be completed, we are able to make most efficient use of our time in completing field inspections, and in cross-referencing factual data contained within the specific appraisal reports. In simultaneously completing multiple appraisals, we would prepare a matrix identifying all of the properties along one axis and identifying the various tasks within each appraisal along the other axis. In this manner, we are able to complete our work in the most efficient manner possible. By organizing our work in this manner, we have found that appraisal fees (on a per parcel basis) are frequently 15% to 30% less in a multi-parcel project area than they would be if the appraisal of each parcel was completed one at a time.

We will provide firm fixed fee estimates for each assignment or grouping of assignments prior to the onset of undertaking the assignment. The fixed-fee estimates provided include all costs associated with the completion of the appraisals, inclusive of all hourly rates, anticipated travel, other incidental costs and charges, including all tasks involved in the appraisal assignment(s):

Typical Costs for Appraisal Services*

	Summary Report *Typical Cost Range*		Appraisal Review *Median Cost Range*	
	Low	High	Desk Review	Field Review
Residential Properties				
Vacant Land	$2,700	$6,000	$1,000	$1,600
SFR	$2,500	$3,500	$1,000	$1,600
Multifamily	$4,000	$9,000	$1,800	$3,000
Commercial/Industrial				
Vacant Land	$3,500	$10,000	$1,500	$2,500
General Commercial/Industrial	$4,000	$8,000	$1,800	$3,000
Complex Commercial/Industrial	$7,000+		$2,500	$3,500+
Special Use Properties				
Complex Commercial/Industrial	$6,000	$20,000	$2,500	$4,000
Religious facilities	$5,500	$8,000	$1,500	$3,400
Educational Facilities	$5,500	$8,000	$1,800	$3,500
Hospital Facilities	To be quoted on an as-needed basis		To be quoted on an as-needed basis	
Lodging Facilities	$5,500	$15,000	$2,500	$4,000
Parks/Recreation Facilities	$5,500	$10,000	$2,500	$4,000
Planned Developments				
Planned SFR/Subdivisions	$8,000	$15,000	$3,500	$7,000+
Planned Multifamily	$4,000	$8,500	$2,000	$4,000
Planned Commercial/Industrial	$5,000	$12,000	$2,500	$4,000
Planned Special Use Projects	$6,500	$20,000+	$3,500	$7,000+
Complex Planned Developments	To be quoted on an as-needed basis		To be quoted on an as-needed basis	

* These costs are for USPAP appraisals and do not include costs for eminent domain appraisals.

For the purpose of providing supplemental consulting services and expert testimony, hourly rates follow. All pricing will remain firm for the duration of the contract term.

Schedule of Hourly Rates		
Alex Nunn, MAI	$400 /hour	for appraisal and consulting
Director	$475 /hour	for trial preparation and expert testimony
James M. Bray, MAI, CCIM, MRICS	$400 /hour	for appraisal and consulting
Vice Chair	$475 /hour	for trial preparation and expert testimony
Jennifer Hsu, MAI, ASA	$400 /hour	for appraisal and consulting
Director - Greater Los Angeles	$475 /hour	for trial preparation and expert testimony
John G. Ellis, MAI, CRE, FRICS	$500 /hour	for appraisal and consulting
Executive Vice President	$700 /hour	for trial preparation and expert testimony
Steve Parent, MAI, SR/WA, R/W-AC, PMP, SRA		
AI-GRS, AI-RRS	$375 /hour	for appraisal and consulting
Executive Vice President	$375 /hour	for trial preparation and expert testimony
Senior Vice Presidents and Vice Presidents	$250 to $300 /hour	
Senior Associates, Senior Valuation Associates, and Senior Valuation Analysts	$150 to $225 /hour	
Administrative Support	$120 /hour	

EXHIBIT “B”
CERTIFICATES OF INSURANCE

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Mikki Sherry, Deputy Fire Marshall** **Matthew Bassi, Interim Community Development Director**
MEETING DATE:	**September 8, 2026**
SUBJECT:	**Consideration of Resolution 2026-123 for the FY 2025/2026 Heath and Safety Code (HSC) 13146.4 Annual Inspection Report of Certain Occupancies Pursuant to Sections HSC 13146.2 and 13146.3**

STAFF RECOMMENDATION:

Adopt Resolution 2026-123

BACKGROUND:

In 2018, California Health and Safety Code Section 13146.4 was added by Senate Bill 1205 (SB1205) and became effective January 1, 2019. Section 13146.4 requires all fire departments, that provide fire protection services, to report annually to their administering authority on their compliance with Health and Safety Code Sections 13146.2 and 13146.3. Sections 13146.2 and 13146.3. These sections cover the required annual inspections of every building used as a public or private school (used by more than 6 persons for educational purposes through the 12th grade), hotel, motel, lodging house, apartment house (3 units or more) and certain residential care facilities for compliance with building standards.

During the time period of July 1, 2025 to June 30, 2026, the Fire Department identified 12 Group E and 10 Group R-1, 91 R-2, and 5 R2.1, buildings, structures and/or facilities in the City of Banning and completed 100% of the annual inspections at the identified occupancies, buildings, structures and/or facilities. The Fire Department will continue to assess, with the assistance of City Staff, the existing building stock and new development within the City in an effort to ensure that all applicable Group E and R buildings, structures and/or facilities receive an annual inspection in accordance with SB1205.

JUSTIFICATION:

California Health and Safety Codes §13145, §13146, and §17921 grant the authority of City and County Fire Departments to enforce fire and life safety standards, adopted by the State Fire Marshal. Residents and occupants of the structures within the City of Banning have benefited from the annual, comprehensive inspection program, by having increased the level of safety at these types of facilities. In accordance with the City of Banning adopted fee schedule, inspection fees are set by the California Health and Safety Codes §13146.2 and §13146.3. The Banning Office of the Fire Marshal inspects various buildings, identified as state-mandated structures, consisting of apartments, hotels, lodging homes, motels, public or private schools, and certain residential care facilities for compliance with fire and life safety standards. The Banning Office of the Fire Marshal ensures compliance of these facilities by conducting inspections and mailing inspection reports to property managers and/or owners, during

each facility's assigned inspection month. The Banning Office of the Fire Marshal is mandated by the State of California to have completed inspections at 118 facilities and or/ complexes for FY 2025/2026; 100% of which have been completed. A copy of the SB 1205 Annual Report is attached to Resolution No. 2026-121 as Exhibit A.

FISCAL IMPACT:

None. SB1205 is solely a reporting requirement by the State.

ATTACHMENTS:

1. Resolution_No._2026-123.docx
2. FY 25-26 SB 1205 Inspection Spreadsheet Totals - 2.pdf
3. SB 1205 Text.pdf

RESOLUTION NO. 2026-123

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ACKNOWLEDGING RECEIPT OF A REPORT MADE BY THE FIRE CHIEF OF THE BANNING FIRE DEPARTMENT FOR THE CITY OF BANNING REGARDING THE INSPECTION OF CERTAIN OCCUPANCIES REQUIRING ANNUAL INSPECTIONS IN SUCH OCCUPANCIES PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODES §13145, §13146 AND §17921.

WHEREAS, California Health & Safety Code Section §13146.4 was added in 2018, and became effective on September 27, 2018; and

WHEREAS, California Health & Safety Code Sections §13146.2 and §13146.3 require all fire departments, including the Banning Fire Department, that provide fire protection services to perform annual inspection in every building used as a public or private schools, hotels, motels, lodging houses, and apartment houses for compliance with building standards, as provided; and

WHEREAS, California Health & Safety Code Section §13146.4 requires all fire departments, including the Banning Fire Department, that provide fire protection services to report annually to its administering authority on its compliance with sections §13146.2 and §13146.3; and

WHEREAS, the Council of the City of Banning intends this Resolution to fulfill the requirements of the California Health & Safety Code regarding acknowledgment of the Banning Fire Department's compliance with California Health and Safety Code Sections §13146.4.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DOES HEREBY ORDAIN THE MEASURE OF COMPLIANCE OF THE CITY OF BANNING FIRE DEPARTMENT WITH HEALTH AND SAFETY CODE SECTIONS 13146.2 and 13146.3 in the CITY OF BANNING FOR FISCAL YEAR 2025/2026, AS FOLLOWS:

SECTION 1.

Education Group E occupancies, for the purposes of this Resolution, are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. The Banning Fire Department completed 100% of the annual inspections of the identified Group E occupancies, buildings, structures and/or facilities in the City of Banning as identified in Exhibit "A" attached hereto.

SECTION 2.

Residential Group R occupancies, for the purposes of this Resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (three units or more), etc. as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility, impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden. The Banning Fire Department completed 100% of the annual inspections of the identified Group R occupancies, buildings, structures and/or facilities in the City of Banning as identified in Exhibit "A" attached hereto

That the City Clerk shall certify the passage of this Resolution and shall cause the same to be published according to law.

PASSED, APPROVED AND ADOPTED this 8th day of September, 2026.

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

Phaedra Norton, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLP

CERTIFICATION:

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-123 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the on the 8th day of September, 2026, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sandra Calderon, Deputy City Clerk
City of Banning, California

FY 2025/2026 HSC 13146.4 ANNUAL INSPECTION LIST
CITY OF BANNING
PAGE 1

R-2 OCCUPANCIES (91 inspections completed/ 91 required inspections- 100%)

NAME	HOUSE_NO	DIR	STREET	SUFFIX	CITY	ZIP
MULTIPLEX	65	N	4TH	ST	BANNING	92220
MULTIPLEX	86	N	3RD	ST	BANNING	92220
MULTIPLEX	82	N	22ND	SR	BANNING	92220
MULTIPLEX	92	N	22ND	ST	BANNING	92220
MULTIPLEX	98	N	22ND	ST	BANNING	92220
MULTIPLEX	115	N	3RD	ST	BANNING	92220
MULTIPLEX	157	N	7TH	ST	BANNING	92220
MULTIPLEX	165	N	16TH	ST	BANNING	92220
MULTIPLEX	170	W	WILLIAMS	ST	BANNING	92220
MULTIPLEX	185	W	WESTWARD	AVE	BANNING	92220
MULTIPLEX	216	W	GEORGE	ST	BANNING	92220
MULTIPLEX	220	N	HARGRAVE	ST	BANNING	92220
MULTIPLEX	225	W	RAMSEY	ST	BANNING	92220
MULTIPLEX	230	N	MUURAY	ST	BANNING	92220
MULTIPLEX	231	E	NICOLET	ST	BANNING	92220
MULTIPLEX	233	W	NICOLET	ST	BANNING	92220
MULTIPLEX	238	W	HAYS	ST	BANNING	92220
MULTIPLEX	250	N	HARGRAVE	ST	BANNING	92220
MULTIPLEX	257	N	HARGRAVE	ST	BANNING	92220
MULTIPLEX	258	N	ALESSANDRO	RD	BANNING	92220
MULTIPLEX	261	N	CHERRY	ST	BANNING	92220
MULTIPLEX	263	N	EVANS	ST	BANNING	92220
MULTIPLEX	267, 269, 271. 273	N	ALESSANDRO	ST	BANNING	92220
MULTIPLEX	275	N	ALLEN	ST	BANNING	92220
MULTIPLEX	280	N	HARGRAVE	ST	BANNING	92220
MULTIPLEX	287	W	WESTWARD	AVE	BANNING	92220
MULTIPLEX	290	N	3rd	ST	BANNING	92220
MULTIPLEX	309	N	2ND	ST	BANNING	92220
MULTIPLEX	309	N	8TH	ST	BANNING	92220
MULITPLEX	312	N	4TH	ST	BANNING	92220
MULTIPLEX	326,328	N	3RD	ST	BANNING	92220
MULTIPLEX	333	N	MURRAY	ST	BANNING	92220
MULTIPLEX	368	N	3RD	ST	BANNING	92220
MULTIPLEX	376	N	4TH	ST	BANNING	92220
WINSCAPE VIL35LAGE	380	W	BARBOUR	ST	BANNING	92220
MULTIPLEX	380	E	NICOLET	ST	BANNING	92220
MULTIPLEX	403	E	WILLIAMS	ST	BANNING	92220
MULTIPLEX	434, 438 387, 377	W N	NICOLET 4th	ST ST	BANNING	92220
MULTIPLEX	454	W	WILLIAMS	ST	BANNING	92220
PEPPERTREE APARTMENTS	456	N	5TH	ST	BANNING	92220
MULTIPLEX	456	N	NICOLET	ST	BANNING	92220
MULTIPLEX	462	N	ALESSANDRO	ST	BANNING	92220
MULTIPLEX	478	N	ALESSANDRO	ST	BANNING	92220
MULTIPLEX	497	N	6TH	ST	BANNING	92220
PLAZA VILLAS	477	W	RAMSEY	ST	BANNING	92220
MULTIPLEX	501	W	RAMSET	ST	BANNING	92220
MULTIPLEX	525	N	4TH	ST	BANNING	92220
LAMPLIGHTER APARTMENTS	501	N	SUNSET		BANNING	92220
MULTIPLEX	508	W	WILLIAMS	ST	BANNING	92220
MULTIPLEX	515	N	2ND	ST	BANNING	92220
MULTIPLEX	515	N	3RD	ST	BANNING	92220
MULTIPLEX	536	N	5TH	ST	BANNING	92220
MULTIPLEX	544	N	6TH	ST	BANNING	92220
MULTIPLEX	545	N	2ND	ST	BANNING	92220
MULTIPLEX	546	N	5TH	ST	BANNING	92220
SUMMIT RIDGE APARTMENTS	555	N	HATHAWAY	ST	BANNING	92220
MULTIPLEX	558	N	6TH	ST	BANNING	92220
MULTIPLEX	574	N	6TH	ST	BANNING	92220

MULTIPLEX	584	E	HOFFER	ST	BANNING	92220
MULTIPLEX	590	E	RAMSEY	ST	BANNING	92220
MUTIPLEX	655	E	WILLIAMS	ST	BANNING	92220
BONITA APARTMENTS	675, 729	W	WILLIAMS	ST	BANNING	92220
MUTIPLEX	688	W	NICOLET	ST	BANNING	92220
MULTIPLEX	719	E	RAMSEY	ST	BANNING	92220
MUTIPLEX	720	W	WILLIAMS			
MULTIPLEX	726	W	NICOLET	ST	BANNING	92220
MULTIPLEX	765	E	WILLIAMS	ST	BANNING	92220
MULTIPLEX	955	W	HAYS	ST	BANNING	92220
MULTIPLEX	962	W	RAMSEY	ST	BANNING	92220
MUTIPLEX	975	E	WILLIAMS	ST	BANNING	92220
MULTIPLEX	1260	W	WILLIAMS	ST	BANNING	92220
VISTA SERENA	1248		VISTA SERENA		BANNING	92220
MULTIPLEX	1279	W	WILLIAMS	ST	BANNING	92220
MULTIPLEX	1329	W	WILLIAMS	ST	BANNING	92220
MULTIPLEX	1330	E	WILLIAMS	ST	BANNING	92220
MULTIPLEX	1350	E	WILLIAMS	ST	BANNING	92220
MUTIPLEX	1370	E	WILLIAMS	AVE	BANNING	92220
MULTIPLEX	1420	E	WILLIAMS	ST	BANNING	92220
MULTIPLEX	1424	E	WILLIAMS	ST	BANNING	92220
MULTIPLEX	1646	W	WILLIAMS	ST	BANNING	92220
MULTIPLEX	1837	W	HAYS	ST	BANNING	92220
TOWNE APARTMENTS	2692	W	WILLIAMS	ST	BANNING	92220
MULTIPLEX	3131	W	GEORGE	ST	BANNING	92220
MULTIPLEX	3171	W	GEORGE	ST	BANNING	92220
MULITPLEX	3171	W	WILLIAMS	ST	BANNING	92220
LITTLE EUROPE	3800	W	JACINTO VIEW	RD	BANNING	92220
MULTIPLEX	3988	W	RAMSEY	ST	BANNING	92220
WILSON GARDEN APARTMENTS	5001	W	WILSON	ST	BANNING	92220
MULTIPLEX	5183	W	WILSON	ST	BANNING	92220
MULTIPLEX	5223	W	WILSON	ST	BANNING	92220
MULTIPLEX	5231	W	WILSON	ST	BANNING	92220

R2.1 OCCUPANCIES (5 inspections completed/ 5 required inspections- 100%)

NAME	HOUSE_NO	DIR	STREET	SUFFIX	CITY	ZIP
THE LAKES	5801		SUNALKES	BLVD	BANNING	92220
WEST HILLS VILLA GARDENS	5466	W	WILSON	ST	BANNING	92220
WESTFIELD VILLA GARDENS	3863	W	RAMSEY	ST	BANNING	92220
SUNRISE POST ACUTE	3476	W	WILSON	ST	BANNING	92220
SUNDANCE POST ACUTE	5800	W	WILSON	ST	BANNING	92220

E OCCUPANCIES (12 inspections completed/ 12 required inspections- 100%)

NAME	HOUSE_NO	DIR	STREET	SUFFIX	CITY	ZIP
CALVARY CHRISTIAN SCHOOL	1325		MOUNTAIN	AVE	BANNING	92220
RCOEHEAD START - BANNING	671 (SUITE B)	N	FLORIDA	ST	BANNING	92220
FLORIDA STREET DISCOVERY CENTER	671 (SUITE A, C, D, AND E)	N	FLORIDA	ST	BANNING	92220
BANNING HIGH SCHOOL	100	W	WESTWARD	AVE	BANNING	92220
CENTRAL ELEMENTARY	295	N	SAN GORGONIO	DR	BANNING	92220
HEMMERLING ELEMENTARY SCHOOL	1928	W	NICOLET	ST	BANNING	92220
HOFFER ELEMENTARY SCHOOL	1115	E	HOFFER	ST	BANNING	92220
SUSAN B. COOMBS	1151	W	WILSON	ST	BANNING	92220
NICOLET MIDDLE SCHOOL	101	E	NICOLET	ST	BANNING	92220
YOUNG SCHOLAR EDUCATION CENTER	4029	W	GEORGE	ST	BANNING	92220
RENU HOPE (DAY CARE)	771	W	WILLIAMS	ST	BANNING	92220
RENU HOPE (DAY CARE)	235	N	2ND	ST	BANNING	92220

R-1 OCCUPANCIES (10 inspections completed/ 10 required inspections- 100%)

NAME	HOUSE_NO	DIR	STREET	SUFFIX	CITY	ZIP
COUNTRY INN	932	E	RAMSEY	ST	BANNING	92220
HP. HOSPITALITY, LLC DBA DAYS INN	2320	W	RAMSEY	ST	BANNING	92220
HOLIDAY INN EXPRESS	3020	W	RAMSEY	ST	BANNING	92220
MARGARITA MOTEL	1551	W	RAMSEY	ST	BANNING	92220
QUALITY INN	1690	W	RAMSEY	ST	BANNING	92220
HAMPTON INN AND SUITES (SAGEMONT-BANNING, LLC)	6071		JOSHUA PALMER	WAY	BANNING	92220
STAGECOACH MOTOR INN	1363	E	RAMSEY	ST	BANNING	92220
SUNSET MOTEL	2475	W	RAMSEY	ST	BANNING	92220
THE BANNING MANOR	3911	W	RAMSEY	ST	BANNING	92220
TRAVELODGE	1700	W	RAMSEY	ST	BANNING	92220

STATE OF CALIFORNIA
AUTHENTICATED
ELECTRONIC LEGAL MATERIAL

Senate Bill No. 1205

CHAPTER 854

An act to add Section 13146.4 to the Health and Safety Code, relating to fire protection.

[Approved by Governor September 27, 2018. Filed with Secretary of State September 27, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1205, Hill. Fire protection services: inspections: compliance reporting.

Existing law requires the chief of any city or county fire department or district providing fire protection services and his or her authorized representatives to inspect every building used as a public or private school within his or her jurisdiction, for the purpose of enforcing specified building standards, not less than once each year, as provided. Existing law requires every city or county fire department or district providing fire protection services that is required to enforce specified building standards to annually inspect certain structures, including hotels, motels, lodging houses, and apartment houses, for compliance with building standards, as provided.

This bill would require every city or county fire department, city and county fire department, or district required to perform the above-described inspections to report annually to its administering authority, as defined, on the department's or district's compliance with the above-described inspection requirements, as provided. The bill would require the administering authority to acknowledge receipt of the report in a resolution or a similar formal document. To the extent this bill would expand the responsibility of a local agency, the bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The people of the State of California do enact as follows:

SECTION 1. Section 13146.4 is added to the Health and Safety Code, to read:

13146.4. (a) Every city or county fire department, city and county fire department, or district required to perform an annual inspection pursuant

to Sections 13146.2 and 13146.3 shall report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3.

(b) The report made pursuant to subdivision (a) shall occur when the administering authority discusses its annual budget, or at another time determined by the administering authority.

(c) The administering authority shall acknowledge receipt of the report made pursuant to subdivision (a) in a resolution or a similar formal document.

(d) For purposes of this section, "administering authority" means a city council, county board of supervisors, or district board, as the case may be.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

O

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Ralph Wright, Parks and Recreation Director**
MEETING DATE:	**September 8, 2026**
SUBJECT:	**Consideration of Resolution 2026-124, a Resolution of the Banning City Council accepting Community Development Block Grant (CDBG) Funds for Fiscal Year 2026/2027 in the amount of $158,987.**

STAFF RECOMMENDATION:

Adopt Resolution 2026-124

BACKGROUND:

The submittal of selected project applications for the fiscal year (FY) 2026/2027 CDBG Program funding cycle was approved by City Council on December 9, 2025, under Resolution 2025-166. After City Council approval in December of 2025, the County reviewed and approved the projects. To utilize the funds, the City must approve and execute the Supplemental Agreement for CDBG Funding Cycle FY 2026/2027.

The total funding for the CDBG FY 2026/27 Funding Cycle is $158,987. Two projects are included: The Sylvan Park Improvement Project in the amount of $152,987 and the Teens Continue to Lead Program in the amount of $6,000. If the City Council approves the agreement, the County will execute the agreements and issue a Notice to Incur Costs and the projects can move forward.

The City will administer the Sylvan Park Improvement Project. This project will replace the existing shelter at Sylvan Park.

The Boys and Girls Club Teens Continue to Lead Program received funding from multiple jurisdictions and for this reason, the County of Riverside will administer this project.

JUSTIFICATION:

To utilize the FY 2026/2027 CDBG Program funds of $158,987, the City is required to execute a Supplemental Agreement attached hereto by Reference.

The funds will be allocated to two separate projects:
The Sylvan Park Improvement Project (5.BN.66-26) in the amount of $152,987 and the Boys and Girls Club of the San Gorgonio Pass Teens Continue to Lead Program (0.286-26) in the amount of $6,000.
There are no matching funds required. However, to implement the project there is associated staff time in project management. This cost is recognized in Exhibit B as the City's leveraging in the amount of $7,000 toward the Sylvan Park Improvement Project. The CDBG funding allocated is a reimbursable grant, and the total funds awarded are sufficient to complete the project and replace the shelter.

FISCAL IMPACT:

With approval of the FY 2026/2027 CDBG Supplemental Agreement, the City anticipates receiving $152,987 for the Sylvan Park Improvement Project, and the Boys and Girls Club of the San Gorgonio Pass will receive $6,000 toward their Teens Continue to Lead Program.

Acceptance of these funds is restricted exclusively to these approved projects.

With the adoption of Resolution 2026-124, changes to the budget will include the following:
Added appropriations -

Expenditure Account
110-5500-461.90-38 $152,987 - Sylvan Park Improvement Project

Revenue Account
110-5500-347.34-02 $152,987 - Federal Revenue from CDBG Grants

The remaining $6,000 will be disbursed directly from the County of Riverside.

ATTACHMENTS:

1. Att_1_Resolution_2026-166_2026-27 CDBG Supplemental Agreement.docx
2. CDBG F27 - Supplemental Agreement - Cover Letter.pdf
3. CDBG 27 Supplemental Agreement.pdf
4. CC Resolution No. 2025-166_Accepting Applications_Dec 9, 2025.pdf

RESOLUTION 2026-124

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ACCEPTING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2026/2027 IN THE AMOUNT OF $158,987 FOR THE SYLVAN PARK IMPROVEMENT PROJECT (5.BN.66-26) IN THE AMOUNT OF $152,987 AND THE TEENS CONTINUE TO LEAD PROGRAM (0.286-26) IN THE AMOUNT OF $6,000.

WHEREAS, the City of Banning has been submitting applications for projects/activities under the Community Development Block Grant (CDBG) program to the Riverside County Housing and Workforce Solutions (HWS) Department annually; and

WHEREAS, the submittal of the approved project applications for CDBG 2026/2027 program funding was initially approved by the City Council on December 9, 2025 under Resolution 2025-166; and

WHEREAS, the projects submitted herein meet the CDBG program guidelines and/or requirements; and

WHEREAS, it is necessary that the supplemental agreement be approved by the City Council through resolution order for the City and its residents to obtain and utilize the federally funded CDBG grant funds; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The City Council approves the Supplemental Agreement with Riverside County Housing and Workforce Solutions for the Community Development Block Grant FY 2026/2027 for a two-year term in an amount of $158,987, attached hereto as Exhibit A

SECTION 2. The City Council authorizes the Mayor to execute the Supplemental Agreement with Riverside County Housing and Workforce Solutions on behalf of the City Council and the City Manager to make non-substantive changes to the Community Development Block Grant FY 2026/2027 if necessary in the future.

SECTION 3. The City Council authorizes the City Manager, or designee, to make necessary budget adjustments, appropriations, and transfers related to this resolution.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 8th day of September, 2026.

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

Phaedra Norton, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLP

CERTIFICATION:

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-124, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 8th day of September 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sandra Calderon, Deputy City Clerk
City of Banning, California

Exhibit A

Supplemental Agreement for the 2026/2027 Community Development Block Grant (CDBG) Program

HWS HOUSING AND WORKFORCE SOLUTIONS
ENGAGE. ENCOURAGE. EQUIP.

August 17, 2026

Ralph Wright, Parks and Recreation Director
City of Banning
P.O. Box 998,
Banning, CA 92220

RE: SUPPLEMENTAL AGREEMENT FOR THE 2026-2027 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Dear Mr. Wright:

Enclosed, please find two (2) copies of the above-referenced Supplemental Agreement for your city's 2026-2027 CDBG program year. This agreement covers the following activities:

5.BN.66-26	Sylvan Park Improvement Project	$152,987
0.286-26	Teens Continue to Lead Program	$ 6,000

Upon review of the agreement, please have all copies executed and returned to this office, together with the following documentation:

1. Your City Council's approval of the Agreement and authorization to execute (Adopted Resolution and/or Certified Minute Order);
2. Evidence of Workmen's Compensation Insurance pursuant to *Section 15 A* of the Supplemental Agreement; and
3. Original Certificates of Insurance and certified copies of endorsements pursuant to *Section 15 D (3)* of the Supplemental Agreement.

In order for the County to comply with HUD's CDBG program timeliness requirements, your city's fully-executed agreements and required documentation must be returned to this office no later than sixty (60) days from the date of this letter.

In the event that the properly executed agreements and documentation are not received by the deadline date, your city will be in jeopardy of forfeiting your 2026-2027 CDBG funding. The County will then consider reprogramming these funds to other activities within the Urban County program area.

A fully executed Supplemental Agreement will be forwarded to you, as well as the authorization to incur costs. Please be advised that this is not a notice to proceed. The County will not reimburse the City of Banning for any expenditure prior to the issuance of the *Authorization to Incur Costs*.

Furthermore, the County will not issue the Notice to Proceed until an appropriate representative of the City has completed the CDBG Subrecipient training.

Should you have any questions, please contact your CDBG Program Manager Anna Varona-Doromal at (951) 955-1113.

Sincerely,

Susana Orozco
Principal Development Specialist CDBG/ESG Programs

File No.: 0.286-26 and 5.BN.66-26

SUPPLEMENTAL AGREEMENT FOR THE USE OF 2026-2027 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

This Supplemental Agreement ("Agreement") is entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called, "COUNTY," and the CITY OF BANNING, herein called "CITY." COUNTY and CITY are collectively referred to as "Parties" and individually as "Party."

The COUNTY and CITY mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement dated August 4, 2023 ("Cooperation Agreement"), whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds ("CDBG"), and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act." Said Cooperation Agreement, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY has been allocated **$158,987** in CDBG Entitlement funds for the 2026-2027 CDBG program year. CITY has allocated **$6,000** from its 2026-2027 CDBG allocation to certain activities identified below, hereinafter referred to as "County-wide Activities," (Public Service Activities) that will be directly administered by COUNTY:

A) 0.286-26 Teens Continue to Lead Program, $6,000.

CITY promises and agrees to undertake and assist with the community development activities (Public Facility Activities) with the remaining **$152,987** from its 2026-2027 CDBG allocation to activities identified below, hereinafter referred to as Public Facility Activities, specifically identified in Exhibit B, attached hereto, and are incorporated herein by this reference, for the following project:

B) 5.BN.66-26 Sylvan Park Improvement Project, $152,987.

3. TERMS OF AGREEMENT. The terms of this Agreement for the implementation of the (Public Service Activities) Project(s) shall be for a period of one (1) year from July 1, 2026, to termination on June 30, 2027 and whereas the term of this Agreement for the implementation of the (Public Facility Activities) Exhibit B Project shall be for a period of two (2) years from July 1, 2026, to June 30, 2028.

4. COMPLETION SCHEDULE. CITY shall proceed consistent with the completion schedule set forth in Exhibit B, attached hereto and incorporated herein.

5. EXTENSION OF TIME. In the event the Project(s) are not substantially completed by the time set forth in the applicable completion schedule(s) due to a force majeure event (See Section 40 below), the COUNTY may consider extending the schedule for the completion of the project(s). Times of performance for other activities may also be extended in writing by COUNTY. If substantial progress toward completion in conformance with the completion schedule, as determined by COUNTY in its discretion, of the project(s) not made during the term of this Supplemental Agreement, COUNTY may suspend or terminate this Supplemental Agreement pursuant to the termination procedures set forth in the section titled "Termination," and the entitlement funds associated with the Project(s) may be reprogrammed by the COUNTY after appropriate notice is provided to the City.

6. LETTER TO PROCEED. CITY shall not initiate nor incur expenses for the CDBG-funded Projects or activities covered under the terms of this Supplemental Agreement as set forth in Exhibit B, attached hereto, prior to receiving written authorization from COUNTY to proceed.

7. NOTICES. Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the CITY or COUNTY is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so

delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

COUNTY	CITY
Heidi Marshall, Director	Ralph Wright
Riverside County HWS	City of Banning
3403 Tenth Street, Suite 300	P.O. Box 998
Riverside, CA 92501	Banning, CA 92220

8. DISBURSEMENT OF FUNDS.

A. COUNTY's Board of Supervisors shall determine the final disposition and distribution of all funds received by COUNTY under the Act consistent with Sections 2 and 3 of this Supplemental Agreement. COUNTY, through its Department of Housing and Workforce Solutions, shall make payment of the CDBG funds to CITY as set forth in the attached Exhibit B. It is the CITY's responsibility to monitor all project activities set forth in the attached Exhibit B, and to ensure compliance with applicable federal regulations and the terms of this Supplemental Agreement.

B. CITY shall comply with timely drawdown of CDBG Entitlement funding by expeditiously implementing and completing the COUNTY-approved, CDBG-funded Projects. CITY acknowledges that CITY's drawdown performance directly impacts the COUNTY's overall program drawdown rate. If the CITY's unobligated CDBG fund balance, as of January 31, 2027, exceeds one hundred and seventy-five percent (175%) of the CITY's 2026-2027 CDBG allocation, the COUNTY may, in its sole discretion, take the necessary administrative actions to reduce the CITY's CDBG fund balance. Necessary actions include, but are not limited to, reprogramming the excess CDBG fund balance to other eligible activities as selected by COUNTY. COUNTY may, in its sole and absolute discretion, authorize CITY in writing, prior to January 31, 2027, to exceed the CDBG fund balance requirement.

C. CITY shall comply with timely drawdown of CDBG funds by submitting monthly requests for reimbursement or other COUNTY approved reimbursement schedules. All disbursements of CDBG funds will be on a reimbursement basis and made within thirty (30) days after the COUNTY has received the CITY's reimbursement request including documentation supporting expenditures. Each disbursement of CDBG funds shall be made within thirty (30) days after CITY has submitted, to the COUNTY, a complete and approved statement of expenditures.

D. All authorized obligations incurred in the performance of the Supplemental Agreement for projects eligible under the following CDBG regulations must be reported in writing to COUNTY no later than June 1, 2027:

1. Acquisition [24 Code of Federal Regulations (CFR) 570.201 (a)]
2. Clearance Activities [24 CFR 570.201 (d)]
3. Interim Assistance [24 CFR 570.201 (f)]
4. Code Enforcement [24 CFR 570.202 (c)]

All public service activities [24 CFR 570.201 (e)] and other eligible activities under this Supplemental Agreement must be implemented, completed, and obligations reported in writing to the COUNTY by the CITY no later than the completion schedules set forth in the attached Exhibits to this Supplemental Agreement. "CFR" as used herein refers to the Code of Federal Regulations.

9. RECORDS AND INSPECTIONS.

A. CITY shall establish and maintain financial, programmatic, statistical, and other supporting records of its operations and financial activities in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Section 570.502 (a), as they relate to the acceptance and use of federal funds under this Agreement. Said records shall be retained for a period of four (4) years from the date that the activity or program funded with the CDBG Grant is closed out by the COUNTY and reported as complete in the Comprehensive Annual Performance and Evaluation Report (CAPER). Exceptions to the four (4) year retention period requirement, pursuant to 2 CFR 200.333 include, but not limited to, the following:

i. if any litigation, claim, or audit is started prior to the expiration of the four (4) year period;

ii. when the CITY is notified in writing by the COUNTY, HUD, or other Federal agency to extend the retention period;

iii. records for real property and equipment acquired with CDBG funds must be retained for four (4) years after final disposition;

iv. when the records are transferred by the CITY to the COUNTY, HUD, or other Federal agency, the four (4) year period is not applicable.

B. CITY shall obtain an external audit in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Section 200.500). Audits shall usually be performed annually but not less frequently than every two years. Nonprofit institutions and government agencies that expend less than $750,000 a year in Federal awards are exempt from Federal audit requirements, but records must be available for review by appropriate officials of the Federal grantor agency or subgranting entity. The audit report shall be submitted to the COUNTY within 180 days after the end of the COUNTY'S fiscal year.

C. CITY shall maintain a separate account for the CITY'S CDBG Entitlement funds received as set forth in Exhibit B, attached hereto.

D. Pursuant to 2 CFR 200.336, CITY shall, during the normal business hours, make available to COUNTY, the U.S. Department of Housing and Urban Development (HUD), or other authorized representative, for the examination and copying, all of its records and other materials with respect to matters covered by this Agreement and provide reasonable access to CITY staff for the purpose of interview and discussion related to the records and documents.

E. CITY shall not retain any program income as defined in 24 CFR 570.500. Said program income shall be used only for the activities that are the subject of this Agreement. Further, all provisions of this Agreement shall apply to such activities.

F. The CITY shall ensure that at least fifty-one percent (51%) of the persons benefiting from all CDBG-funded activities or projects designated as serving limited clientele [24

CFR 570.208(a)(2)(i)] are of low and moderate-income and meet the applicable household income guidelines. The CITY shall provide the required income certification and direct benefit documentation, in writing, to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibit B, attached hereto. In the event that CITY engages the services of a sub-contractor to implement CDBG-funded activities, the CITY must collect, in writing, all required income certification and direct benefit documentation from subcontractors prior to submittal to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibit B, attached hereto.

10. COMPLIANCE WITH LAWS. CITY shall comply with all applicable federal, state, and local laws, regulations, and ordinances and any amendments thereto and the federal regulations and guidelines now or hereafter enacted pursuant to the Act. More particularly, CITY is to comply with those regulations found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Part 570. CITY is to abide by the provisions of the Community Development Block Grant Manual, prepared by COUNTY and cited in the above-mentioned Cooperation Agreement. CITY shall comply, if applicable, with Section 3 of the Housing & Urban Development Act of 1968 (12 U.S.C.A. Section 1701u), as amended, a copy of which is attached hereto as Exhibit "S", and incorporated herein by this reference. CITY shall adhere to the regulations as set forth in Exhibit "R", attached hereto and incorporated herein by this reference, pertaining to inherently religious activities. CITY shall comply with the Additional Federal Requirements, if applicable, attached hereto as Exhibit "AFR", and incorporated herein by this reference.

11. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with COUNTY in undertaking essential community development and housing assistance activities, specifically urban renewal and public assistance housing, and shall assist COUNTY in implementing and undertaking the goals and strategies identified in the 2024-2029 Five Year Consolidated Plan, pursuant to 24 CFR Part 91 and other requirements of the Community Development Block Grant Program.

12. LEAD AGENCY FOR COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to Title 14 CCR Section 1501(d), the CITY is designated as the lead agency for the projects that are the subject matter of this Supplemental Agreement.

13. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the provisions of Section 895.2 of the California Government Code imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895 of the Code, the Parties hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of the Code, agree that each Party shall be liable for any damages including, but not limited to, claims, demands, losses, liabilities, costs and expenses including reasonable attorneys' fees, resulting from the negligent or wrongful acts or omissions of their employees or agents in the performance of this Agreement, and each Party shall indemnify, defend and hold harmless the other Parties from such claims, demands, damages, losses or liabilities for their negligence.

The hold harmless and indemnification obligations set forth herein shall survive the termination and expiration of this Agreement. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CITY from indemnifying the Indemnitees to the fullest extent allowed by law.

14. INSURANCE. Without limiting or diminishing the CITY's obligation to indemnify or hold the COUNTY harmless, CITY shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of COUNTY OF RIVERSIDE Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds

a. Workers' Compensation:

If the CITY has employees as defined by the State of California, the CITY shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside.

b. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CITY'S performance of its obligations hereunder. Policy shall name the County of Riverside as Additional Insured. Policy's limit of liability shall not be less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

b.1 Sexual Abuse or Molestation (SAM) Liability:

If the work will include contact with minors, and the Commercial General Liability policy is not endorsed to include affirmative coverage for sexual abuse or molestation, CITY shall obtain and maintain a policy covering Sexual Abuse and Molestation with a limit no less than $2,000,000 per occurrence or claim.

c. Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CITY shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside as Additional Insured.

d. General Insurance Provisions - All lines:

(i). Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

(ii). The CITY must declare its insurance self-insured retentions. If such self-insured retentions exceed $500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CITY'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(iii). CITY shall cause CITY'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and

effect. CITY shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

(iv). It is understood and agreed to by the parties hereto that the CITY'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

(v). If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of or, the term of this Agreement, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CITY has become inadequate.

(vi). CITY shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

(vii). The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

(viii). CITY agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

15. INDEPENDENT CONTRACTOR. The CITY is, for purposes relating to this Supplemental Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CITY (including its employees, agents and subcontractor's) shall in no event be entitled to any benefits to which the COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation

benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and the CITY shall hold the COUNTY harmless from any and all claims that may be made against the COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Supplemental Agreement. It is further understood and agreed by the parties that the CITY in the performance of this Supplemental Agreement is subject to the control or direction of the COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

16. NONDISCRIMINATION. CITY shall abide by 24 CFR Sections 570.601 and 570.602 of Title 24 of the Code of Federal Regulations which requires that no person in the United States shall on the grounds of race, color, national origin, sex, sexual orientation, gender identity, or veterans status be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development funds.

CITY shall abide by and include in any subcontracts to perform work under this Supplemental Agreement, the following clause:

"During the performance of this Supplemental Agreement, CITY and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, veterans status, sexual orientation, gender identity, age (over 40) or sex. CITY and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. CITY and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (California Government Code Section 12900 et seq.). The applicable regulations of the Fair Employment and Housing Commission are implementing California Government Code Section 12990 et seq., set forth in Chapter 1 of Division 4.1 of Title 2 of the California Administrative Code are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CITY and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective

bargaining or other agreement."

17. PROHIBITION AGAINST CONFLICTS OF INTEREST

A. CITY and its assigns, employees, agents, consultants, officers and elected and appointed officials shall become familiar with and shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and the CDBG regulations prohibiting conflicts of interest contained in 24 CFR 570.611.

B. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

C. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

D. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

E. CITY understands and agrees that no waiver of exception can be granted to the prohibition against conflict of interest except upon written approval of HUD pursuant to 24 CFR 570.611(d). Any request by CITY for an exception shall first be reviewed by COUNTY to determine whether such request is appropriate for submission to HUD in the COUNTY'S sole and absolute discretion. In determining whether such request is appropriate for submission to HUD,

COUNTY will consider the factors listed in 24 CFR 570.611(d)(2).

F. Prior to the distribution of any CDBG funding under this Supplemental Agreement, CITY shall provide COUNTY, in writing, a list of all employees, agents, consultants, officers and elected and appointed officials who are in a position to participate in a decision making process, exercise any functions or responsibilities, or gain inside information with respect to the CDBG activities funded under this Agreement. CITY shall also promptly disclose to COUNTY any potential conflict, including even the appearance of conflict that may arise with respect to the CDBG activities funded under this Supplemental Agreement.

G. Any violation of this Section 17 shall be deemed a material breach of this Supplemental Agreement, and the Supplemental Agreement shall be immediately terminated by the COUNTY.

18. LOBBYING. CITY certifies to the best of its knowledge and belief, that:

a. No federally-appropriated funds have been paid or will be paid, by or on behalf of the CITY, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

b. If any funds other than federally-appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the CITY shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c. CITY shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and

disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

19. TERMINATION.

A. CITY. CITY may not terminate this Agreement except upon express written consent of COUNTY, pursuant to 2 CFR 200.339 (a)(3).

B. COUNTY. Notwithstanding the provisions of Paragraph 19a above, COUNTY may suspend or terminate this Supplemental Agreement upon a ten (10) day written notice to CITY of action being taken and the reason for such action including, but not limited to, the following reasons:

(1) In the event CITY fails to perform the covenants herein contained at such times and in such manner as provided in this Supplemental Agreement; and

(2) In the event there is a conflict with any federal, state or local law, ordinance, regulation or rule rendering any of the provisions of this Supplemental Agreement invalid or untenable; or

(3) In the event the funding from the Department of Housing and Urban Development referred to in Sections 1 and 2 above is terminated or otherwise becomes unavailable.

C. This Agreement may be terminated and/or funding suspended, in whole or in part, for cause in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200.339). Cause shall be based on the failure of the CITY to materially comply with either the terms or conditions of this Agreement. Upon suspension of funding, the CITY agrees not to incur any costs related thereto, or connected with, any area of conflict from which the COUNTY has determined that suspension of funds is necessary. CITY acknowledges that failure to comply with Federal statutes, regulations, or the terms and conditions of this Agreement may be considered by the COUNTY in evaluating future CDBG and non-CDBG funding applications submitted by CITY.

D. Upon suspension or termination of this Supplemental Agreement, CITY shall return any unencumbered funds which it has been provided by COUNTY. In accepting said funds, COUNTY does not waive any claim or cause of action it may have against CITY for breach

of this Supplemental Agreement.

E. Reversion of Assets

1. Upon expiration or termination of this Supplemental Agreement, the CITY shall transfer to the COUNTY any CDBG funds on hand at the time of expiration of the Supplemental Agreement as well as any accounts receivable held by CITY which are attributable to the use of CDBG funds awarded pursuant to this Supplemental Agreement.

2. Any real property under the CITY'S control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the CITY in the form of a loan) in excess of $25,000 is either:

(i) Used to meet one of the National Objectives pursuant to 24 CFR 570.208 until five years after expiration of this agreement, or for such longer period of time as determined to be appropriate by the COUNTY; or

(ii) Not used in accordance with Clause (i) above, in which event the CITY shall pay the COUNTY an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

20. PUBLICITY. Any publicity generated by CITY for the Projects funded pursuant to this Supplemental Agreement will make reference to the contribution of the COUNTY, the Department of Housing, and Workforce Solutions, and the Community Development Block Grant Program in making the project possible.

21. PROGRAM MONITORING AND EVALUATION. CITY and its subcontractors shall be monitored and evaluated in terms of its effectiveness and timely compliance with the provisions of this Supplemental Agreement and the effective and efficient achievement of the CDBG National Objectives as set forth in Exhibit B, attached hereto. Quarterly reports shall be due on the last day of the month immediately following the end of the quarter being reported. The quarterly written reports shall include, but shall not be limited to, the following data elements:

A. Title of program, listing of components, description of activities/operations.

B. The projected goals, indicated numerically, and also the goals achieved (for

each report period). In addition, identify by percentage and description, the progress achieved towards meeting the specified goals and identify any problems encountered in meeting goals.

C. If the CDBG-funded activity meets a National Objective under 24 CFR 570.208 (a)(2)(i), CITY will report the following:

1) Total number of direct beneficiaries (clientele served) with household incomes at:

- Above 80% MHI
- Between 50% and 80% MHI (Low-Income)
- Between 30% and 50% MHI (Very Low-Income)
- Less than 30% MHI (Extremely Low-Income)

2) Total number and percent (%) of the clientele served that have household incomes at or below 80% MHI

3) Racial ethnicity of clientele

4) Number of Female-Headed Households

D. CITY shall report, in writing, and cause its subcontractors to report, in writing, beneficiary statistics monthly to Housing and Workforce Solutions (HWS) on the pre-approved *Direct Benefit Form* and *Self-Certification Form* (certifying income, family size, and racial ethnicity) as required by HUD. Updated forms are to be provided to CITY by HWS should HUD implement changes during the term of this Supplemental Agreement. CITY and subcontractors will collect and provide all necessary data required by HUD pertaining to the Specific Outcome Indicators as identified in HUD's Community Planning and Development (CPD) Outcome Performance Measurement System.

22. PRIOR AUTHORIZATION. CITY shall obtain COUNTY's written approval from HWS prior to implementing the following "high risk" activities funded with CDBG assistance:

A. Construction of public facilities (project plans and specifications);

B. Acquisition of real property;

C. Historic Preservation;

D. Relocation; and

F. Economic Development

23. PRIOR COUNTY APPROVAL (CONSTRUCTION ACTIVITIES). CITY shall obtain COUNTY's written approval, through its HWS, of the project plans, specifications, and construction documents prior to CITY'S construction of same for all projects consisting of CDBG-funded construction activities. The COUNTY neither undertakes nor assumes nor will have any responsibility or duty to CITY or to any third party to review, inspect, supervise, pass judgment upon or inform CITY or any third party of any matter in connection with the development or construction of the improvements, whether regarding the quality, adequacy or suitability of the plans, any labor, service, equipment or material furnished to the property, any person furnishing the same, or otherwise. CITY and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to CITY or to any third party by the COUNTY in connection with such matter is for the public purpose of assisting with a community development and housing activity pursuant to the Act, and neither CITY (except for the purposes set forth in this Agreement) nor any third party is entitled to rely thereon. The COUNTY shall not be responsible for any of the work of construction, improvement, or development of the property.

It is the responsibility of CITY, without cost to COUNTY, to ensure that all applicable local jurisdiction land use requirements will permit development of the property and construction of the improvements and the use, operation, and maintenance of such Improvements in accordance with the provisions of this Agreement. Nothing contained herein shall be deemed to entitle Sponsor to any local jurisdiction or County permit or other local jurisdiction or County approval necessary for the development of the Property, or waive any applicable local jurisdiction or County requirements relating thereto. This Agreement does not (a) grant any land use entitlement to CITY, (b) supersede, nullify, or amend any condition which may be imposed by the local jurisdiction in connection with approval of the development described herein, (c)

guarantee to CITY or any other party any profits from the development of the Property, or (d) amend any local jurisdiction or County laws, codes or rules.

City agrees and acknowledges that it is the responsibility of City to obtain a legal determination at City's sole cost and expense, as to whether prevailing wages must be paid during construction of the Project. If the Project is subject to prevailing wages, then City shall be solely responsible to pay its contractors and subcontractors the required prevailing wage rate. City agrees to indemnify, defend, and hold County harmless from and against any liability arising out of and related to City's failure to comply with any and all Davis Bacon and or prevailing wage requirements.

24. PRIOR COUNTY APPROVAL (AQUISITION ACTIVITIES). CITY shall obtain COUNTY's written approval and authorization to proceed, through HWS, of all CDBG-funded real property acquisition activities.

25. REAL PROPERTY ACQUIRED OR PUBLIC FACILITY CONSTRUCTED WITH CDBG FUNDS. When CDBG funds are used, in whole or in part, by CITY to acquire real property or to construct a public facility, CITY will comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Section 200.311); National Environmental Policy Act of 1969 (42 U.S.C.A. §4321, et seq.); the California Environmental Quality Act (Cal. Pub. Resources Code §21000, et seq.); the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. §4630, et seq.); and the COUNTY's Five Year Consolidated Plan. In addition, the following is to occur:

a. Title to the real property shall vest in CITY;

b. The real property will be held by CITY, or the constructed facility will be maintained by the CITY, for a minimum period of five (5) years from the date the CDBG-funded activity is closed-out and reported as complete by the COUNTY through the Comprehensive Annual Performance and Evaluation Report (CAPER);

c. While held by CITY, the real property or the constructed facility is to be

used exclusively for the purposes for which acquisition or construction was originally approved by COUNTY;

d. Written approval from COUNTY must be secured if the property or the facility is to be put to an alternate use that is consistent with the COUNTY'S Five-Year Consolidated Plan or the applicable federal regulations governing CDBG funds;

e. Should CITY desire to use the real property or the constructed facility, prior to the completion of the mandatory five-year period, for a purpose not consistent with applicable federal regulations governing CDBG funds or to sell the real property or facility, then:

(1) If CITY desires to retain title, CITY will reimburse COUNTY the amount that represents the percentage of current fair market value that is identical to the percentage that CDBG funds initially comprised of monies paid to acquire the property or construct the facility; or

(2) If CITY sells the property or facility or is required to sell the property or facility, CITY shall reimburse COUNTY the amount that represents the percentage of proceeds realized by the sale that is identical to the percentage that CDBG funds initially comprised of monies paid to acquire the property or construct the facility. This percentage amount will be calculated after deducting all actual and reasonable cost of sale from the sale proceeds.

26. PURCHASE, USE AND REVERSION OF PERSONAL PROPERTY ASSETS.

For organizations using CDBG funds for equipment, the following principles apply:

Acquisition (2 CFR 200.313(a)): Title to equipment acquired with CDBG funds is vested in your organization, subject to the conditions described in the following section.

Use (2 CFR 200.313(c)): Your organization must use equipment purchased with CDBG funds for the CDBG program or project as long as needed, whether or not the program or project continues to be supported by Federal funds.

During the time that your organization or its designee is using equipment for the CDBG funded program, you must also make the equipment available for use on other Federally funded

projects or programs, provided that such use does not interfere with work on the CDBG funded program (2 CFR 200.313(c)(2)).

When no longer needed for the CDBG funded program, other Federally supported agencies may use the equipment, in the following order of priority: (i) Activities under a Federal award from HUD, then (ii) Activities under Federal awards from other Federal agencies. This includes consolidated equipment for information technology systems (2 CFR 200.313(c)(i)(ii)).

HUD prohibits your organization from using CDBG-acquired equipment to provide services for a fee that competes unfairly with private companies that provide equivalent services unless specifically authorized by Federal statute (2 CFR 200.313(c)(3)).

With the approval of the grantee, you may trade in equipment acquired with CDBG funds for updated equipment (2 CFR 200.313(c)(4)).

Disposition (2 CFR 200.313(e)): When original or replacement equipment acquired with CDBG funds is no longer needed for the original program or other activities currently or previously assisted with Federal funds, the following rules of disposition will apply:

(1) Equipment with a current fair market value of $10,000 or less (per unit) may be retained, sold, or otherwise disposed of with no further responsibility to the Federal agency or pass-through entity.

(2) Except as provided in § 200.312(b), or if the Federal agency or pass-through entity fails to provide requested disposition instructions within 120 days, items of equipment with a current fair market value in excess of $10,000 (per-unit) may be retained or sold by the recipient or subrecipient. However, the Federal agency is entitled to an amount calculated by multiplying the percentage of the Federal agency's contribution towards the original purchase by the current market value or proceeds from the sale. If the equipment is sold, the Federal agency or pass-through entity may permit the recipient or subrecipient to retain, from the Federal share, $1,000 of the proceeds to cover expenses associated with the selling and handling of the equipment.

(3) The recipient or subrecipient may transfer title to the property to the Federal Government or to an eligible third party provided that the recipient or subrecipient must be entitled to compensation for its attributable percentage of the current fair market value of the property.

(4) In cases where a recipient or subrecipient fails to take appropriate disposition actions, the Federal agency or pass-through entity may direct the recipient or subrecipient to take disposition actions.

27. PERSONAL PROPERTY – SUPPLIES.

(2 CFR 200.3.14) Title to supplies will vest in your organization upon acquisition, subject to the following conditions:

If there is a residual inventory of unused supplies exceeding $10,000 upon completion of the program and the supplies are not needed for any other Federal award, you may keep the supplies for use in other activities or sell them when the CDBG award or agreement ends. But in either case, you must compensate the grantee for its share. The amount of compensation must be computed in the same manner as for equipment (see 2 CFR 200.313(e)(2)).

As long as the Federal Government retains an interest in the supplies, you must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services (2 CFR 200.314(b)).

In all cases in which the residual inventory of supplies is sold, the proceeds are considered program income.

28. ENTIRE AGREEMENT. This Supplemental Agreement, including any attachments or exhibits hereto constitutes the entire Supplemental Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto. Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

29. SEVERABILITY. Each section, paragraph and provision of this Supplemental Agreement is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall remain in full force and effect.

30. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY agrees to notify in writing, and to cause any subcontractor implementing CDBG-funded Projects to notify, in writing, the Riverside County Workforce Development Center of any and all job

openings that are caused by the CDBG-funded Projects under this Supplemental Agreement.

31. MINISTERIAL ACTS. The Director of Housing and Workforce Solutions or designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to implement the terms, provisions, and conditions of this Supplemental Agreement as it may be amended from time-to-time by COUNTY.

32. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no liability for any later determination by the United States Government, the U.S. Department of Housing and Urban Development, or any other person or entity that CITY is or is not eligible under 24 CFR Part 570 to receive CDBG entitlement funds from the COUNTY.

33. SOURCE OF FUNDING. CITY acknowledges that the source of funding pursuant to this Supplemental Agreement is Community Development Block Grant funds (CFDA 14.218), and the Grant Award Number is B-26-UC-06-0506.

34. ASSIGNMENT. The CITY shall not make any assignment or transfer in any form with respect to this Supplemental Agreement, without prior written approval of the COUNTY.

35. INTERPRETATION AND GOVERNING LAW. This Supplemental Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Supplemental Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Supplemental Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

36. WAIVER. Failure by a party to insist upon the strict performance of any of the provisions of this Supplemental Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's rights to insist and demand strict compliance by the other party with the terms of this Supplemental Agreement thereafter.

37. JURISDICTION AND VENUE. Any action at law or in equity arising under this Supplemental Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Supplemental Agreement shall be filed only in the Superior Court of the State of California, located in Riverside, California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction

38. USE OF PROPERTY. Whenever federal CDBG funds or program income are used, in whole or in part, for the purchase of equipment or personal property, the property shall not be transferred from its originally funded use, by CITY or the CITY'S subcontractor implementing the CDBG-funded activity, for a period of five (5) years from the close-out date of the grant from which CDBG assistance was provided. The CITY shall maintain a current inventory for COUNTY monitoring and review.

39. AUTHORITY TO EXECUTE. The persons executing this Supplemental Agreement or exhibits attached hereto on behalf of the parties to this Supplemental Agreement hereby warrant and represent that they have the authority to execute this Supplemental Agreement and warrant and represent that they have the authority to bind the respective parties to this Supplemental Agreement to the performance of its obligations hereunder.

40. EFFECTIVE DATE. The effective date of this Supplemental Agreement is the date the parties sign the Supplemental Agreement. If the parties sign the Supplemental Agreement on more than one date, then the last date the Supplemental Agreement is signed by a party shall be the effective date.

41. COUNTERPARTS. This Supplemental Agreement may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

42. FORCE MAJEURE.

A. Performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, pandemic, quarantine

restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, material or tools, delays of any contractor, sub-contractor or supplier, acts of the other party, acts or failure to act of a public or governmental agency or entity, or any causes beyond the control or without the fault of the party claiming an extension of time to perform.

B. An extension of time for any such cause (a "Force Majeure Delay") shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of knowledge of the commencement of the cause. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within thirty (30) calendar days after it obtains knowledge of the event.

43. MODIFICATION OF AGREEMENT. This Supplemental Agreement may be modified or amended only by a writing signed by the duly authorized and empowered representative of COUNTY and CITY respectively.

44. DIGITAL AND ELECTRONIC SIGNATURES. The parties agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17). The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to CUETA as amended from time to time. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties.

For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as of the dates set forth below.

COUNTY OF RIVERSIDE,
a political subdivision of the
State of California

BY: _____
Juan Garcia,
Deputy Director

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN

COUNTY COUNSEL

By: _____
Braden Holly,
Deputy County Counsel

CITY OF BANNING,
a general law city,

BY: _____
Name:

Title:

Date: _____

ATTEST:

BY: _____
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

File No.: 0.286-26

EXHIBIT A

SPONSOR AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)

I. GENERAL INFORMATION

SPONSOR NAME: Boys and Girls Clubs of the San Gorgonio Pass **UEI # CM9MN3YNAKJ8**

ADDRESS: P.O. Box 655
Beaumont, CA 92223

PROGRAM CONTACTS: Megan Grisham, Executive Director

PHONE: (951) 922-3259

E-MAIL: mgrisham@bgcsgp.org

PROJECT NAME: Teens Continue to Lead Program

PROJECT LOCATION: 240 W. Ramsey Street, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING: $27,143

5th District $21,143 City of Banning $6,000

II. SCOPE OF SERVICE

A. Activities

Sponsor will be responsible for administering a **2026-2027** Community Development Block Grant for the **Teens Continue to Lead Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The Boys and Girls Club of San Gorgonio Pass offers a teen program for ages 13-18 during summer and school breaks. The program provides mentorship and courses in character and leadership, arts, health and life skills, education and technology, and sports and recreation. CDBG funds will be used for staff salaries (direct cost), consumable supplies, and other eligible program-related costs.*

File No.: 0.286-26

EXHIBIT A

B. National Objective

All activities funded with CDBG funds must comply with one or more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). Sponsor certifies that the activity carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(B)

CFR Reference: Low Mod Limited Clientele Income Certification

C. Levels of Accomplishment – Goals and Performance Measures

The Sponsor agrees to provide the following levels of program services:

Activity	Units per Month	Total Units/Year	Total *Unduplicated Persons*
		18	*18*

Unit of Service is defined as: youth served.

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☒ Availability/Accessibility
- ☐ Affordability
- ☐ Sustainability (promoting livable or viable communities)

D. Sponsor Capacity

By executing this Sponsor's Agreement, the Sponsor certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

Sponsor will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact Sponsor's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside Grantee will monitor the performance of the Sponsor against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sponsor within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

File No.: 0.286-26

EXHIBIT A

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$27,143**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the Sponsor shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and Sponsor.

Line Item	CDBG-Granted Funds	Total Non-CDBG Funds	Total Activity/Project Budget	Notes
Total Direct Program Expenses	**$27,143**	*$37,500*	*$64,643*	
Salaries	X			
Fringe	X			
Office Space (Program Only)				
Utilities				
Communications				
Reproduction/Printing				
Supplies and Materials	X			
Mileage				
Equipment (Program Only)				
Audit				
Transportation				
Other:				
Total Indirect Program Expenses	**$**			
Indirect Costs (Specify)*				
TOTAL CDBG BUDGET	**$27,143**	$37,500	$64,643	

File No.: 0.286-26

EXHIBIT A

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL							
PRIVATE							
OTHER	B&GC of A	$17,500	B&GC of A	20,000			$37,500

TOTAL: $37,500

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The Sponsor agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The Sponsor shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied to all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include, but not be limited to:

i. Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

EXHIBIT A

2. Records Retention

The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Sponsor shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The Sponsor understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or Sponsor's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Sponsor's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sponsor has control over CDBG funds, including program income.

6. Audits & Inspections

All Sponsor records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sponsor within 30 days after receipt by the Sponsor. Failure of the Sponsor to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sponsor hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

EXHIBIT A

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, Sponsor will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

Tasks / Milestone	Start Date	Completion Date
Implement Program Activities	July 1, 2026	
Complete Sponsor Training	August 2026	August 2026
Execute Sponsor's Agreement & Notice to Incur Cost Letter [1]	August 2026	October 2026
Sponsor Submits Quarterly Performance Reports to County	October 2026	June 30, 2027[2]
Sponsor Submits Monthly Direct Benefit Reports	October 2026	June 30, 2027[3]
Sponsor Submits Reimbursement Requests	October 2026	June 30, 2027[4]
Sponsor Monitoring Actions	July 2026	**To be determined by Program Manager**
CDBG Program Services Complete		June 30, 2027

[1] **The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.**

[2] **Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.**

[3] **Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm reporting requirements with CDBG Program Manager.**

[4] **At least 75% of all 2026-27 CDBG funds must be drawn down by January 15, 2027, and 100% of all 2026-27 CDBG funds must be drawn down by March 26, 2027. Confirm requirements with CDBG Program Manager.**

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect completed Self-Certification forms, supporting income documentation, and demographic information from the parent(s) or legal guardian(s) of each child participating in CDBG-funded activity. Documentation must include household income, household size, race, and ethnicity.

Sponsor is required to submit the first 200 Self-Certification forms with supporting documentation and 25% thereafter to HWS along with Direct Benefit Reports monthly, unless otherwise authorized in writing by CDBG Program staff.

Self-Certification forms and related program documents are available at www.rivcohws.org/cdbg-program

Once the Notice to Incur Cost letter is received, sponsor must submit monthly reimbursement requests unless another schedule is approved in writing by HWS.

File No.: 5.BN.66-26

EXHIBIT B

SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)

I. GENERAL INFORMATION

CITY NAME: City of Banning UEI # F996EVLCRCG3

ADDRESS: P.O. Box 998

Banning, CA 92220

PROGRAM CONTACTS: Ralph Wright, Parks and Recreation Director

PHONE: (951) 922-3130

E-MAIL:

PROJECT NAME: Sylvan Park Improvement Project

PROJECT LOCATION: 2798 W. George Street, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: Categorical Exclusion §58.35(a)(1)

CDBG ELIGIBILITY CODE: 570.201(c) Public Facilities

PROJECT FUNDING SUMMARY: **$152,987**

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2026-2027** Community Development Block Grant for the **Sylvan Park Improvement Project** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The City of Banning will use CDBG funds to design and construct improvements at Sylvan Park. Improvements include, but are not limited to, removing and replacing a shade structure; adding a concrete pad and picnic area; purchasing waste receptacles, picnic tables, and BBQs to accompany the new shade structure; and installing a new surface on the existing basketball courts. Eligible CDBG expenses include design, demolition, construction, project management, and other eligible related costs.*

EXHIBIT B

B. National Objective

All activities funded with CDBG funds must comply with one or more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(1)(i)

CFR Reference: Low Mod Income Area Benefit

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1: *Construct improvements at Sylvan Park.*

Activity #2: *Design, demolition, construction, project management, and other eligible related costs.*

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one):
- ☒ Creating Suitable Living Environments
- ☐ Providing Decent Affordable Housing
- ☐ Creating Economic Opportunities

Outcome (select one):
- ☒ Availability/Accessibility
- ☐ Affordability
- ☐ Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and a sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement.

Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the

County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

File No.: 5.BN.66-26

EXHIBIT B

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **$134,344**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	CDBG Granted Funds	Total of Non-CDBG Funds	Total Activity/Project Budget	Notes
Design/Engineering Costs	X			
Project Administration Costs	X	X		
Construction Costs	X			
Acquisition Costs				
Relocations Costs				
Capital Equipment Costs				
Code Enforcement				
Clearance				
Interim Assistance				
Indirect Costs:				
TOTAL CDBG BUDGET	$152,987	$7,000	$159,987	

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL	City funds	7,000					$7,000
PRIVATE							
OTHER							

TOTAL: **$7,000**

EXHIBIT B

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include, but not be limited to:

i. Records providing a full description of each activity undertaken;
ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
iii. Records required to determine the eligibility of activities;
iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining

eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private. The use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County and HUD. The Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

File No.: 5.BN.66-26

EXHIBIT B

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by the County, the City will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

Tasks / Milestone	Start Date	Completion Date
Implement Program Activities	July 1, 2026	----------
Complete CDBG Training	August 2026	August 2026
Execute Supplemental Agreement & Notice to Incur Cost Letter [1]	August 2026	October 2026
City Submits Quarterly Performance Reports to County	October 2026	June 30, 2028[2]
County Monitoring of City Projects/Activities	July 2026	To be determined by Program Manager
City Submits Reimbursement Requests	TBD	June 30, 2028
City Submits Monthly Direct Benefit Reports	Upon Notification by HWS	
CDBG-funded Project Complete		June 30, 2028

[1] **The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.**

[2] **Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.**

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

The City must follow applicable City procurement policies and procedures, CDBG regulations, and all applicable federal requirements, including environmental review requirements, Davis-Bacon and Related Acts (when applicable), Section 3 requirements (when applicable), and applicable federal labor standards.

Construction funded with CDBG shall not commence until environmental clearance has been completed, all applicable federal requirements have been satisfied, and a written Notice to Proceed has been issued by HWS.

A pre-construction meeting is required prior to the start of construction. The City must contact the HWS-CDBG Program Manager at least ten (10) calendar days in advance to coordinate attendance at the pre-construction meeting.

The City must obtain written approval from HWS prior to advertising Requests for Proposals (RFPs), Invitations for Bids (IFBs), approving construction changes, or making material modifications to project scope, budget, or construction activities.

Certified payroll records must be submitted weekly to the HWS-CDBG Program Manager once construction begins, unless otherwise directed by HWS.

File No.: 5.BN.66-26

EXHIBIT B

Specific Project Activities

1. City executes Supplemental Agreement; receives Notice to Incur Cost letter
1. City prepares final construction documents (incorporating Special Federal Provisions) for HWS review and approval
2. HWS authorizes City to advertise for bids
3. HWS reviews and approves bidding process
4. City awards construction contract
5. City and HWS conduct mandatory "pre-construction meeting"
6. HWS authorizes City to issue "Notice to Proceed"

This public facility project qualifies under the Low/Moderate Income Area Benefit (LMA) National Objective by principally benefiting residents of the approved service area, where at least 51 percent of residents are low- and moderate-income.

EXHIBIT "R"

24 C.F.R. § 5.109

Equal participation of faith-based organizations in HUD programs and activities.

Effective: March 4, 2024

(a) ***Purpose.*** Consistent with Executive Order 13279, entitled "Equal Protection of the Laws for Faith-Based and Community Organizations," as amended by Executive Order 13559, entitled "Fundamental Principles and Policymaking Criteria for Partnerships With Faith-Based and Other Neighborhood Organizations," and as amended by Executive Order 14015, entitled "Establishment of the White House Office of Faith-Based and Neighborhood Partnerships," this section describes requirements for ensuring the equal participation of faith-based organizations in HUD programs and activities. These requirements apply to all HUD programs and activities, including all of HUD's Native American Programs, except as may be otherwise noted in the respective program regulations in title 24 of the Code of Federal Regulations (CFR), or unless inconsistent with certain HUD program authorizing statutes.

(b) ***Definitions.*** The following definitions apply to this section:

Direct Federal financial assistance means Federal financial assistance provided when a Federal Government agency or an intermediary, as defined in this section, selects the provider and either purchases services from that provider (*i.e.,* via a contract) or awards funds to that provider to carry out an activity (*e.g.,* via grant, sub-grant, sub-award, or cooperative agreement). The recipients of sub-grants or sub-awards that receive Federal financial assistance through State-administered programs (*e.g.,* flow-through programs) are considered recipients of direct Federal financial assistance. In general, Federal financial assistance shall be treated as direct, unless it meets the definition of indirect Federal financial assistance.

Federal financial assistance means assistance that non-Federal entities receive or administer in the forms of grants, contracts, loans, loan guarantees, property, cooperative agreements, food commodities, direct appropriations, or other assistance, but does not include a tax credit, deduction, or exemption.

Indirect Federal financial assistance means Federal financial assistance provided when the choice of the provider is placed in the hands of the beneficiary, and the cost of that service is paid through a voucher, certificate, or other similar means of Government-funded payment. Federal financial assistance provided to an organization is considered indirect when the Government program through which the beneficiary receives the voucher, certificate, or other

similar means of Government-funded payment is neutral toward religion meaning that it is available to providers without regard to the religious or non-religious nature of the institution and there are no program incentives that deliberately skew for or against religious or secular providers; and the organization receives the assistance wholly as a result of a genuine and independent private choice of the beneficiary, not a choice of the Government. The availability of adequate secular alternatives is a significant factor in determining whether a program affords true private choice.

Intermediary means an entity, including a nongovernmental organization, acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that accepts Federal financial assistance and distributes that assistance to other entities that, in turn, carry out activities under HUD programs.

Religious exercise has the meaning given to the term in 42 U.S.C. 2000cc-5(7)(A).

(c) *Equal participation of faith-based organizations in HUD programs and activities.*

(1) Faith-based organizations are eligible, on the same basis as any other organization, to participate in any HUD program or activity for which they are otherwise eligible. Neither the Federal Government, nor a State, Tribal, or local government, nor any other entity that administers any HUD program or activity, shall discriminate for or against an organization on the basis of the organization's religious character, motives, or affiliation, or lack thereof, or on the basis of conduct that would not be considered grounds to favor or disfavor a similarly situated secular organization.

(2) Nothing in this section shall be construed to preclude HUD from making an accommodation, including for religious exercise, with respect to one or more program requirements on a case-by-case basis in accordance with the Constitution and laws of the United States.

(3) HUD shall not disqualify an organization from participating in any HUD program for which it is eligible on the basis of the organization's indication that it may request an accommodation with respect to one or more program requirements, unless the organization has made clear that the accommodation is necessary to its participation and, in accordance with the Constitution and laws of the United States, HUD has determined that it would deny the accommodation.

(4) In addition, decisions about awards of Federal financial assistance must be free from political interference or even the appearance of such interference and must be made on the basis of merit, not based on the organization's religious character, affiliation, or lack thereof, or based on the organization's religious exercise. Notices of funding opportunity, grant agreements, and cooperative agreements shall include language substantially similar to that in appendix A to this subpart, where faith-based organizations are eligible for such opportunities.

(d) *Independence and identity of faith-based organizations.*

(1) A faith-based organization that applies for, or participates in, a HUD program or activity supported with Federal financial assistance retains its autonomy, right of expression, religious character, authority over its governance, and independence, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs; provided that, it does not use direct Federal financial assistance, whether received through a prime award or sub-award, to support or engage in any explicitly religious activities, including

activities that involve overt religious content such as worship, religious instruction, or proselytization.

(2) A faith-based organization that receives direct Federal financial assistance may use space (including a sanctuary, chapel, prayer hall, or other space) in its facilities (including a temple, synagogue, church, mosque, or other place of worship) to carry out activities under a HUD program without concealing, altering, or removing religious art, icons, scriptures, or other religious symbols. In addition, a faith-based organization participating in a HUD program or activity retains its authority over its internal governance, and may retain religious terms in its organization's name, select its board members on the basis of their acceptance of or adherence to the religious tenets of the organization consistent with paragraph (i) of this section, and include religious references in its organization's mission statements and other governing documents.

(e) ***Explicitly religious activities.*** If an organization engages in explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), the explicitly religious activities must be offered separately, in time or location, from the programs or activities supported by direct Federal financial assistance and participation must be voluntary for the beneficiaries of the programs or activities that receive direct Federal financial assistance. The use of indirect Federal financial assistance is not subject to this restriction. Nothing in this part restricts HUD's authority under applicable Federal law to fund activities, that can be directly funded by the Government consistent with the Establishment Clause of the U.S. Constitution.

(f) ***Intermediary responsibilities to ensure equal participation of faith-based organizations in HUD programs.*** If an intermediary—acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that is administering a program supported by Federal financial assistance—is given the authority to select a nongovernmental organization to receive Federal financial assistance under a contract, grant, sub-grant, sub-award, or cooperative agreement, the intermediary must ensure that such organization complies with the requirements of this section. If the intermediary is a nongovernmental organization, it retains all other rights of a nongovernmental organization under the program's statutory and regulatory provisions.

(g) ***Nondiscrimination and beneficiary notice requirements***—(1) *Nondiscrimination.* Any organization that receives Federal financial assistance under a HUD program or activity shall not, in providing services supported in whole or in part with Federal financial assistance, or in their outreach activities related to such services, discriminate against a beneficiary or prospective beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice. However, an organization that participates in a program funded by indirect Federal financial assistance need not modify its program or activities to accommodate a beneficiary who chooses to expend the indirect aid on the organization's program.

(2) ***Beneficiary notice.***

(i) An organization providing services under a program supported by direct Federal financial assistance from HUD, or an entity that administers indirect Federal financial assistance from HUD, must give written notice to beneficiaries and prospective beneficiaries of certain protections in a manner and form prescribed by HUD, including by incorporating

the notice into materials that are otherwise provided to beneficiaries. The required language for this written notice to beneficiaries is set forth in appendix C to this subpart.

(ii) For the Housing Choice Voucher (HCV), Project-Based Voucher (PBV), and Section 8 Moderate Rehabilitation programs, the respective recipient (*i.e.*, Public Housing Agency) is required to provide the written beneficiary notice. For the Housing Opportunities for Persons with AIDS (HOPWA) program, the grantee or project sponsor that is responsible for making eligibility determinations is required to provide the written beneficiary notice. For the Continuum of Care (CoC) and Emergency Solutions Grants (ESG) programs, the recipient or subrecipient that is responsible for determining the eligibility of each family or individual is required to provide the written beneficiary notice. The participating or prospective providers (landlords) are not responsible for providing the written beneficiary notice for indirect aid recipients. The notice must include the following information:

(A) Nondiscrimination requirements of paragraph (g)(1) of this section;

(B) Notification that a beneficiary or prospective beneficiary may report an organization's violation of these protections, including any denials of services or benefits by an organization, by contacting or filing a written complaint with the Center for Faith-Based and Neighborhood Partnerships or the intermediary that awarded funds to the organization; and

(C) For direct Federal financial assistance only, prohibitions with respect to explicitly religious activities as set forth in paragraph (e) of this section.

(3) ***Notice timing.*** The written notice described in paragraph (g)(2) of this section must be given to a prospective beneficiary prior to the time the prospective beneficiary enrolls in the program or receives services from the program. When the nature of the service provided or exigent circumstances make it impracticable to provide such written notice in advance of the actual service, an organization must advise beneficiaries of their protections at the earliest available opportunity.

(4) ***Alternative option information.*** HUD may determine that the notice described in paragraph (g)(2) of this section must inform each beneficiary or prospective beneficiary about how to obtain information from HUD, or a State agency or other entity administering the applicable program, about other federally funded service providers in their area that provide the services available under the applicable program.

(h) ***No additional assurances from faith-based organizations.*** A faith-based organization is not rendered ineligible by its religious nature to access and participate in HUD programs. Absent regulatory or statutory authority, no notice of funding opportunity, grant agreement, cooperative agreement, covenant, memorandum of understanding, policy, or regulation that is used by HUD or a recipient or intermediary in administering Federal financial assistance from HUD shall require otherwise eligible faith-based organizations to provide assurances or notices where they are not required of similarly situated secular organizations. All organizations that participate in HUD programs or activities, including organizations with religious character, motives, or affiliation, must carry out eligible activities in accordance with all program requirements, including those prohibiting the use of direct financial assistance to engage in explicitly religious activities, subject to any accommodations that are granted to organizations on a case-by-case basis in accordance with the Constitution and laws of the United

States. No notice of funding opportunity, grant agreement, cooperative agreement, covenant, memorandum of understanding, policy, or regulation that is used by HUD or a recipient or intermediary in administering financial assistance from HUD shall disqualify otherwise eligible faith-based organizations from participating in HUD's programs or activities on the basis of the organization's religious character, motives, or affiliation, or lack thereof, or on the basis of conduct that would not be considered grounds to disqualify a similarly situated secular organization.

(i) ***Exemption from Title VII employment discrimination requirements.*** A religious organization's exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in section 702(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1), is not forfeited when the organization participates in a HUD program. Some HUD programs, however, contain independent statutory provisions that impose certain nondiscrimination requirements on all grantees. Accordingly, grantees should consult with the appropriate HUD program office to determine the scope of applicable requirements.

(j) ***Acquisition, construction, and rehabilitation of structures.*** Direct Federal financial assistance may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under a HUD program or activity. Where a structure is used for both eligible and explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), direct Federal financial assistance may not exceed the cost of the share of acquisition, construction, or rehabilitation attributable to eligible activities in accordance with the cost accounting requirements applicable to the HUD program or activity. However, acquisition, construction, or rehabilitation of sanctuaries, chapels, or other rooms that a HUD-funded faith-based organization uses as its principal place of worship, may not be paid with direct Federal financial assistance. Disposition of real property by a faith-based organization after its use for an authorized purpose, or any change in use of the property from an authorized purpose, is subject to Government-wide regulations governing real property disposition (2 CFR part 200, subpart D) and the HUD program regulations, as directed by HUD.

(k) ***Commingling of Federal and State, tribal, and local funds.*** If a State, tribal, or local government voluntarily contributes its own funds to supplement direct Federal financial assistance for an activity, the State, tribal or local government has the option to segregate those funds or commingle them with the direct Federal financial assistance. However, if the funds are commingled, the requirements of this section apply to all of the commingled funds. Further, if a State, tribal, or local government is required to contribute matching funds to supplement direct Federal financial assistance for an activity, the matching funds are considered commingled with the direct Federal financial assistance and, therefore, subject to the requirements of this section. Some HUD programs' requirements govern any activity assisted under those programs. Accordingly, recipients should consult with the appropriate HUD program office to determine the scope of applicable requirements.

(l) ***Tax exempt organizations.*** In general, HUD does not require that a recipient, including a faith-based organization, obtain tax-exempt status under section 501(c)(3) of the Internal Revenue Code to be eligible for funding under HUD programs. Many grant programs, however, do require an organization to be a nonprofit organization in order to be eligible for funding. Notices of funding availability that require organizations to have nonprofit status will

specifically so indicate in the eligibility section of the notice of funding availability. In addition, if any notice of funding availability requires an organization to maintain tax-exempt status, it will expressly state the statutory authority for requiring such status. Applicants should consult with the appropriate HUD program office to determine the scope of any applicable requirements. In HUD programs in which an applicant must show that it is a nonprofit organization but this is not statutorily defined, the applicant may do so by any of the following means:

(1) Proof that the Internal Revenue Service currently recognizes the applicant as an organization to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;

(2) A statement from a State or other governmental taxing body or the State secretary of State certifying that—

(i) The organization is a nonprofit organization operating within the State; and

(ii) No part of its net earnings may benefit any private shareholder or individual;

(3) A certified copy of the applicant's certificate of incorporation or similar document that clearly establishes the nonprofit status of the applicant; or

(4) Any item described in paragraphs (l)(1) through (3) of this section, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate.

(m) ***Rule of construction.*** Neither HUD nor any recipient or other intermediary receiving funds under any HUD program or activity shall construe these provisions in such a way as to advantage or disadvantage faith-based organizations affiliated with historic or well-established religions or sects in comparison with other religions or sects.

[69 FR 41717, July 9, 2004, as amended at 80 FR 75934, Dec. 7, 2015; 81 FR 19416, Apr. 4, 2016; 85 FR 82315, Dec. 17, 2020; 89 FR 15711, Mar. 4, 2024]

EXHIBIT "S"

Economic Opportunities for Low- and Very Low-Income Persons
CONTRACT REQUIREMENTS
24 CFR Part 75

RIVERSIDE COUNTY

Section 75.1 Purpose

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

Section 75.3 Applicability

(a) General applicability. Section 3 applies to public housing financial assistance and Section 3 projects, as follows:

(1) Public housing financial assistance. Public housing financial assistance means:

(i) Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);

(ii) Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;

(iii) Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and

(iv) The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in paragraphs (a)(1)(i) through (iii) of this section.

(2) Section 3 projects. (i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of $200,000. The threshold is $100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

(ii) The Secretary must update the thresholds provided in paragraph (a)(2)(i) of this section not less than once every 5 years based on a national construction cost inflation factor through Federal Register notice not subject to public comment. When the Secretary finds it is warranted to ensure compliance with Section 3, the Secretary may adjust, regardless of the national construction cost factor, such thresholds through Federal Register notice, subject to public comment.

(iii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

(b) Contracts for materials. Section 3 requirements do not apply to material supply contracts.

(c) Indian and Tribal preferences. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of this part.

(d) Other HUD assistance and other Federal assistance. Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

Section 75. 5 Definitions.

The terms HUD, Public housing, and Public Housing Agency (PHA) are defined in 24 CFR part 5. The following definitions also apply to this part:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.

Contractor means any entity entering into a contract with:

(1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or

(2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial

consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in §75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

(i) It is at least 51 percent owned and controlled by low- or very low-income persons;

(ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 project means a project defined in §75.3(a)(2).

Section 3 worker means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in §§75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

Subpart C—Additional Provisions for Housing and Community Development Financial Assistance

§75.19 Requirements.

(a) *Employment and training.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

(i) Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) Participants in YouthBuild programs.

(b) *Contracting.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

(i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) YouthBuild programs.

§75.21 Targeted Section 3 worker for housing and community development financial assistance.

(a) *Targeted Section 3 worker.* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

(1) A worker employed by a Section 3 business concern; or

(2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

(i) Living within the service area or the neighborhood of the project, as defined in §75.5; or

(ii) A YouthBuild participant.

(b) [Reserved]

§75.23 Section 3 safe harbor.

(a) *General.* Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:

(1) Certify that they have followed the prioritization of effort in §75.19; and

(2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.

(b) *Establishing benchmarks.* (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the FEDERAL REGISTER. HUD may establish a single nationwide benchmark for Section 3 workers and a single

nationwide benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the nature of the Section 3 project, or other variables. HUD will update the benchmarks through a document published in the FEDERAL REGISTER, subject to public comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of recipients meeting benchmarks, as well as other metrics reported pursuant to §75.25 as deemed appropriate by HUD, for the 3 most recent reporting years.

(2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per §75.25(a)(4).

(3) Section 3 benchmarks will consist of the following two ratios:

(i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

(ii) The number of labor hours worked by Targeted Section 3 workers as defined in §75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

§75.25 Reporting.

(a) *Reporting of labor hours.* (1) For Section 3 projects, recipients must report in a manner prescribed by HUD:

(i) The total number of labor hours worked;

(ii) The total number of labor hours worked by Section 3 workers; and

(iii) The total number of labor hours worked by Targeted Section 3 workers.

(2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to §75.31.

(3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.

(4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours

from professional services in the total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.

(5) Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) *Additional reporting if Section 3 benchmarks are not met.* If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in §75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

(1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.

(2) Provided training or apprenticeship opportunities.

(3) Provided technical assistance to help Section 3 workers compete for jobs (*e.g.*, resume assistance, coaching).

(4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.

(5) Held one or more job fairs.

(6) Provided or referred Section 3 workers to services supporting work readiness and retention (*e.g.*, work readiness activities, interview clothing, test fees, transportation, child care).

(7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.

(8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.

(9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.

(10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.

(11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.

(12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

(13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

(14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

(c) *Reporting frequency.* Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

§75.27 Contract provisions.

(a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.

(b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of §75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Subpart D—Provisions for Multiple Funding Sources, Recordkeeping, and Compliance

§75.29 Multiple funding sources.

(a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to §75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:

(1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and

(2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:

(i) The total number of labor hours worked on the project;

(ii) The total number of labor hours worked by Section 3 workers on the project; and

(iii) The total number of labor hours worked by Targeted Section 3 workers on the project.

(b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in §75.3(a)(2), the recipient or recipients must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§75.31 Recordkeeping.

(a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.

(b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

(1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:

(i) A worker's self-certification that their income is below the income limit from the prior calendar year;

(ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;

(iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

(v) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

(i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:

(A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;

(B) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(C) An employer's certification that the worker is employed by a Section 3 business concern; or

(D) A worker's certification that the worker is a YouthBuild participant.

(ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:

(A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(B) An employer's certification that the worker is employed by a Section 3 business concern; or

(C) A worker's self-certification that the worker is a YouthBuild participant.

(c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.

(d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

§75.33 Compliance.

(a) *Records of compliance.* Each recipient shall maintain adequate records demonstrating compliance with this part, consistent with other recordkeeping requirements in 2 CFR part 200.

(b) *Complaints.* Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.

(c) *Monitoring.* HUD will monitor compliance with the requirements of this part. The applicable HUD program office will determine appropriate methods by which to oversee Section 3 compliance. HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found.

RESOLUTION 2025-166

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM PROJECTS FOR THE FISCAL YEAR 2026/2027 FUNDING CYCLE

WHEREAS, the City of has accepted and submitted applications for projects/public service activities under the Community Development Block Grant (CDBG) program for the County of Riverside Department of Housing and Workforce Solutions on an annual basis; and

WHEREAS, the City of Banning received a Notice of Funding Availability for the 2026/2027 CDBG Funding cycle from the County of Riverside's 2026-2027 Urban County Community Development Block Grant Program with an estimated funding allocation available of $156,000; and

WHEREAS, the City of Banning opened an application window to accept CDBG FY 2026/2027 project and public service applications from City departments and interested non-profits and accepted applications from October 14, 2025 through November 14, 2025; and

WHEREAS, notifications of application availability were provided to non-profit organizations, City Departments and the general public through various media, including legal notice in the Record Gazette, City's Website, and

WHEREAS, on October 14, 2025, at its regular meeting, the City Council appointed an Ad-Hoc Committee to review applications received. The applications were provided to the committee for review on December 3, 2025, and the Ad-Hoc committee made recommendations as to the accepted projects; and

WHEREAS, the CDBG Ad-hoc Committee reviewed applications and recommended the following projects be funded; City of Banning Sylvan Park Improvement Project in the amount of $150,000 and the Boys and Girls of the San Gorgonio Pass' Teens Continue to Lead program in the amount of $6,000; and

WHEREAS, the projects submitted herein meets the CDBG program guidelines and/or requirements; and

WHEREAS, it is necessary that the project be approved by the City Council through resolution in order for the City and its residents to obtain and utilize the federally funded CDBG grant funds for the Fiscal year 2026/2027 Funding Cycle.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The Banning City Council adopts Resolution 2025-166, approving the projects submitted for funding under the Community Development Block Grant Programs for Fiscal Year 2026/2027; and

SECTION 2. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to this resolution; and

SECTION 3. Authorizing the City Manager or his designee to submit two projects for Fiscal Year 2026/2027 Community Development Block Grant program to the County of Riverside Housing and Workforce Solutions for review and approval by their Board: and

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 9th day of December 2025

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Acting Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

John Pinkney, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLP

CERTIFICATION:

I, Sandra Calderon, Acting Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2025-166, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 9th day of December 2025 by the following vote, to wit:

AYES: Barrington, Flynn, Miller, Royce, Wallace

NOES: None

ABSENT: None

ABSTAIN: None

Sandra Calderon

Sandra Calderon, Acting Deputy City Clerk
City of Banning, California

CITY OF BANNING
STAFF REPORT

TO: **CITY COUNCIL**

FROM: **Elizabeth Gibbs, City Manager**

PREPARED BY: **Elizabeth Gibbs, City Manager**

MEETING DATE: **September 8, 2026**

SUBJECT: **Discussion and Direction Regarding Provisions of Banning Municipal Code (BMC) Chapter 8.48 (Nuisances) That Address Overgrown Vegetation**

STAFF RECOMMENDATION:

Direct Staff to prepare a draft ordinance amending Chapter 8.48 of the Banning Municipal Code revising one or more of the issues discussed above and return to City Council for introduction and adoption; OR Take no action and retain Chapter 8.48 in its current form.

BACKGROUND:

This item is placed on the agenda at the request of Council Member Wallace, who asked that the City Council discuss the City's nuisance ordinance as it relates to overgrown vegetation on private property.

BMC Chapter 8.48, titled "Nuisances," establishes the City's framework for declaring, and abating, conditions on private property that constitute a public nuisance. Article I of the chapter dates substantially from the City's 1965 Code (Code 1965, § 11C series) and has been amended at various points to add or update individual categories of nuisance. Section 8.48.020 makes the chapter applicable citywide and expressly reserves to the City Council the right to declare additional nuisances not separately listed. Section 8.48.030 provides that maintaining a public nuisance is a misdemeanor punishable by a fine of up to $1,000 and/or imprisonment of up to six months, although the City Attorney or City Prosecutor may charge a violation as an infraction, and each day a violation continues constitutes a separate offense.

Vegetation-related nuisances are not consolidated into a single section of Chapter 8.48. Instead, they appear in at least six separate sections, most originating in the 1965 Code and amended independently of one another over time. The table below summarizes these provisions; the full text of each is reproduced in Attachment A.

BMC Section	Title	What Declares a Nuisance

8.48.050	Fire Hazard	Weeds, grasses, trees, rubbish, or other material growing on private property that, by size, manner of growth, and location, constitute a fire hazard, including weeds and grasses that when dry will in reasonable probability constitute a fire hazard
8.48.160	Tree trimming	Accumulations of limbs, branches, prunings, trimmings, stumps, and parts of domestic or cultivated fruit trees that are cut, removed, fallen, or severed
8.48.170	Infested trees	Any fruit or ornamental tree or shrub infested with red, yellow, or black scale, mistletoe, mealybug, or other pests or diseases detrimental to agricultural crops, as determined by the Riverside County Agricultural Commissioner
8.48.210(L)	Property maintenance	Any front yard, parkway, or landscaped setback area that lacks turf, other planted material, decorative rock, bark, or planted ground cover or covering, causing excessive dust or the accumulation of debris
8.48.210(M)	Property maintenance	Any condition of vegetation overgrowth that encroaches into, over, or upon any public right-of-way, including streets, alleys, or sidewalks, so as to constitute a danger to public safety or property, or an impediment to public travel

8.48.210(N)	Property maintenance	Overgrown, dead, decayed, or hazardous vegetation that: (1) may harbor rats, vermin, or disease carriers; (2) obstructs the vision of motorists or creates a hazardous condition for pedestrians or vehicle traffic; (3) constitutes a fire hazard to any building, improvement, or crop; (4) creates an unsightly appearance; or (5) creates a danger or attractive nuisance to the public
8.48.250	Attractive nuisances	Maintaining on any premises a condition that constitutes an attractive nuisance, including (among other listed conditions) accumulated vegetation which may reasonably attract children to abandoned or neglected conditions
8.48.300	Overgrown plants	Dead, decayed, diseased, or hazardous trees, hedges, weeds, shrubs, and overgrown vegetation, cultivated or uncultivated, that are likely to harbor rates or vermin, constitute an unsightly appearance, are detrimental to neighboring properties or property values, or are grown over the public right-of-way and impair vehicular or pedestrian traffic

JUSTIFICATION:

Staff offers the following observations for the Council's consideration and discussion. These are presented as discussion points only; staff is seeking Council direction before drafting any specific code amendments.

1. Overlapping and duplicative provisions. Sections 8.48.050, 8.48.160, 8.48.170, 8.48.210(N), and 8.48.300 each separately address dead, overgrown, or hazardous vegetation using similar, but not identical, language drawn from different amendments dating back to 1965. This overlap can create ambiguity about which standard governs a given enforcement action and makes it harder for property owners and staff to identify obligations at a glance. *The Council may wish to direct staff to study consolidating these provisions into a single, clearly organized vegetation-management section.*
2. No objective, measurable standard. None of the current sections establishes a specific, measurable threshold — for example, a maximum height for weeds or dry grass, a minimum

defensible-space clearance around structures, or a setback from the public right-of-way — for when vegetation becomes "overgrown" or a "fire hazard." Enforcement currently relies on descriptive language such as "by reason of their size, manner of growth and location" or "unsightly appearance." *The Council may wish to discuss whether to adopt objective standards to make the ordinance easier and more consistent to enforce.*

3. Alignment with State fire-safety law. State law (e.g., Public Resources Code Section 4291 and Government Code Section 51182) requires defensible-space clearance around structures in State Responsibility Areas and Very High Fire Hazard Severity Zones, and the California Fire Code, as locally adopted, contains its own vegetation-management standards. Given Banning's location in the San Gorgonio Pass and its exposure to wind-driven fire conditions, *staff recommends the Council consider whether Chapter 8.48 should cross-reference or incorporate these state and fire code standards to ensure consistency and to strengthen the City's enforcement position.*
4. Seasonal, proactive weed abatement program. Chapter 8.48 currently treats vegetation nuisances the same as other property-maintenance nuisances, relying on complaint-driven enforcement. Many California cities instead operate an annual weed and fire-hazard abatement program (modeled on Health and Safety Code Section 14875 et seq.), under which staff proactively identifies at-risk parcels each spring, issues a single citywide notice, allows a defined period to comply, and — if the owner fails to act — has the vegetation removed with the cost recovered through a special assessment or lien on the property. *The Council may wish to direct staff to evaluate establishing this kind of proactive, seasonal program specifically for fire-hazard vegetation.*
5. Interaction with water-efficient landscaping. Section 8.48.210(L) requires that front yards, parkways, and landscaped setback areas contain turf, other planted material, decorative rock, bark, or planted ground cover to avoid dust and debris. *The Council may wish to confirm that this language is not read to discourage drought-tolerant or California-native landscaping, consistent with state water-efficiency policy.* Staff can propose clarifying language expressly recognizing mulch, decomposed granite, and drought-tolerant plantings as acceptable ground cover if the Council shares this concern.
6. Vacant and absentee-owned lots. Fire-hazard vegetation is frequently most severe on vacant or absentee-owned parcels, where owners may be difficult to notice or slow to respond. *The Council may wish to direct staff to review the City's noticing and right-of-entry procedures, and associated cost-recovery and lien mechanisms, to ensure the City can abate hazardous vegetation on such properties promptly during high fire-risk periods.*
7. Penalties calibrated to risk. A vegetation nuisance is currently enforced through the same general penalty applicable to any nuisance under Section 8.48.030 (misdemeanor or infraction, fine up to $1,000, and/or up to six months imprisonment). Given the public-safety risk posed by fire-hazard vegetation, *the Council may wish to discuss whether such violations should carry an expedited compliance timeline or a distinct, graduated administrative fine schedule.*

FISCAL IMPACT:

None associated with this discussion item. Should the City Council direct staff to prepare Municipal Code amendments or a new abatement program, the associated costs (e.g., program administration, code enforcement staffing, notification, and hearing costs) will be identified and presented for the Council's consideration in a subsequent staff report and, if applicable, budget action.

ATTACHMENTS:

1. Nuisance Ordinance.pdf

Article I. - Nuisance

8.48.010 - Definitions.

For purposes of this chapter, words and phrases designated herein shall have the following meanings:

"Building official" means the building official of the city, and, for all provisions of this chapter except Section 8.48.480, his authorized agents, assistants, deputies or representatives.

"Chief" means the chief of the fire department of the city, and, for all provisions of this chapter except Section 8.48.480, his or her authorized agents, assistants, deputies or representatives.

"City" means the City of Banning, California.

"City council" means the city council of the city.

"City manager" means the city manager of the city, and, for all provisions of this chapter except Section 8.48.480, his or her authorized agents, assistants, deputies or representatives.

"Code enforcement manager" means the code enforcement manager of the city, and, for all provisions of this chapter except Section 8.48.480, his or her authorized agents, assistants, deputies or representatives.

"Health officer" means the official of the city or the county of Riverside responsible for the enforcement of laws, ordinances, rules and regulations of the state, county and city relating to the public health, sanitation, food handling and environmental health including his or her authorized agents, assistants, deputies or representatives.

"Hearing officer" means the abatement hearing officer created by this chapter.

"Official" means any officer or official authorized to take action with respect to the abatement of a nuisance on behalf of the city, including the building official, chief, city manager, health officer, code enforcement manager and their designees.

"Public nuisance" means an act or condition, as specifically set forth herein or otherwise, which poses a danger to the health, welfare or safety of the community or neighborhood, or is indecent or offensive to the senses or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property, or unlawfully obstructs the free passage or use in a customary manner of any public park, street, stream or highway. A "public nuisance" affects at the same time the entire community or neighborhood or any considerable number of persons although the extent of the annoyance or damage inflicted upon individuals may be unequal.

(Code 1965, § 11C-1.)

8.48.020 - Violations deemed public nuisances.

A. The provisions of this section are applicable to all property throughout the city, wherein any conditions, uses or activities hereinafter specified are found to exist. This section shall not be applicable to any condition which would constitute a violation of this chapter but which is duly authorized under the Municipal Code or any applicable state or federal law.
B. The list of activities, uses of property and conditions of property declared to be a public nuisance pursuant to this section is not intended to be exclusive. The city council expressly reserves to itself the right to declare other and additional activities, uses of property, and conditions of property to be nuisances subject to abatement pursuant to this title or by any other means authorized by law.
C. Every owner, tenant, occupant, agent, person having charge or possession of any premises or property, lessee or holder of any possessory interest of real property within the city is required to maintain such property as not to violate the provisions of this section. The owner of the property shall remain liable for violations hereof, regardless of any contract or agreement with any third party regarding such property or the occupation of the property by any third party. Every successive owner of property who neglects to abate a continuing nuisance upon, or in the use of, such property, created by the former owner, is liable therefor in the same manner as the one who first created it.

(Code 1965, § 11C-2.)

8.48.030 - Penalty.

The owner, lessee, occupant, tenant or other person having charge or control over any premises, property, land or structure constituting a public nuisance as defined in this Code, shall be guilty of a misdemeanor, conviction of which shall be punished by a fine not exceeding one thousand dollars or imprisonment for a term not exceeding six months, or by both such fine and imprisonment. However, the city attorney or city prosecutor is authorized to file or charge any such violation as either a misdemeanor or infraction or reduce any charge filed as a misdemeanor to an infraction. Every day of such violation shall constitute a separate offense.

(Ord. No. 1381, § 11.)

8.48.040 - Refuse and waste defined.

"Refuse and waste matter" is defined for the purpose of this chapter as unused or discarded matter or material, and which consists of such matter and material as rubbish, refuse, debris, and matter of any kind, including but not limited to rubble, asphalt, concrete, plaster, tile, rocks, bricks, soil, building materials, crates, cartons, containers, boxes, machinery or parts thereof, scrap metal and other pieces of metal, ferrous or nonferrous, furniture or parts thereof, trimmings from plants or trees, cans, bottles and barrels. Refuse and waste matter as defined, which by reason of its location and character is unsightly, or poses a threat of fire or vermin infestation and interferes with the reasonable enjoyment of property by neighbors, detrimentally affects property values in the surrounding neighborhood or community, or which would materially hamper or interfere with the prevention or suppression of fire upon the premises is declared a public nuisance.

(Code 1965, § 11C-3.)

8.48.050 - Fire hazard.

All weeds, grasses, trees, rubbish, or any material growing upon private property within the city which by reason of their size, manner of growth and location constitute a fire hazard to any building, improvements, crops or other property, and weeds and grasses which when dry, will in reasonable probability constitute a fire hazard are declared a public nuisance.

(Code 1965, § 11C-4.)

8.48.060 - Unsanitary animals.

Any animals, fowl, or birds which, with concurrence of the city's animal control officer are kept or permitted to be kept in foul, offensive, obnoxious, filthy or unsightly conditions on any premises are declared a public nuisance.

(Code 1965, § 11C-5.)

8.48.070 - Sewage on ground.

It is declared a nuisance to permit any part of the contents of any privy vault, cesspool, septic tank, water closet, urinal, pipe, sewer line, or any sewage, slop water or any other filthy water, matter or substance, to flow or discharge upon the ground or upon the surface of any lot or premises, or in any public street or other public place.

(Code 1965, § 11C-6.)

8.48.080 - Building code violations.

All buildings, structures, or appendages, both permanent and temporary, maintained in violation of the uniform building codes adopted by the city, or subject to any of the following conditions are declared a public nuisance:

A. Buildings or structures, or parts thereof, not completed within a reasonable time as per the determination of the city's building official and for which the permit for such construction has expired;

B. Unoccupied buildings which are open to or unsecured from intrusion by persons, animals or the elements or which are boarded up by a method or by use of materials not approved by the city. Such methods and materials shall be as set forth in the policies of the code enforcement department;

C. Fences or walls in a hazardous condition, or which are in disrepair, or which hinder free access to public sidewalks;

D. Broken windows constituting hazardous conditions or inviting trespassers;

E. Any violation listed in the State Housing Law at Section 17920.3 of the California Health and Safety Code, or any amendment thereto.

(Code 1965, § 11C-7.)

8.48.090 - Zoning ordinance violations.

Any buildings, sign or other structure set up, erected, constructed, altered, enlarged, converted, moved or maintained contrary to the provisions of the city's zoning ordinance, as amended, and any use of land, building, or premises established, conducted or operated or maintained contrary to the provisions of the city's zoning ordinance, as amended, is declared a public nuisance.

(Code 1965, § 11C-8.)

8.48.100 - Parking or placement on private property for purpose of sale.

A. Parking, setting down, or placing of any item(s), upon or within the limits of a parcel of land, that is vacant or upon which are present only vacant structure(s), by any person other than the owner of such parcel, under such circumstances as to present an offer of the item(s) for sale, when the offer of sale of the item(s) is to open to observation by persons who are within the public right-of-way, and when such offer of sale is contrary to the provisions of this Code including the city's Zoning Code, is declared a nuisance.

B. The owner or person in possession and control of such item(s) constituting a nuisance under this section who fails to comply with any written or other order to abate any such public nuisance shall, on the first such violation be guilty of an infraction and shall be subject to a fine not to exceed one hundred dollars; a fine not to exceed two hundred dollars shall be imposed upon conviction for a second violation of the same offense within one year shall constitute a

misdemeanor punishable by a fine not to exceed one thousand dollars, six months in jail or both such fine and imprisonment. Every day of such violation shall constitute a separate offense.

C. For purposes of this section, "item" shall include, but is not limited to, any automobile, automotive part or accessory, trailer, any and all food items, decorative plant, toy, furniture, equipment, housewares, textile, clothing, jewelry, firewood, or art.

(Code 1965, § 11C-8.1.)

8.48.110 - Graffiti.

Graffiti which is visible from adjacent properties or from a public street or right-of-way is declared a public nuisance.

(Code 1965, § 11C-9.)

8.48.120 - Polluted water.

"Polluted water" is defined for the purpose of this chapter as water contained in a swimming pool, pond or other body of water, which contains any of the following: organic matter conducive to bacterial growth including algae, remains of insects, remains of deceased animals, reptiles, rubbish, refuse and waste matter, debris, papers, or any other foreign matter or material which, because of its nature or location, constitutes an unhealthy, unsafe or unsightly condition. Any swimming pool, pond or other body of water which is abandoned, unattended, unfiltered, or not otherwise maintained, resulting in the water becoming polluted as defined, is declared a public nuisance.

(Code 1965, § 11C-10.)

8.48.130 - Stagnant water.

Any premises maintained so as to cause the accumulation of stagnant or still water, or any other condition which harbors and breeds mosquitoes or any other poisonous or objectionable insect is declared a public nuisance.

(Code 1965, § 11C-11.)

8.48.140 - Insects—Vermin.

Any building, vacant lot, premises, vehicle, or place maintained in such a manner as to permit the breeding or harboring therein or thereon of flies, bedbugs, cockroaches, black widow spiders, lice, fleas or any other vermin is declared a public nuisance.

(Code 1965, § 11C-12.)

8.48.150 - Noisy animals.

Any animal or fowl kept, maintained or permitted to remain on any lot or parcel of land which by any sound or cry disturbs the peace and comfort of any neighborhood, or interferes with one or more persons in the reasonable and comfortable enjoyment of life and property is declared a public nuisance.

(Code 1965, § 11C-13.)

8.48.160 - Tree trimming.

Accumulations of limbs, branches, prunings, trimmings, stumps and parts of domestic or cultivated fruit trees, cut, removed, fallen or severed from such trees are declared a public nuisance.

(Code 1965, § 11C-14.)

8.48.170 - Infested trees.

Any fruit tree or ornamental tree or shrub infested with red, yellow, or black scale, mistletoe, mealy bug or other insect pests or diseases detrimental to agricultural crops, as determined by the Riverside agricultural commissioner, is declared a public nuisance.

(Code 1965, § 11C-15.)

8.48.180 - Privies.

Any privy vault maintained in violation of this Code is declared a public nuisance.

(Code 1965, § 11C-16.)

8.48.190 - Signs.

Every sign or advertising structure subject to any of the following conditions is declared a public nuisance:

A. The sign or advertising structure was unlawfully erected on public or private property, or declared to be hazardous or unsafe by the building official;

B. The sign or advertising structure advertises or is related to events which have already taken place;

C. The sign was legally erected, but its use has ceased, or the structure upon which the display is placed has been abandoned by its owner, not maintained, or not used to identify or advertise an ongoing business for a period of ninety days or more;

D. Signs legally erected which later become nonconforming as a result of the adoption of an ordinance on which the amortization period provided by the ordinance or other law has expired, and for which conformance has not been accomplished.

(Code 1965, § 11C-17.)

8.48.200 - Obstruction to water.

Any structure, fence, conduit, wall, tree, masonry, pipe, lumber, or other material which obstructs or constitutes a hazard to the free flow of water through a stream, drainage channel, or watercourse is declared a public nuisance.

(Code 1965, § 11C-18.)

8.48.210 - Property maintenance.

It is unlawful and it is declared to be a public nuisance for any person owning, leasing, occupying, or having charge or possession of any premises or property within the city to maintain such property in such a manner that any of the following conditions are found to exist thereon:

A. The failure to secure and maintain against public access all doorways, windows, and other openings into vacant or abandoned buildings or structures;

B. Buildings or structures which are partially destroyed, damaged, abandoned, or permitted to remain in a state of partial construction for more than six months after the issuance of a building permit, or any extension thereof;

C. Building exterior, roofs, landscaping, grounds, walls, retaining and crib walls, fences, driveways, parking lots, sidewalks, or walkways which are maintained in such condition as to become defective, unsightly, cracked or no longer viable;

D. Painted buildings and walls, retaining walls, fences or structures that require repainting, or buildings, walls, fences, or structures upon which the condition of the paint has become deteriorated as to permit decay, excessive checking, cracking, peeling, chalking, dry rot, warping, or termite infestation;

E. Any building or structure, wall, fence, pavement, or walkway upon which any graffiti, including paint, ink, chalk, dye, or other similar marking substances, is allowed to remain for more than twenty-four hours;

F. Broken windows;

G. The accumulation of dirt, litter, feces, or debris in doorways, adjoining sidewalks, walkways, courtyards, patios, parking lots, landscaped or other areas;

H. Except where construction is occurring under a valid permit, lumber, junk, trash, garbage, salvage materials, rubbish, hazardous waste, refuse, rubble, broken asphalt or concrete, containers, broken or neglected machinery, furniture, appliances, sinks, fixtures or equipment, scrap metals, machinery parts, or other such material stored or deposited on property such that they are visible from a public street, alley, or neighboring property;

I. Temporary service bins or construction debris storage bins stored in excess of fifteen days on a public street or any front or side yard setback area without the express approval of the community development director;

J. Refuse or trash placed as to be visible from neighboring properties or streets, except for those times scheduled for collection, in accordance with this Code;

K. Any property with accumulations of grease, oil, or other hazardous material on paved or unpaved surfaces, driveways, buildings, walls, or fences, or from which any such material flows or seeps on to any public street or other public or private property, or which is likely to seep or migrate into the underground water table;

L. Any front yard, parkway, or landscaped setback area which lacks turf, other planted material, decorative rock, bark, or planted ground cover or covering as to cause excessive dust or allow the accumulation of debris;

M. Any condition of vegetation overgrowth which encroaches into, over, or upon any public right-of-way, including but not limited to streets, alleys, or sidewalks, as to constitute either a danger to the public safety or property or any impediment to public travel;

N. Overgrown, dead, decayed, or hazardous vegetation which:

1. May harbor rats, vermin, or other disease carriers,
2. Is maintained as to cause an obstruction to the vision of motorists or a hazardous condition to pedestrians or vehicle traffic,
3. Constitutes a fire hazard to any building, improvement, crop, or other property,
4. Constitutes an unsightly appearance, or
5. Creates a danger or attractive nuisance to the public;

O. Land, which the topography or configuration of which, in any man-made state, whether as a result of grading operations, excavations, fill, or other alteration, interferes with the established drainage pattern over the property or from adjoining or other properties which does or may result in erosion, subsidence, or surface water drainage problems of such magnitude as to be injurious to public health, safety and welfare or to neighboring properties;

P. Any other condition declared by any state, county, or city statute, Code, or regulation to be a public nuisance;

Q.

Any building, use or structure wherein one or more persons engage, or have engaged, in two or more acts which are prohibited pursuant to the laws of the State of California, the provisions of this Code or any other penal ordinance of this city, including but not limited to the following acts:

1. Unlawful possession or use of controlled substances;
2. Prostitution;
3. Gambling; or
4. Solicitation for any unlawful conduct.

(Code 1965, § 11C-19.)

8.48.220 - Smoke and soot.

Any excessive smoke, soot or cinders permitted to be emitted from any engine, firebox, stove, furnace, chimney or smokestack in a manner so as to annoy any resident of the neighborhood and which in the opinion of the city's fire marshal constitutes a fire hazard, or to operate any engine or machinery using fuel oil, emitting offensive odors, or smoke or soot which extends to dwelling houses in the neighborhood to such an extent as to render their occupancy materially uncomfortable, or to interfere with the use and comfortable enjoyment of property is declared a public nuisance.

(Code 1965, § 11C-20.)

8.48.230 - Internal combustion engines.

Any stationary internal combustion engine used, run, or otherwise operated within three hundred feet of any private residence, roominghouse or lodginghouse without first obtaining the consent of all persons residing within such distance is declared a public nuisance; provided, that such consent shall be unnecessary if the exhaust and noise therefrom is muffled so as to prevent the emission of any excessive soot, smoke or noise. This section shall not apply to the use of generators during public emergencies.

(Code 1965, § 11C-21.)

8.48.240 - Salvage materials.

Any lumber, junk, trash, debris, refuse, matter, waste matter or other salvage materials, visible from a public right-of-way or adjoining property is declared a public nuisance.

(Code 1965, § 11C-22.)

8.48.250 - Attractive nuisances.

It is unlawful and it shall be a public nuisance for any person owning, leasing, occupying or having charge or possession of any premises or property in the city to maintain on any such premises or property any condition that constitutes an attractive nuisance, including, but not limited to, abandoned, broken, or neglected equipment and machinery, pools, ponds, excavations, abandoned wells, shafts, basements, or other holes, abandoned refrigerators or other appliances, abandoned motor vehicles, any unsound structure, or accumulated lumber, trash, garbage, debris, or vegetation which may reasonably attract children to such abandoned or neglected conditions.

(Code 1965, § 11C-23.)

8.48.260 - Household fixtures.

Abandoned or discarded furniture, appliances, play equipment or other household fixtures or other equipment, stored so as to be visible from public right-of-way or from adjoining property is declared a public nuisance.

(Code 1965, § 11C-24.)

8.48.270 - Clotheslines.

Clotheslines in front or side yard areas of corner lots or clothes hung to dry on walls, fences, trees, bushes or carport areas where such is viewable from the public right-of-way are declared a public nuisance.

(Code 1965, § 11C-25.)

8.48.280 - Materials stored on roofs.

Materials or items of any type stored on roofs and visible from the public right-of-way are declared a public nuisance.

(Code 1965, § 11C-26.)

8.48.290 - Discarded materials.

Garbage or trash cans, containers or plastic bags stored in front or side yards, visible from the public right-of-way, or which cause offensive odors are declared a public nuisance.

(Code 1965, § 11C-27.)

8.48.300 - Overgrown plants.

Any dead, decayed, diseased or hazardous trees, hedges, weeds, shrubs and overgrown vegetation, cultivated or uncultivated, which are likely to harbor rats or vermin, which constitutes an unsightly appearance, which are detrimental to neighboring properties or property values, or which are grown over the public right-of-way and impair vehicular or pedestrian traffic are declared a public nuisance.

(Code 1965, § 11C-28.)

8.48.310 - Lack of water and electricity to occupied residential unit.

Any structure occupied as a residence to which a regular and lawful flow of water, or to which a lawful flow of electricity has not been provided for seventy-two hours is declared a public nuisance.

(Code 1965, § 11C-28.1.)

8.48.320 - Operation of private water well.

In order to safeguard the quantity and quality of the water supply, it is declared that any private water well, whether for injection, extraction or observation, established in the city after date of this chapter is a nuisance unless otherwise agreed by the city and the owner of the well prior to commencement of the drilling of such well. This section shall supersede any inconsistent provisions of Chapter 32A of the Banning Ordinance Code.

(Code 1965, § 11C-28.2.)

8.48.330 - Manufacture or sales of drugs.

Any real or personal property utilized in the manufacture, sales, or storage of any drug which is illegal under any state or federal law is declared a nuisance. This section shall not apply to the manufacture, sale or storage of marijuana or cannabis permitted under Chapters 5.33, 5.34, and 5.35 of this Code.

(Code 1965, § 11C-28.3.; Ord. No. 1506, § 2, 3-14-17)

(Ord. No. 1455, § 2(b), 10-9-12; Ord. No. 1505, § 2, 12-12-16; Ord. No. 1577, § 11, 9-28-21)

8.48.340 - Abandoned, wrecked, dismantled, or inoperative vehicles.

It is unlawful and it shall be a public nuisance for any person owning, leasing, occupying or having charge or possession of any premises or property in the city to permit, accumulate or store on such premises or property (not including highways) any abandoned, wrecked, dismantled, or inoperative vehicle, except as expressly provided in the Municipal Code or any applicable state or federal law.

(Code 1965, § 11C-28.4.)

CITY OF BANNING
STAFF REPORT

TO:	**CITY COUNCIL**
FROM:	**Elizabeth Gibbs, City Manager**
PREPARED BY:	**Art Vela, Director of Public Works** **Jennifer Terry, Finance Director**
MEETING DATE:	**September 8, 2026**
SUBJECT:	**Consideration of Resolution 2026-125, Awarding Professional Services Agreements to Spicer Consulting Group, LLC for Community Facility District and Tax Consulting Services in a Not-to-Exceed Amount of $526,000 for a Five-Year Term and Rejecting All Other Proposals**

STAFF RECOMMENDATION:

Adopt Resolution 2026-125

BACKGROUND:

Community Facilities Districts (CFDs), commonly referred to as Mello-Roos districts, provide local agencies with a mechanism to levy special taxes within a defined geographic area to finance eligible public facilities and services. Services CFDs may be used to fund enhanced municipal services, including police and fire protection, as well as other services needed to support new development. Additionally, CFDs can be created to fund the maintenance of public facilities (e.g., streetlights, street sweeping, landscape maintenance, etc.) installed as part of new development.

A well-administered CFD program can help ensure that new development contributes toward the increased cost of providing municipal services to growing areas of the City. This reduces the potential impact of new development on the City's General Fund and helps maintain appropriate service levels for both existing and future residents and businesses.

The creation of a robust CFD program was identified as part of the City's Strategic Plan under Strategic Initiative 4a, Banning's Workout Plan to Fiscal Sustainability. Retaining a qualified CFD and tax consultant will provide the City with specialized technical support to establish, administer, and maintain CFDs in a consistent, legally compliant, and financially sustainable manner.

In addition to CFD formation and administration services, the scope of work under this agreement will also include the ongoing administration of the City's existing special districts such as Landscape Maintenance District No. 1, ensuring consistent assessment management, levy coordination, reporting, and compliance with applicable requirements.

The City issued Request for Proposals No. 26-137 for Community Facilities District and Tax Consulting Services through the City's ProcureNow / OpenGov procurement system. The solicitation was posted on June 15, 2026, and proposals were due on July 8, 2026. The City received four responsive bidders to the solicitation, which were ranked as follows:

1. Spicer Consulting Group, LLC

2. NBS
3. C. Financial Investment, Inc.
4. Willdan Financial Services

An evaluation committee reviewed and scored the proposals based on the firms' qualifications, relevant experience, proposed approach and methodology, ability to provide the required services, professional references, value-added services, and pricing.

Based on the results of the evaluation process, staff recommends awarding a Professional Services Agreement with a 5-year term to Spicer Consulting Group, LLC, in an amount not to exceed $526,000 throughout the term. Spicer Consulting Services received the highest overall ranking and demonstrated the qualifications, experience, and technical capabilities necessary to support the City's CFD program, administer the City's Landscape Maintenance District No. 1, and provide the services identified in the RFP.

As outlined in the fiscal impact section of this report, most of the costs of the proposed agreement will be borne by developers or established districts. The amount identified below as being paid by the General Fund, $23,000, may be subject to reimbursement by a developer.

JUSTIFICATION:

Awarding the agreement to Spicer Consulting Services will provide the City with specialized expertise to support the formation, implementation, and ongoing administration of its CFD program, as well as the administration of existing special districts. These services will assist the City with establishing appropriate special tax structures, completing required calculations and reporting, maintaining accurate district records, and ensuring compliance with applicable legal and procedural requirements.

Spicer Consulting Group, LLC was the highest-ranked proposer following the City's competitive evaluation process. The firm's qualifications, relevant experience, proposed approach, and ability to provide the requested services were determined to offer the best overall value to the City.

The proposed agreement will also advance Strategic Initiative 4a by helping the City develop a reliable and sustainable mechanism for recovering the costs of providing services to new development.

FISCAL IMPACT:

The Professional Services Agreement with Spicer Consulting Group, LLC is for an amount not to exceed $526,000. Funding for the in the amount of $45,000 (see tasks and amounts with asterisks), will be included in the Fiscal Year 2026/27 Proposed Operating Budget. The remaining amounts are as needed and will be requested in future budget updates. The breakdown is as follows:

Task	Frequency	Paid By	Annual Cost	Proposed Quantity	Extended Amount
Public Safety Fiscal Impact Analysis*	One-Time	General Fund	$13,500*	1	$13,500
Public Safety Formation*	One-Time	General Fund	$9,500*	1	$9,500
Total Costs Paid by General Fund*			**$23,000***		**$23,000**
Facilities Formation	As Needed	Paid by Developer	$25,000	3	$75,000

additional improvement areas	As Needed	Paid by Developer	$5,000	2	$10,000
Maintenance Formation landowner	As Needed	Paid by Developer	$15,000	1	$15,000
Maintenance Annexation	As Needed	Paid by Developer	$12,500	10	$125,000
Public Safety Annexation	As Needed	Paid by Developer	$10,000	5	$50,000
Total Costs Paid by Developer (no impact on General Fund)			**$67,500**		**$275,000**
Facilities CFD Monitoring (per improvement area)	Annual	Paid by District	$7,500	(3*$7,500)*4	$90,000
Maintenance CFD Commercial per zone	Annual	Paid by District	$500	(11*$500)*4	$22,000
Public Safety per Annexation	Annual	Paid by District	$500	(6*$500)*4	$12,000
All 11 Zones in LMD 1*	Annual	Paid by District	$11,000*	$5,000+ (4*$11,000)	$49,000
Improvement District 2004-1*	Annual	Paid by District	$4,500*	5	$22,500
CSA 152*	Annual	Paid by District	$6,500*	5	$32,500
Total Costs Paid by Districts (no impact on General Fund)			**$30,500**		**$228,000**
Total Not-to-Exceed					**$526,000**

ATTACHMENTS:

1. Reso_2026-125.docx
2. RFP_26-137_CFD_&_Tax_Consulting_Services_-_SCG_Response.pdf
3. V.C_Price_Proposal.pdf
4. Contract No C01295 - SCG Spicer Consulting Group, LLC - CFD & Tax Consulting Services - Clean Copy.docx

RESOLUTION 2026-125

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AWARDING PROFESSIONAL SERVICES AGREEMENTS TO SPICER CONSULTING GROUP, LLC FOR COMMUNITY FACILITIES DISTRICT AND TAX CONSULTING SERVICES IN A NOT-TO-EXCEED AMOUNT OF $526,000 FOR A FIVE YEAR TERM AND REJECTING ALL OTHER PROPOSALS

WHEREAS, Community Facilities Districts provide the City with a mechanism to finance eligible public facilities and services through the levy of special taxes within defined geographic areas; and

WHEREAS, a properly structured and administered Community Facilities District program can help ensure that new development contributes toward the cost of providing additional municipal services, including police protection, fire protection and other eligible services; and

WHEREAS, the development of a robust Community Facilities District program was identified in the City's Strategic Plan under Strategic Initiative 4a, Banning's Workout Plan to Fiscal Sustainability; and

WHEREAS, the City also requires professional assistance with the ongoing administration of existing special districts, including assessment calculations, levy coordination, reporting, recordkeeping, and compliance with applicable requirements; and

WHEREAS, on June 15, 2026, the City issued Request for Proposals No. 26-137 for Community Facilities District and Tax Consulting Services through the City's ProcureNow /OpenGov procurement system; and

WHEREAS, proposals were due on July 8, 2026, and the City received four (4) responsive bidders to the solicitation; and

WHEREAS, an evaluation committee reviewed and scored the proposals based on the firm's qualifications, relevant experience, professional references, proposed approach and methodology, ability to provide the required services, value-added services, and pricing; and

WHEREAS, Spicer Consulting Group, LLC received the highest overall ranking and demonstrated the qualifications, experience, technical capabilities, and proposed approach necessary to provide the requested services; and

WHEREAS, City staff recommends awarding a Professional Services Agreement to Spicer Consulting Services in an amount not to exceed $526,000 for Community Facility District and Tax Consulting services for a five-year term; and

WHEREAS, Funding for the immediate tasks, totaling $45,000, will be included in the Fiscal Year 2026/27 Proposed Operating Budget. The remaining amounts are as needed and will be requested in future budget updates.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The City Council approves Professional Services Agreements with Spicer Consulting Group, LLC for Community Facilities District administration, existing district administration, and tax consulting services for a five-year term in a not-to-exceed amount of $526,000, and rejects all other proposals received in response to RFP No. 26-137.

SECTION 2. City Council authorizes the City Manager or designee to make necessary non-substantive revisions to the agreement, execute the agreement and related task orders, purchase orders, and documents necessary to implement the agreement, and make necessary budget adjustments, appropriations, transfers, and account coding assignments related to Community Facilities District (CFD) and Tax Consulting Services.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED, AND ADOPTED this 8th day of September 2026.

Richard Royce, Mayor
City of Banning

ATTEST:

Sandra Calderon, Deputy City Clerk
City of Banning

APPROVED AS TO FORM:

Phaedra Norton, City Attorney
Slovak, Baron, Empey, Murphy & Pinkney, LLP

CERTIFICATION:

I, Sandra Calderon, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2026-125, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 8th day of September 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

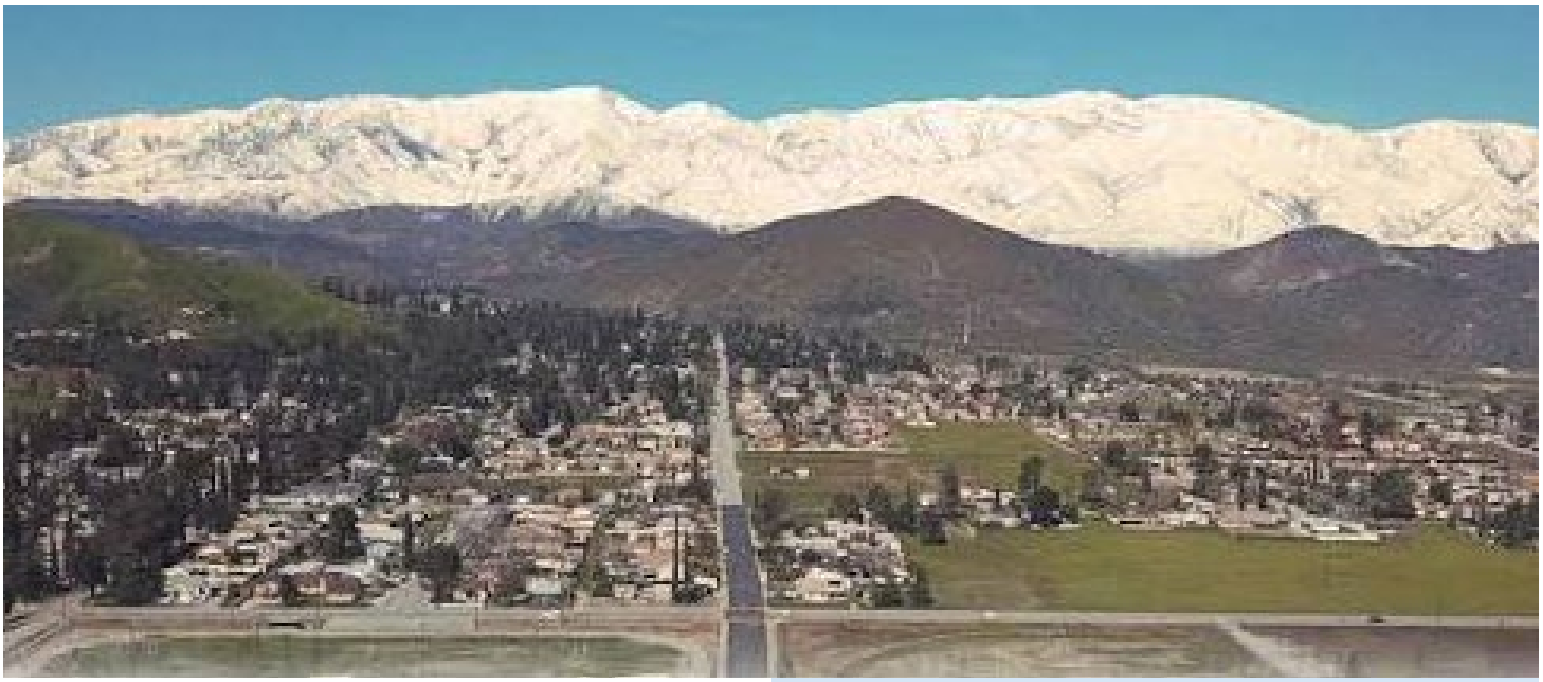
Sandra Calderon, Deputy City Clerk
City of Banning, California

Exhibit A
Draft Agreements

SPICER
CONSULTING GROUP

COMMUNITY FACILITIES DISTRICT

RE: RFP 26-137 COMMUNITY FACILITIES DISTRICT (CFD) & TAX CONSULTING SERVICES



City of Banning, California

99 E. Ramsey Street
Banning, California 92220.

SPICER CONSULTING GROUP

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SPICER CONSULTING GROUP

June 29, 2026

Ellen Clifford, Purchasing Manager
City of Banning
99 E. Ramsey Street
Banning, CA 92220

RE: Proposal for RFP 26-137 - Community Facilities District (CFD) & Tax Consulting Services

Dear Ms. Clifford:

Spicer Consulting Group, LLC (SCG) is pleased to submit this proposal to provide Community Facilities District (CFD), Landscape Maintenance District (LMD), Assessment District, and special district administration services for the City of Banning.

Earlier this year, SCG had the opportunity to present to the Banning City Council regarding the use of Community Facilities Districts as a long-term financing strategy for future development and public infrastructure. Following that presentation, the City Council unanimously expressed its support for pursuing CFDs as a financing tool. We appreciate the opportunity to now assist the City in implementing that vision by providing comprehensive formation, administration, and financing support for the City's special district program.

SCG understands that the City's needs extend beyond annual levy calculations. Successful special district administration requires responsive client service, accurate financial administration, dependable technology, and a consultant capable of supporting the City as its financing programs continue to evolve. Our team currently administers more than 830 special financing districts, improvement areas, and assessment zones representing approximately 1.44 million parcels and more than $187 million in annual special taxes and assessments throughout Southern California.

Our proposal reflects a comprehensive approach to supporting the City's existing and future special district programs. In addition to annual administration of Community Facilities Districts and Landscape Maintenance District No. 1, we have included optional services for Improvement District No. 2004-1 and County Service Area No. 152 administration, providing the City with a single consultant capable of managing its entire special district portfolio. SCG's proprietary technology platform, including STAX, District Manager, Property Finder, and GIS-based quality assurance tools, provides efficient administration, enhanced transparency, and multiple layers of quality control that improve accuracy while reducing administrative effort for City staff.

SCG has built its reputation by delivering responsive service, maintaining long-term client relationships, and consistently meeting project schedules. Our experienced team includes professionals specializing in district formation, annexations, bond financing, annual administration, disclosure reporting, GIS mapping, financial analysis, and property owner support. We believe our experience, technology, and commitment to client service make SCG uniquely qualified to serve as the City's long-term partner.

Thank you for your consideration of our proposal. We appreciate the opportunity to continue working with the City of Banning and look forward to discussing how SCG can support the City's current needs and future financing initiatives. Should you have any questions or require additional information, please feel free to contact me directly.

.

Sincerely,

Spicer Consulting Group, LLC

Shane Spicer
Managing Director / Project Manager
Phone: 951-520-3331
Email: shane.spicer@spicercg.com

EXECUTIVE SUMMARY

Spicer Consulting Group, LLC (SCG) appreciates the opportunity to submit this proposal to provide Community Facilities District (CFD), Landscape Maintenance District (LMD), Assessment District, and special district consulting and administration services for the City of Banning.

Earlier this year, SCG had the opportunity to present to the Banning City Council regarding the use of Community Facilities Districts as a long-term financing strategy for future development. Following that presentation, the City Council unanimously supported pursuing CFDs as a financing tool. This proposal builds upon that effort by providing the City with a comprehensive approach to forming, financing, and administering its existing and future special district programs.

Unlike firms that specialize in only one aspect of special district consulting, SCG provides the complete lifecycle of district services, including fiscal impact analyses, Community Facilities District formation, annexations, bond financing support, annual administration, Landscape Maintenance District administration, Assessment District administration, County Service Area administration, continuing disclosure, GIS services, property owner support, and long-term financial administration. This integrated approach provides continuity, reduces consultant transitions, and allows the City to work with a single experienced team throughout the life of each district.

SCG currently administers more than 830 special financing districts, improvement areas, and assessment zones representing approximately 1.44 million parcels and more than $187 million in annual special taxes and assessments for public agencies throughout Southern California. Our clients include the County of Riverside, the Cities of Beaumont, Chula Vista, Corona, Lake Elsinore, Menifee, Murrieta, San Bernardino, Santee, Wildomar, and numerous other public agencies.

To support the City's long-term objectives, SCG has assembled a senior-level team with extensive experience in district formation, annual administration, annexations, bond financing, municipal disclosure, financial analysis, GIS mapping, and property owner services. Our proprietary technology platform, including STAX, District Manager, Property Finder, and our GIS-based quality assurance system, provides multiple layers of quality control, improves operational efficiency, enhances public transparency, and reduces administrative effort for City staff.

In addition to the services requested in the RFP, SCG has included optional services for the administration of Improvement District No. 2004-1 and County Service Area No. 152, providing the City with the flexibility to consolidate its special district administration under a single consultant as future needs arise.

SCG's proposal reflects our commitment to responsive client service, technical excellence, and long-term partnerships with our clients. We appreciate the opportunity to continue working with the City of Banning and look forward to assisting the City in implementing and administering a comprehensive special district program that supports future growth while protecting existing taxpayers.

Why SCG?

- ✓ Presented the City's CFD financing strategy to the City Council earlier this year.
- ✓ One consultant for CFD, LMD, Improvement District, and CSA administration.
- ✓ Administers 830+ special financing districts representing 1.44 million parcels.
- ✓ Proprietary STAX, District Manager, Property Finder, and GIS technology.
- ✓ Experienced transition team with proven implementation throughout Southern California.

A. Statement of Understanding and Approach

Statement of Understanding

SCG understands the City of Banning is seeking a long-term consulting partner to assist with the implementation, formation, financing, and administration of its Special District Program. Based on the original Request for Proposals and subsequent addenda, SCG understands the City's needs extend beyond CFD formation to include ongoing administration of Landscape Maintenance District No. 1, assessment engineering services, and comprehensive special district consulting to support the City's continued growth and long-term financial sustainability.

Earlier this year, SCG had the opportunity to present to the Banning City Council on the use of Community Facilities Districts as a financing tool to fund public infrastructure, public safety, and maintenance services associated with future development. Following that presentation, the City Council unanimously supported pursuing CFDs as a financing mechanism. This proposal represents the next step in implementing that vision by providing the City with an integrated program for district formation, financing, administration, and long-term management.

SCG's objective is to provide the City with a single, experienced consultant capable of supporting every phase of its Special District Program. Rather than relying on multiple consultants to perform formation, administration, assessment engineering, bond support, GIS mapping, disclosure reporting, and property owner services, SCG provides these services through one coordinated team working under a single project manager. This integrated approach improves communication, enhances quality control, reduces administrative effort, and provides consistent service throughout the life of each district.

SCG recognizes that this engagement includes not only providing ongoing administration services, but also successfully transitioning existing district records, databases, historical documents, and annual procedures. Our transition process is designed to ensure continuity of service, maintain existing project schedules, preserve institutional knowledge, and provide a seamless transfer with minimal staff involvement.

Our Approach

SCG believes successful Special District Programs are built on four fundamental principles:

- Develop financing programs that are equitable, legally defensible, and capable of supporting long-term growth.
- Administer districts accurately, efficiently, and transparently while maintaining the highest level of quality assurance.
- Provide responsive support to City staff, developers, property owners, and other stakeholders throughout the life of each district.
- Leverage technology to improve efficiency, increase transparency, and reduce administrative risk.

Our team functions as an extension of City staff, providing practical recommendations and responsive service while maintaining complete accountability for project schedules, deliverables, and ongoing administration.

SCG proposes a comprehensive service program that includes:

- Community Facilities District formation for public infrastructure, maintenance services, and public safety services.
- Annual administration of future Community Facilities Districts, including bonded and non-bonded districts.
- Annual administration of Landscape Maintenance District No. 1, including preparation of the annual Engineer's Report, levy calculations, County enrollment, and Council proceedings.
- Bond financing support, continuing disclosure, and post-issuance compliance.
- GIS mapping, parcel database management, levy audit mapping, and property owner support utilizing SCG's proprietary technology platforms.

Comprehensive Funding Strategy

SCG recommends implementing a coordinated financing strategy that allows the City to recover the full cost of growth while protecting existing residents and the General Fund.

Facilities CFD

Project-specific Facilities CFDs provide a flexible financing mechanism for public infrastructure required to support new development, including transportation improvements, water, sewer, storm drainage, parks, public buildings, and other eligible capital facilities. SCG will assist the City in developing financing structures that accommodate reimbursement agreements, phased development, multiple improvement areas, and future bond issuances.

Public Safety CFD

A citywide annexation Public Safety CFD provides a sustainable funding source for police, fire, emergency medical response, and other eligible public safety services. Prior to formation, SCG will prepare a comprehensive Fiscal Impact Analysis to evaluate the relationship between future development, General Fund revenues, and the cost of providing public safety services. The results of the analysis will establish an equitable special tax structure that protects the City's existing taxpayers while ensuring new development pays its proportional share of future service demands.

Maintenance Services CFD

SCG recommends establishing a citywide annexable Maintenance Services CFD to recover the long-term cost of maintaining public improvements constructed with new development. Individual Tax Zones can be established for each project to ensure only benefiting properties pay for the services they receive. The program may include separate special taxes for City-maintained improvements and contingency funding for privately maintained improvements should maintenance responsibilities ever revert to the City.

Comprehensive Administration Services

SCG views annual administration as more than preparing annual levies. Successful administration requires financial management, regulatory compliance, assessment engineering coordination, GIS integration, technology, and responsive customer service. Our goal is to provide the City with a proactive administration program that protects revenues, maintains compliance, and supports long-term growth.

Through STAX, District Manager, Property Finder, and our GIS platform, SCG delivers a fully integrated administration program capable of managing Community Facilities Districts, Landscape Maintenance Districts, Assessment Districts, and other special financing programs through a single technology platform.

Streamlined Annexation Process

SCG employs a structured and efficient 8-step annexation process for all new developments, including:

1. Eligibility Review
2. Application & Deposit Submission
3. Tax Zone and Service Scope Determination
4. RMA and Document Preparation
5. City Council Authorization
6. Recordation and Enrollment with the County
7. Maintenance Exhibits and GIS Mapping
8 Ongoing Monitoring and Annual Tax Adjustments

This process ensures legal compliance, accurate cost recovery, and consistent experience for City staff, developers, and property owners.

SCG's experience in managing more than 800,000 parcels across 750+ special districts, many with similar three-CFD frameworks, ensures a proven, adaptable solution for the City. Our commitment is to build a stable and transparent funding platform that supports long-term fiscal sustainability, equitable growth, and exceptional service delivery.

Transition and Program Implementation

Upon contract award, SCG will work closely with City staff to ensure a seamless transition of Landscape Maintenance District No. 1 and establish the framework for future CFD administration. Our transition process is designed to minimize disruption while ensuring complete continuity of annual levy administration and future district formations.

Transition activities include:

- Review of existing Engineer's Reports and assessment methodologies
- Transfer and validation of parcel databases
- Review of annual budgets and maintenance costs
- GIS verification of district boundaries and zones
- Review of County enrollment procedures
- Integration into STAX and District Manager
- Coordination with City staff regarding annual levy schedules
- Establishment of long-term administration calendars
- Preparation for future CFD formations and annexations

City Staff Responsibilities

SCG's objective is to minimize demands on City staff by managing the day-to-day administration of each assignment. We anticipate requesting only the information necessary to complete the requested services, such as existing district documents, budgets, development information, financial data, maintenance cost estimates, and other records maintained by the City. SCG will coordinate directly with the City's designated project manager and appropriate departments to obtain information, review assumptions, and schedule meetings, allowing City staff to remain focused on their core responsibilities while maintaining appropriate oversight of the program.

Use of City Facilities or Property

SCG does not anticipate requiring the use of City-owned facilities, equipment, or property to perform the requested services. Work will be performed from SCG's Murrieta office utilizing our personnel, technology platforms, and software systems. SCG will attend meetings at City Hall, project sites, or other City facilities as requested and will coordinate closely with City staff throughout the engagement.

B. Company Information

Spicer Consulting Group, LLC is a public finance consulting firm located in Murrieta, California, with a primary focus on providing municipal finance, assessment engineering, special tax consulting, CFD formation, special district administration, and development financing services to public agencies throughout Southern California.

SCG is a privately held limited liability company that works exclusively for public agencies and not for private developers. This public-agency-only focus allows SCG to provide independent advice to its clients and to structure financing solutions that protect the interests of public agencies, property owners, taxpayers, and bondholders while maintaining complete independence throughout the financing process.

SCG specializes in formation, administration, annexation, annual reporting, bond sale support, disclosure support, GIS mapping, parcel database management, property owner support, public safety funding analyses, fiscal impact analyses, proprietary technology solutions for CFDs, assessment districts, landscape maintenance districts, street lighting districts, sewer districts, county

Item	Response
Company Name	Spicer Consulting Group, LLC
Business Type	Limited Liability Company (LLC) / Municipal Finance Consulting Firm
Main Office	41880 Kalmia Street, Suite 145, Murrieta, CA 92562
Main Office Phone	855-581-0743
Primary Contact	Shane Spicer, Managing Director / Project Manager
Direct Phone	951-520-3331
Email	shane.spicer@spicercg.com
Website	www.spicercg.com
Services	Assessment Engineering, Special Tax Consulting, CFD Formation, CFD Administration, Annual Levy Administration, GIS Mapping, Fiscal Impact Analysis, Bond Support
Years in Business	SCG was founded in 2016 and has become one of Southern California's leading municipal finance consulting firms specializing exclusively in Community Facilities Districts, Assessment Districts, annual administration, and development financing.
Bankruptcy Statement	SCG has not filed for bankruptcy under any business name during the past five years.
California Authorization	SCG is authorized to conduct business in California and will provide evidence of active registration and good standing as required.

service areas, public service districts, maintenance districts, and related public financing programs.

SCG's services span the complete lifecycle of special district financing, from fiscal impact analyses and district formation through bond financing, annual administration, continuing disclosure, and long-term district management.

Litigation, Mediation, Arbitration, Claims, or Disciplinary Actions

SCG is not aware of any litigation, mediation, or arbitration regarding the performance of services similar to those requested in this RFP during the past five years that would impair SCG's ability to perform the requested services. SCG is not aware of any claims or disciplinary actions against the firm or key personnel relating to licenses, certifications, or the performance of the services requested.

SCG At a Glance

Experience	
Public Agency Clients	13
District Funds Administered	830+
Parcels Administered	1.44 Million
Annual Levy	$187 Million
CFD Formations	80+
CFD Annexations	270+
Bond Sales / Refundings	50+

C. Company Personnel

SCG proposes a senior-level team with direct experience in CFD formation, annual administration, annexations, bond support, disclosure reporting, parcel database management, GIS mapping, and property owner support. Key personnel will be available for the duration of the engagement and will not be removed or replaced without City concurrence, to the extent required by the final agreement. The City will have direct access to senior staff throughout the engagement without layers of project management or account representatives.

Qualifications of the proposed key personnel are provided below. The following summaries identify each team member's role on the project, representative responsibilities, and relevant experience supporting CFD formation, administration, bond financing, and special tax consulting services. SCG is committed to assigning the individuals identified herein throughout the duration of the engagement, subject to the terms of the final agreement.

Associate	Title	Years	Primary Responsibility
Shane Spicer	Managing Director / Principal-in-Charge	21	Executive Oversight, CFD Formation & Bond Financing
Jonathan Short	Senior Finance Manager / Project Manager	11	Annual Administration & QA/QC
Christina Ramirez	Lead Analyst / Assistant PM	7	Annual Administration & Property Owner Services
Mikel Spicer	Financial Analyst / GIS Manager	8	GIS, Technology & Parcel Administration
James Kim	Senior Financial Analyst	7	QA/QC, Disclosure & Financial Analysis
Alejandra Landaverde	Project Coordinator	2	Project Coordination & Client Support
Anthony Delgadillo	GIS Specialist	2	GIS Mapping & Database Support
Francisco Martinez	Assessment Engineer	31	Reviews and Certifies Engineer's Reports

Shane Spicer

Managing Director / Principal-in-Charge
Years of Experience: 21

Shane Spicer will serve as Principal-in-Charge and Client Services Manager for the City of Banning, providing executive oversight of all services performed under the agreement. He will serve as the City's primary point of contact and will be responsible for overall contract administration, project management, quality assurance/quality control (QA/QC), and the timely delivery of all project deliverables. Shane provides strategic guidance on CFD formations, annexations, special tax methodologies, public financing strategies, bond financings, fiscal impact analyses, and long-term district administration.

Shane will work directly with City staff, developers, bond financing teams, and legal counsel throughout the formation and administration process, providing policy guidance and technical recommendations while ensuring each assignment is completed in accordance with applicable laws, City policies, and project schedules. His extensive experience presenting before City Councils, governing boards, and public stakeholders enables him to communicate complex financing concepts in a practical and understandable manner.

With more than 21 years of municipal finance experience, Shane has managed hundreds of district formations, annexations, bond financings, and annual administration assignments throughout Southern California. He currently serves as Client Manager for all SCG agency clients and oversees the administration of more than 830 special financing districts representing approximately 1.44 million parcels and over $187 million in annual special tax levies.

Representative Agency Experience:
Riverside County Office of Economic Development; City of Beaumont; City of Chula Vista; City of Corona; City of Lake Elsinore; City of Menifee; City of Murrieta; City of San Bernardino; City of Santee; City of Wildomar.

Education:
MBA, Business Administration, Emphasis in Finance, California State University San Bernardino
BS, Physical Science, Emphasis in Mathematics, California Baptist College

Professional Organizations:
California Society of Municipal Finance Officers (CSMFO); Commission on Assessments, Special Taxes and Other Financing Facilities (CASTOFF); California Special Districts Association (CSDA)

Jonathan Short

Senior Finance Manager / Project Manager
Years of Experience: 11

Jonathan Short will serve as Project Manager and oversee the day-to-day administration of the City's future CFD program. He is responsible for managing annual administration services, special tax calculations, levy preparation, budget and fund analysis, annual reporting, tax roll coordination, disclosure support, and implementation of SCG's quality assurance and quality control procedures.

Jonathan works closely with project managers and analytical staff to develop accurate levy models, review parcel data, validate special tax calculations, and ensure compliance with County enrollment requirements and applicable municipal finance regulations. He also oversees project schedules, supervises analytical staff, and coordinates the preparation and review of annual administrative deliverables.

With more than 11 years of municipal finance experience, Jonathan oversees SCG's annual administration program across all agency clients and plays a critical role in maintaining standardized administrative procedures, data integrity, and consistent service delivery throughout the firm's portfolio. Jonathan also spent eight years in the United States Marine Corps, gaining valuable experience in leadership, work ethic, accountability, and attention to detail.

Representative Agency Experience:
Riverside County Office of Economic Development; City of Beaumont; City of Chula Vista; City of Corona; City of Lake Elsinore; City of Menifee; City of San Bernardino; City of Santee; City of Wildomar.

Education:
BS, Business Administration, Emphasis in Finance, California State Polytechnic University, Pomona

Professional Organizations:
California Society of Municipal Finance Officers (CSMFO); Commission on Assessments, Special Taxes and Other Financing Facilities (CASTOFF);

Christina Ramirez

Financial Analyst / Assistant Project Manager
Years of Experience: 7

Christina Ramirez will serve as Assistant Project Manager and Financial Analyst, supporting the day-to-day administration of the City's future CFD program. She is responsible for annual levy preparation, district budgeting, parcel research, annual administration services, client coordination, property owner assistance, title company support, and preparation of annual administrative reports.

Christina currently serves as Project Manager for SCG's administration services for the Cities of Menifee, Wildomar, Santee, and Coachella, where she coordinates annual administration activities and works directly with agency staff to ensure timely completion of project deliverables. She also provides bilingual customer service and serves as SCG's primary Spanish-speaking liaison for property owner inquiries.

Her strong analytical skills, attention to detail, and commitment to responsive client service make her an integral member of SCG's administration team.

Representative Agency Experience:
City of Menifee; City of Wildomar; City of Santee; City of Coachella; City of Murrieta.

Mikel Spicer

Lead Analyst / GIS Manager
Years of Experience: 8

Mikel Spicer will serve as GIS Manager and Lead Analyst, responsible for all geographic information system (GIS) services and technology integration supporting the City's future CFD program. He manages SCG's GIS platform, including parcel database development and maintenance, boundary mapping, annexation exhibits, levy audit maps, assessment diagrams, spatial analysis, and GIS quality assurance.

Mikel also administers SCG's proprietary technology platforms, including STAX, District Manager, and Property Finder, integrating parcel data, tax roll information, and mapping resources into a unified management system that improves efficiency, accuracy, and transparency. He prepares annual GIS audit maps, boundary maps for recorded documents, KML files for project research, and parcel-level quality control reports supporting annual levy administration, CFD formations, annexations, and bond financings.

His expertise in GIS technology, database management, and workflow automation enables SCG to deliver highly accurate mapping products while providing the City with modern technology solutions that enhance long-term district administration.

Representative Agency Experience:
Riverside County Office of Economic Development; City of Beaumont; City of Chula Vista; City of Corona; City of Lake Elsinore; City of Menifee; City of San Bernardino; City of Santee; City of Wildomar.

James Kim

Senior Financial Analyst / Quality Assurance Manager
Years of Experience: 7

James Kim will serve as Senior Financial Analyst and Quality Assurance Manager, responsible for technical review of annual administration deliverables, financial analyses, special tax calculations, continuing disclosure reports, and bond administration activities. He serves as Project Manager for SCG's administration services for the Cities of Beaumont, Corona, and Chula Vista while leading the firm's Quality Assurance/Quality Control program.

James oversees SCG's multi-level document review process, independently validating parcel data, levy calculations, annual reports, disclosure documents, Engineer's Reports, and other technical deliverables prior to release. He also assists with municipal disclosure compliance, financial reporting, budget analysis, delinquency monitoring, and analytical support for district administration and financing assignments.

With more than seven years of municipal finance experience, James provides an independent technical

review that ensures all client deliverables meet SCG's standards for accuracy, consistency, and regulatory compliance.

Representative Agency Experience:
City of Beaumont; City of Chula Vista; City of Corona; Lakeside Fire Protection District.

Alejandra Landaverde

Project Coordinator
Years of Experience: 2

Alejandra Landaverde will serve as Project Coordinator, supporting the City's CFD program through project coordination, schedule management, document control, client communications, and administrative support. She assists with annexation coordination, meeting scheduling, public noticing, document preparation, project tracking, and quality review of administrative deliverables.

Alejandra also supports SCG's Property Owner Services program, coordinating responses to property owner inquiries and providing bilingual assistance to Spanish-speaking constituents. Her organizational skills and attention to detail help ensure project milestones are achieved on schedule and client communications remain timely, accurate, and well documented.

Representative Agency Experience:
Riverside County Office of Economic Development; City of Beaumont; City of Chula Vista; City of Corona; City of Menifee; City of San Bernardino; City of Santee; City of Wildomar.

Anthony Delgadillo

GIS Specialist
Years of Experience: 2

Anthony Delgadillo will serve as GIS Specialist, providing mapping and technical support for CFD formations, annexations, and annual administration services. He assists with preparation of boundary maps, assessment diagrams, parcel verification, GIS database maintenance, levy audit maps, and quality assurance review of parcel data.

Anthony supports SCG's GIS team by maintaining mapping databases, producing project exhibits, updating parcel information, and assisting with annual levy administration activities. His work helps ensure the accuracy of mapping products and parcel information used throughout the administration and formation process.

Representative Agency Experience:
Riverside County Office of Economic Development; City of San Bernardino; City of Chula Vista; City of Beaumont; City of Menifee.

Francisco Martinez, Jr. PE, QSD

Assessment Engineer
Years of Experience: 30

Francisco holds a Bachelor of Science in Civil Engineering from San Diego State University and provides civil engineering services for private residential, commercial, retail, and industrial development projects, as well as public works improvements such as parks, public buildings, low-income housing, roads, and utility infrastructure throughout Southern California, including San Diego, Orange, Los Angeles, Riverside, and San Bernardino Counties. His experience spans all phases of land development engineering, from feasibility studies and land planning to site design and construction support. Francisco has managed and prepared preliminary engineering, entitlements, and final engineering plans for complex, high-profile projects requiring full agency coordination and consultant collaboration. He brings a creative and practical approach to problem solving, delivering cost-effective solutions that result in overall savings for clients.

Francisco serves as SCG's Engineer of Record for Engineer's Reports and provides independent certification for assessments requiring a licensed PE signature.

Subconsultants
FMCivil Consultants (951) 331-9873
FM Civil Consultants provides licensed engineering review and certification services for annual Engineer's Reports and other engineering documents requiring the signature of a licensed Professional Engineer. FM Civil serves in a quality assurance role, reviewing reports prepared by SCG and providing the engineering certification required by applicable statutes.

Licensing Statement
SCG and assigned key professional staff will maintain all licenses, registrations, and certifications required to perform the requested services in California. Where a licensed engineer is required for specific deliverables, SCG will coordinate with a licensed civil engineer or another City-approved licensed professional.

D. Disclosure

To the best of SCG's knowledge, SCG has no financial conflict of interest that would impair its ability to provide services to the City of Banning. SCG will promptly disclose any potential conflict that may arise during the term of the engagement.

SCG personnel maintain professional relationships and familiarity with various local government professionals throughout Riverside, San Bernardino, and San Diego Counties through prior municipal finance, special district, and public agency consulting work. Such relationships are the result of long-standing professional consulting engagements, do not create a conflict of interest and will not impair SCG's ability to provide independent professional services. SCG is not aware of any personal, familial, financial, or business relationship with any current Banning elected official, appointed official, City employee, or family member of such person that would create a conflict of interest or impair the firm's ability to provide independent services to the City.

SCG does not propose any exception to the City's conflict of interest requirements and will comply with applicable provisions of Government Code sections 1090 et seq. and 87100 et seq.

E. Experience and References

SCG meets and exceeds the RFP's minimum experience requirement. SCG has provided services of similar type and scope under its legally registered business name for more than five years and has not filed for bankruptcy under any business name during the past five years.

SCG has extensive experience providing formation, annual administration, annexation, bond financing support, tax roll administration, municipal disclosure, annual reporting, delinquency monitoring, GIS mapping, property owner support, and fiscal impact analysis services for Community Facilities Districts, Landscape Maintenance Districts, Assessment Districts, County Service Areas, Public Safety CFDs, Maintenance CFDs, bonded districts, and other special financing programs throughout Southern California.

Based on SCG's internal project and revenue tracking for recent fiscal years, SCG has completed or supported more than 80 CFD formations, more than 270 annexations, and more than 50 bond sales or refunding transactions. For Fiscal Year 2025-26, SCG is tracking and administering more than 830 special district funds, improvement areas, assessment zones, and related financing programs across multiple public agency clients. These figures demonstrate SCG's depth of practical experience and ability to manage a large volume of special district work accurately and efficiently.

Metric	Recent Experience Summary
CFD Formations	More than 80 CFD formations completed or supported based on recent internal project tracking.
CFD Annexations	More than 270 annexations completed or supported based on recent internal project tracking.
Bond Sales / Refundings	More than 50 bond sales or refundings supported based on recent internal project tracking.
District Funds / Financing Areas Administered	More than 800 special district funds, improvement areas, zones, and financing programs tracked and administered for FY 2025-26.
Public Agency Focus	SCG works exclusively for public agencies and supports cities, counties, special districts, and public financing authorities throughout Southern California.
Services Provided	CFD formation, CFD annexation, annual administration, special tax calculations, bond support, disclosure reporting, GIS mapping, parcel database management, property owner support, and fiscal impact analysis.

Representative Project Experience

Similar Services for Other California Public Agencies

Below is a sampling of projects and references our team members have provided with similar services provided over the last 5 years.

CITY OF LAKE ELSINORE

ADMINISTRATION, FORMATION, BOND SALE, AND ANNEXATION SERVICES

SCG currently provides full administration, annexation, and formation services to more than 101 special financing districts for approximately $33.2 million for the most recent tax year. The City of Lake Elsinore utilizes Landscape Maintenance Districts (LMD) and Community Facilities Districts (CFD) to fund infrastructure and maintenance projects throughout the City. These districts include a Citywide Landscape Maintenance District, a Landscape Maintenance District with 25 separate benefit zones, an Assessment District (AD), 42 bonded CFDs, and 31 services CFD's which generated more than $3 million in landscape maintenance revenues and $4 million in public safety funds for the City of Lake Elsinore.

Recently, SCG assisted the City in successfully forming six CFDs, issuing bonds for six CFD Districts and processing several annexations to provide key funding for infrastructure, maintenance, and public safety services to their growing community.

CLIENT CONTACT:
Jason Simpson
City Manager
Phone: (951) 674-3124
Email: jsimpson@Lake-Elsinore.org

YEARS OF SERVICE:
Client of SCG since 2016
5-year contract in good standing

AGENCY PROFILE:
No. Districts – 101
No. Parcels – 62,571
Annual Levy – $33.2M

CITY OF MENIFEE

ADMINISTRATION, FORMATION, BOND SALE, AND ANNEXATION SERVICES

SCG currently provides full administration, annexation, and formation services to more than 107 special financing districts for approximately $16.7 million in the most recent tax year. The City of Menifee has several special districts including Landscape and Lighting Maintenance District No. 89-1C (LMD) with 44 various zones, six County Service Areas (CSA) and fifty-five Maintenance Community Facilities District (including multiple zones) (CFDs). These Special Districts provide funds for the City's streetlights, landscaping, drainage facility maintenance, park maintenance, and sheriff services throughout the community. SCG project managers also formed the City's first Citywide CFD 2015-2 to provide comprehensive maintenance services for all new development, as well as recently completing the formation of CFD 2024-1, CFD 2024-2, CFD 2024-3, CFD 2025-1, CFD 2025-2, CFD 2025-3, CFD 2025-4, CFD 2025-5, and CFD 2025-6.

CLIENT CONTACT:
Travis Hickey
Chief Finance Officer
Phone: (951) 723-1782
Email: thickey@cityofmenifee.us

YEARS OF SERVICE:
Client of SCG since 2017
5-year contract in good standing

AGENCY PROFILE:
No. Districts – 107
No. Parcels – 47,748
Annual Levy – $16.7M

RIVERSIDE COUNTY OFFICE OF ECONOMIC DEVELOPMENT

ADMINISTRATION, FORMATION, AND ANNEXATION SERVICES

SCG currently provides full administration, annexation, and formation services to more than 87 special financing districts for approximately $28.8 million in the most recent tax year. The County of Riverside has several special districts including 51 County Service Areas (CSA) for more than 466,000 parcels and 52 Maintenance Community Facilities District (CFDs) for more than 6,200 parcels. These Special Districts provide funds for the County's streetlights, traffic signals, landscaping, drainage facility maintenance, park maintenance, and sheriff services throughout the County. SCG project manager is also in the process of forming several new CFDs for maintenance services. These CFDs included CFD 25-1M through CFD 25-10M and CFD 25-CM for commercial projects, as well as a change proceeding for CFD 19-1M.

CLIENT CONTACT:
Amber Jacobson
Assistant Director
Phone: (951) 955-6146
Email: ajacobson@rivco.org

YEARS OF SERVICE:
Client of SCG since 2022
7-year contract in good standing

AGENCY PROFILE:
No. Districts – 87
No. Parcels – 472,592
Annual Levy – $28.8M

CITY OF CORONA

ADMINISTRATION, FORMATION, BOND SALE, AND ANNEXATION SERVICESS

SCG currently provides full administration, annexation, and formation services to more than 63 special financing districts, including approximately 63,384 parcels for approximately $18.8 million for the most recent tax year. The City's districts includes: Landscape and Lighting Maintenance Districts (LLMD) No. 84-1, 2003-1, 84-2, Community Facilities District (CFD) No's. 97-1, 2001-1, 2002-2, 2002-3, and 2011-1, and County Service Area 152 (CSA). SCG project managers formed Citywide CFD 2016-1 (Public Safety) and CFD 2016-3 (Maintenance Services) to provide public safety services and comprehensive maintenance services for all new development. SCG is responsible for administering all of the City's fifteen (15) CFD bonded special districts, (48) CFD Services and (1) CFD Public Safety.

SCG has processed 28 Annexations within CFD 2016-1 (Public Services) and 44 Annexations within CFD 2016-3 (Maintenance Services) with additional projects in process. SCG is also recently completed assisting the City in issuing bonds for CFD 2018-1 IA 2.

CLIENT CONTACT:
Kim Sitton
Finance Director
Phone: (951) 279-3532
Email: kim.sitton@coronaca.gov

YEARS OF SERVICE:
Client of SCG since 2017
5-year contract in good standing

AGENCY PROFILE:
No. Districts – 63
No. Parcels – 65.384
Annual Levy – $18.8M

CITY OF BEAUMONT

FORMATION, ADMINISTRATION, BOND SALE, AND ANNEXATION SERVICES

SCG currently provides full administration, and formation services to more than 82 special financing districts for approximately $30.2 million for the most recent tax year. The City of Beaumont utilizes Community Facilities Districts (CFD) to fund infrastructure and maintenance projects throughout the City. These districts include an Open Space Maintenance District with 28 different zones, a Landscape Maintenance District with 5 separate benefit zones, an Assessment District (AD), and 32 CFDs.

Recently, SCG assisted the City in successfully providing forming three CFDs CFD 2025-1, 2025-M, and 2025-S for infrastructure, maintenance, and public safety services to their growing community. SCG recently completed the refunding of five separate CFD's as the City's PFA 2025 Series Bonds for CFD Nos. 93-1 IA 7A1, IA 8B, IA 16, IA 18, and IA 19A.

CLIENT CONTACT:
Jennifer Ustation
Finance Director
Phone: (951) 572-3236
Email: justation@beaumontca.gov

YEARS OF SERVICE:
Client of SCG since 2022
5-year contract in good standing

AGENCY PROFILE:
No. Districts – 82
No. Parcels – 34,208
Annual Levy – $30.2M

CITY OF SAN BERNARDINO

ADMINISTRATION, FORMATION, BOND SALE, AND ANNEXATION SERVICES

SCG currently provides full administration, annexation, and formation services to more than 106 special financing districts for approximately $2.7 million in the most recent tax year. The City of San Bernardino has several special districts including 68 Maintenance Assessment Districts, one Public Safety Community Facilities District (CFD), three facilities CFDs, and one Citywide Maintenance CFD containing 30 separate zones. These Special Districts provide funds for the City's public safety, streetlights, landscaping, drainage facility maintenance, park maintenance, pavement management, graffiti abatement, and trails maintenance services throughout the community. SCG project managers also formed the City's first public safety CFD 2018-1 and Citywide Maintenance CFD 2019-1 to provide comprehensive public services for all new development.

CLIENT CONTACT:
Josh Dramitinos
Deputy Director
Phone: (909) 384.5366
Email: Dramitinos_Jo@sbcity.org

YEARS OF SERVICE:
Client of SCG since 2018
5-year contract in good standing
Contract Amount: Varies $500 - $8,400 per District

AGENCY PROFILE:
No. Districts – 106
No. Parcels – 9,071
Annual Levy – $2.7M

References

Name	Title	Agency	Phone	Email
Jason Simpson	City Manager	City of Lake Elsinore	951-674-3124 ext. 362	jsimpson@lake-elsinore.org
Travis Hickey	Chief Financial Officer	City of Menifee	(951) 723-1782	thickey@cityofmenifee.us
Mike Franklin	Deputy Director	Riverside County	951-955-6652	mfranklin@rivco.org
Bruce Foltz	Finance Director	City of Corona	951-279-3532	Bruce.foltz@coronaca.gov
Jessica Almousa	Real Property Specialist	City of San Bernardino	(909) 998-2382	Al-mousa_je@sbcity.org
Lisa Leach	Interim Finance Director	City of Beaumont	(951) 572-3236	lleach@beaumontca.gov
Adam Jantz	Finance Manager	City of Wildomar	(951) 572-3236	ajantz@cityofwildomar.org
Javier Carcamo	Finance Director	City of Murrieta	(951) 677-7751, ext 243	jcarcamo@MurritaCA.gov
Patricia Macias	Fiscal Debt Management Analyst	City of Chula Vista	(619) 407-3565	pmacias@chulavistaca.gov

V.C PRICE PROPOSAL

SCG proposes the following fixed-fee schedule for CFD formation, annexation, bond financing support, fiscal impact analysis, and annual administration services. Fees include project management, special tax consulting, GIS support, coordination with City staff and legal counsel, preparation of required reports and exhibits, and attendance at meetings necessary to complete the requested services.

The above formation and financing services are generally initiated in connection with private development projects. Accordingly, these costs are typically funded through developer deposits and, where applicable, reimbursed from bond proceeds or other financing mechanisms. SCG proposes the following fixed-fee schedule for services performed in accordance with the Scope of Services included in Appendix A.

Consulting Services		Fee
A.	Facilities CFD Formation Services	$25,000
	Plus: per Improvement Area	$5,000
B.	Bond Issuance Services	$25,000
C.	Maintenance CFD Formation Services	$15,000
D.	Maintenance CFD Annexation Services	$12,500
E.	Public Safety Fiscal Impact Analysis Services	$13,500
F.	Public Safety CFD Formation Services	$9,500
G.	Public Safety CFD Annexation Services	$10,000

CFD Administration Services		Fee
A.	Facilities CFD – Monitoring (No Development)	$2,500
B.	Facilities CFD – Pre Bond Issuance (Some Development)	$5,000
C.	Facilities CFD – Bonded (per Improvement Area/Bond Series)	$7,500
D.	Maintenance CFD Residential ($500-$1,800 per Zone)	Varies
E.	Maintenance CFD Commercial (per Zone)	$500
F.	Public Safety CFD (per Annexation)	$500

LMD Administration Services		Fee
A.	Landscape Maintenance District No. 1 (11 Zones)	$11,000

Optional Administration Services		Fee
A.	Improvement District 2004-1	$4,500
B.	CSA 152	$6,500

Hourly / Additional Services

Services not specifically included in the fixed-fee scope may be provided on an hourly basis upon written authorization by the City. These services may include special studies, additional financial analyses, special presentations, development agreement support, bond refunding analysis, additional GIS mapping, legislative or regulatory research, special district policy updates, and other services requested by the City.

Hourly Rates

Title	Rate
Principal	$265
Senior Associate	$185
Associate	$145
Mapping Technician	$135
Administrative Support	$90

For services not specifically identified in the above fee schedule, compensation shall be based upon the hourly rates set forth herein, together with reimbursement at cost for reasonable direct expenses incurred in connection with the administration services, and reimbursement for outside professional services at cost plus fifteen percent (15%), when authorized by the City.

V.D VALUE ADDED SERVICES

SCG offers several value-added services that may benefit the City of Banning beyond the base scope of CFD formation and annual administration. These services can be provided as requested and authorized by the City.

- Strategic financing assistance for new development projects, infrastructure funding, public safety funding, and maintenance services.
- Fiscal impact analysis and General Fund impact modeling for development projects and policy decisions.
- Public safety funding studies and cost recovery analyses.
- Legislative and regulatory updates affecting CFDs, special taxes, continuing disclosure, annual reporting, and property owner disclosures.
- Staff training and support regarding RMAs, special tax calculations, annual administration, disclosure obligations, and County levy procedures.
- Property owner and title company support, including payoff quotes, lien release coordination, prepayment calculations, and special tax explanations.
- Bond administration support, including bond call calculations, redemption coordination, debt service schedule updates, refunding support, and arbitrage coordination through specialty consultants.

In addition to the above mentioned value-added services SCG has made significant investments in technology to provide and maintain the highest level of quality assurance. We have developed proprietary software, including the Spicer TAX System (STAX), an in-house GIS platform, and most recently, the Property Finder application, which together enhance accuracy, efficiency, and transparency for our clients and their constituents.

STAX – The Spicer TAX System (STAX) is a proprietary SQL Server–based software solution designed to manage large volumes of property and financial data while maintaining complete traceability. It enables our team to prepare levy calculations with precision and deliver results ahead of schedule, allowing City staff ample time for review and approval. STAX supports all phases of administration data imports, levy modeling, QA/QC validation, fund analysis, disclosure reporting, and delinquency tracking within a single secure environment.

The system also features automated cross-checks that flag anomalies in parcel or rate data prior to County submission, reducing enrollment errors to below 0.05 percent annually. STAX dashboards provide the City with transparent status tracking, enabling District staff to monitor milestones in real time.

GIS Platform and Mapping – A key component of SCG's quality-assurance process is the use of annual Levy Audit Maps. SCG was among the first in the industry to integrate GIS as a direct auditing tool for the levy process. Our GIS platform allows us to confirm parcel boundaries, land-use classifications, and rate assignments in accordance with each district's adopted methodology. GIS visualization shortens review time and improves accuracy by linking every parcel directly to its levy data record.

We provide clients with both data and map files that can be loaded into the City's GIS environment, ensuring seamless integration, cross-reference, and institutional recordkeeping. A sampling of our GIS mapping capabilities for the City's special districts is provided in Appendix A.

Property Finder – Property Finder is a .NET-based web application designed for public use, offering parcel-specific special-district information accessible 24/7. The tool allows property owners, title companies, and real-estate professionals to search by street address or Parcel Identification Number (PIN) directly linked to the County tax roll.

Developed by SCG in partnership with the City of Beaumont, Property Finder was featured in Western City Magazine's article "City of Beaumont's Tax Finder Tool Enhances Transparency and Reduces Escrow Surprises." The article highlighted how Beaumont homebuyers now access real-time property-tax details, view Mello-Roos and assessment breakdowns, and understand tax-maturity dates reducing escrow-time surprises and improving public confidence.

The City of Banning can leverage this same proven technology to offer its residents a self-service transparency portal. SCG will host, maintain, and update the application, providing the City with a secure link, QR code, and optional printed materials for outreach. The system can also be integrated into the District's website and GIS framework, ensuring consistent data and seamless public access.

District Manager – District Manager is SCG's cloud-based project and district management platform developed to centralize special district administration, project tracking, document management, GIS integration, and workflow management. The platform provides SCG staff with real-time access to project status, deadlines, historical records, and client deliverables, ensuring continuity, responsiveness, and efficient administration throughout the life of each district. The platform also provides a centralized repository for project records, improving collaboration, accountability, and consistency across all City assignments.

Together, STAX, GIS, Property Finder, and District Manager form an integrated technology platform that enhances accuracy, improves transparency, streamlines administration, reduces operational risk, and provides City staff with responsive, data-driven support throughout the lifecycle of each Community Facilities District.

V.E EVIDENCE OF INSURANCE

SCG will provide evidence of insurance in the coverage and amounts required by the City's sample professional services agreement within the required time period following award of contract. Certificates of Insurance and additional insured endorsements will be provided as required before execution of the agreement. SCG maintains professional liability, general liability, automobile liability, and workers' compensation coverage appropriate for the services requested.

V.F VENDOR FORMS

SCG will complete and upload the City of Banning New Vendor Packet, including the Vendor Masterfile Sheet, W-9, Business Tax Certificate Application, and other required documentation. SCG understands the successful proposer will complete the City business tax registration process following contract award.

V.G TYPE OF BUSINESS

Limited Liability Company. SCG is a limited liability company authorized to conduct business in the State of California.

V.H LEGAL COMPANY NAME

Spicer Consulting Group, LLC

V.I EX PARTE COMMUNICATIONS CERTIFICATION

Yes. Bidder and Bidder's representatives certify that they have not had any communication with a City Councilmember concerning this RFP at any time after the date and time that this RFP was publicly advertised.

V.J EX PARTE COMMUNICATIONS CERTIFICATION CONTINUED

None.

V.K DEBARRED, SUSPENDED, DISQUALIFIED QUESTIONNAIRE

No. To the best of SCG's knowledge, SCG, its officers, and employees with proprietary interest in the company have not been debarred, suspended, disqualified, removed, or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or safety regulation.

V.L DEBARRED, SUSPENDED, DISQUALIFIED QUESTIONNAIRE CONTINUED

None.

V.M DISCLOSURE OF GOVERNMENT POSITIONS

None. To the best of SCG's knowledge, no owner or employee of SCG currently holds, or has held within the past twelve months, a position as an elected or appointed official, director, officer, or employee of a governmental entity that would create a conflict with the services requested under this RFP.

V.N CERTIFICATION COMPLIANCE

SCG will complete and upload the required Certification - Compliance with Presidential Executive Orders Imposing Sanctions Against the Russian Federation form.

SPICER
CONSULTING GROUP

APPENDIX A

APPENDIX A

Scope Of Services

A. Facilities Community Facilities District (CFD) Formation Services

SCG will provide complete consulting services necessary to establish Facilities Community Facilities Districts (CFDs) pursuant to the Mello-Roos Community Facilities Act of 1982. Our team will manage every phase of the formation process, beginning with project planning and financial analysis through district formation, implementation, and transition into bond financing and annual administration. Services will be coordinated with City staff, developers, bond counsel, municipal advisors, engineers, and other members of the financing team to ensure each District is legally compliant, financially sound, and successfully implemented to finance eligible public infrastructure improvements.

1. Project Initiation and Schedule Development: SCG will conduct an initial kickoff meeting with City staff, developers, engineers, legal counsel, and other project stakeholders to establish project objectives, identify eligible public facilities, develop the financing strategy, establish project responsibilities, and prepare a comprehensive implementation schedule. We will coordinate project activities throughout the formation process to ensure all statutory requirements, development milestones, and financing deadlines are achieved.

Deliverables: Project schedule, project implementation plan, data request, meeting summaries.

2. Data Collection and Project Evaluation: SCG will collect and review all information necessary to establish the Community Facilities District, including tentative and final subdivision maps, assessor parcel information, development plans, engineering cost estimates, reimbursement agreements, development agreements, capital improvement programs, land use information, infrastructure plans, development phasing, and other supporting documentation. SCG will coordinate directly with City staff and the development team to verify the completeness and accuracy of the information before proceeding with the financial analysis and preparation of formation documents.

Deliverables: Project database, parcel inventory, development summary, infrastructure cost analysis, financing assumptions.

3. Financial Analysis and Special Tax Methodology: SCG will evaluate the proposed public facilities, development program, financing objectives, projected bond sizing, and long-term administrative requirements to develop an equitable and legally defensible Rate and Method of Apportionment (RMA). This process includes evaluating land use classifications, tax classifications, improvement areas, value-to-lien ratios, reserve funding, escalation provisions, development absorption, bond financing capacity, and financing alternatives to establish a special tax structure capable of supporting one or more future bond issuances.

Deliverables: Financial analysis, special tax model, Rate and Method of Apportionment, special tax schedules.

4. Formation Documents: SCG will prepare or assist in the preparation of all financial documents necessary to establish the Community Facilities District. Documentation may include the Rate and Method of Apportionment, CFD Public Report, special tax exhibits, parcel database, tax zone exhibits, boundary maps, GIS exhibits, election materials, boundary maps, and supporting financial schedules. SCG will coordinate with City staff and bond counsel to ensure all documents are consistent with the City's financing objectives and applicable statutory requirements.

Deliverables: Rate and Method of Apportionment, CFD Public Report, parcel database, GIS exhibits, special tax schedules, election materials.

5. Formation Proceedings: SCG will assist the City throughout the formation proceedings by preparing financial exhibits, supporting staff reports, coordinating with the financing team, and assisting with the preparation of resolutions, public hearing materials, election documentation, and formation schedules. SCG will attend meetings with City staff, developers, financing participants, Planning Commission (if requested), and the City Council to present technical information, respond

to questions, and facilitate successful completion of the formation proceedings.

Deliverables: Financial exhibits, staff report support, election materials, meeting participation, City Council presentation support.

6. County Recordation and District Implementation: Following approval of the formation proceedings, SCG will coordinate the preparation and recordation of the Notice of Special Tax Lien, establish the district parcel database, assign tax classifications, prepare GIS mapping, and integrate the District into SCG's proprietary technology platforms, including STAX, District Manager, and Property Finder. This process establishes the foundation for future bond financing and long-term annual administration.

Deliverables: Recorded Notice of Special Tax Lien, district database, GIS mapping, STAX implementation, District Manager setup.

7. Transition to Bond Financing and Annual Administration: Upon completion of the formation process, SCG will transition the District into its bond financing and annual administration program by establishing annual levy procedures, administrative calendars, reporting schedules, parcel maintenance procedures, disclosure requirements, and quality assurance protocols. This coordinated transition provides continuity between district formation, future bond issuance, and ongoing annual administration while minimizing administrative effort by City staff.

Deliverables: Administrative calendar, annual levy procedures, reporting schedule, quality assurance framework.

B. Maintenance Services Community Facilities District (CFD) Formation Services

SCG will provide complete consulting services necessary to establish Maintenance Services Community Facilities Districts (CFDs) pursuant to the Mello-Roos Community Facilities Act of 1982. Our team will manage every phase of the formation process, beginning with project planning and maintenance cost analysis through district formation, implementation, and transition into annual administration. Services will be coordinated with City staff, developers, bond counsel, engineers, landscape architects, maintenance contractors, and other members of the financing team to ensure each District is legally compliant, financially sustainable, and structured to provide a reliable long-term funding source for the maintenance, operation, servicing, and replacement of public improvements.

1. Project Initiation and Schedule Development: SCG will conduct an initial kickoff meeting with City staff, developers, engineers, legal counsel, and other project stakeholders to establish project objectives, identify the public improvements to be maintained, develop the implementation strategy, establish project responsibilities, and prepare a comprehensive project schedule. We will coordinate project activities throughout the formation process to ensure all statutory requirements, development milestones, and implementation deadlines are achieved.

Deliverables: Project schedule, project implementation plan, data request, meeting summaries.

2. Maintenance Program Evaluation: SCG will collect and review all information necessary to establish the Maintenance Services CFD, including approved landscape plans, improvement plans, maintenance exhibits, engineer's estimates, maintenance cost estimates, development agreements, subdivision maps, assessor parcel information, and other supporting documentation. SCG will coordinate with City staff and the development team to identify maintenance responsibilities, establish service levels, and verify the improvements to be maintained by the District.

Deliverables: Maintenance program summary, project database, maintenance cost analysis, parcel inventory, maintenance responsibility matrix.

3. Financial Analysis and Special Tax Methodology: SCG will evaluate the proposed maintenance program, annual operating costs, administrative expenses, reserve funding requirements, replacement costs, contingency funding, escalation assumptions, and long-term financial sustainability to develop an equitable and legally defensible Rate and Method of Apportionment (RMA).

The analysis will establish annual special taxes sufficient to fund the maintenance, operation, servicing, replacement, and administration of the public improvements throughout the life of the District.

Deliverables: Financial analysis, maintenance funding model, Rate and Method of Apportionment, special tax schedules.

4. Formation Documents: SCG will prepare or assist in the preparation of all financial documents necessary to establish the Maintenance Services Community Facilities District. Documentation may include the Rate and Method of Apportionment, CFD Public Report, Maintenance Exhibit, special tax exhibits, parcel database, tax zone exhibits, boundary maps, GIS exhibits, election materials, and supporting financial schedules. SCG will coordinate with City staff and bond counsel to ensure all documents are consistent with the City's maintenance objectives and applicable statutory requirements.

Deliverables: Rate and Method of Apportionment, CFD Public Report, Maintenance Exhibit, parcel database, GIS exhibits, special tax schedules, election materials.

5. Formation Proceedings: SCG will assist the City throughout the formation proceedings by preparing financial exhibits, supporting staff reports, coordinating with the financing team, and assisting with the preparation of resolutions, public hearing materials, election documentation, and formation schedules. SCG will attend meetings with City staff, developers, financing participants, Planning Commission (if requested), and the City Council to present technical information, respond to questions, and facilitate successful completion of the formation proceedings.

Deliverables: Financial exhibits, staff report support, election materials, meeting participation, City Council presentation support.

6. County Recordation and District Implementation: Following approval of the formation proceedings, SCG will coordinate the preparation and recordation of the Notice of Special Tax Lien, establish the district parcel database, assign tax classifications, prepare GIS mapping, and integrate the District into SCG's proprietary technology platforms, including STAX, District Manager, and Property Finder. Maintenance responsibilities, Tax Zones, and annual funding requirements will be incorporated into the administration database to support future annual levy calculations.

Deliverables: Recorded Notice of Special Tax Lien, district database, GIS mapping, STAX implementation, District Manager setup.

7. Transition to Annual Administration: Upon completion of the formation process, SCG will transition the District into its annual administration program by establishing annual levy procedures, maintenance funding schedules, administrative calendars, reporting schedules, parcel maintenance procedures, reserve monitoring procedures, and quality assurance protocols. This coordinated transition provides continuity between district formation and ongoing annual administration while ensuring sufficient funding is available to maintain the public improvements throughout the life of the District.

Deliverables: Administrative calendar, annual levy procedures, maintenance funding schedule, reporting schedule, quality assurance framework.

C. Public Safety Community Facilities District (CFD) Formation Services

SCG will provide complete consulting services necessary to establish Public Safety Community Facilities Districts (CFDs) pursuant to the Mello-Roos Community Facilities Act of 1982. Our team will manage every phase of the formation process, beginning with preparation of a comprehensive Fiscal Impact Analysis through district formation, implementation, and transition into annual administration. Services will be coordinated with City staff, public safety personnel, developers, bond counsel, municipal advisors, and other project stakeholders to establish a legally defensible and financially sustainable funding program that equitably allocates the cost of providing public safety services to future development.

1. Project Initiation and Schedule Development: SCG will conduct an initial kickoff meeting with City staff, Police, Fire, Finance, Community Development, and other project

stakeholders to establish project objectives, identify available financial information, define the scope of the Fiscal Impact Analysis, develop the implementation strategy, establish project responsibilities, and prepare a comprehensive project schedule. We will coordinate project activities throughout the formation process to ensure all statutory requirements and project milestones are achieved.

Deliverables: Project schedule, project implementation plan, data request, meeting summaries.

2. Fiscal Impact Analysis: SCG will collect and evaluate financial, demographic, operational, and development information necessary to determine the fiscal impact of future growth on the City's General Fund and public safety operations. The analysis will evaluate existing and projected revenues, Police and Fire Department expenditures, staffing levels, service demands, population growth, employment growth, development projections, and other financial information necessary to determine the funding required to maintain existing service levels. The completed Fiscal Impact Analysis will establish the financial basis for development of the Public Safety Community Facilities District.

Deliverables: Fiscal Impact Analysis, revenue analysis, expenditure analysis, growth projections, funding gap analysis.

3. Financial Analysis and Special Tax Methodology: SCG will evaluate the Fiscal Impact Analysis, projected service demands, funding requirements, administrative costs, reserve funding, escalation assumptions, and long-term financial sustainability to develop an equitable and legally defensible Rate and Method of Apportionment (RMA). The special tax methodology will allocate the cost of public safety services among benefiting properties while ensuring consistency with applicable statutory requirements and the City's long-term financial objectives. Deliverables: Financial analysis, special tax model, Rate and Method of Apportionment, special tax schedules. 4. Formation Documents: SCG will prepare or assist in the preparation of all financial documents necessary to establish the Public Safety Community Facilities District. Documentation may include the Fiscal Impact Analysis, Rate and Method of Apportionment, CFD Public Report, special tax exhibits, parcel database, tax zone exhibits, boundary maps, GIS exhibits, election materials, and supporting financial schedules. SCG will coordinate with City staff and bond counsel to ensure all documents are consistent with the City's public safety funding objectives and applicable statutory requirements.

Deliverables: Fiscal Impact Analysis, Rate and Method of Apportionment, CFD Public Report, parcel database, GIS exhibits, special tax schedules, election materials.

5. Formation Proceedings: SCG will assist the City throughout the formation proceedings by preparing financial exhibits, supporting staff reports, coordinating with the financing team, and assisting with the preparation of resolutions, public hearing materials, election documentation, and formation schedules. SCG will attend meetings with City staff, public safety personnel, developers, financing participants, Planning Commission (if requested), and the City Council to present technical information, respond to questions, and facilitate successful completion of the formation proceedings.

Deliverables: Financial exhibits, staff report support, election materials, meeting participation, City Council presentation support.

6. County Recordation and District Implementation: Following approval of the formation proceedings, SCG will coordinate the preparation and recordation of the Notice of Special Tax Lien, establish the district parcel database, assign tax classifications, prepare GIS mapping, and integrate the District into SCG's proprietary technology platforms, including STAX, District Manager, and Property Finder. Annual public safety funding requirements and Tax Zones will be incorporated into the administration database to support future annual levy calculations and financial reporting.

Deliverables: Recorded Notice of Special Tax Lien, district database, GIS mapping, STAX implementation, District Manager setup.

7. Transition to Annual Administration: Upon completion of the formation process, SCG will transition the District into its annual administration program by establishing annual levy procedures, public safety funding schedules, administrative calendars, reporting schedules, disclosure requirements, and quality assurance protocols. This coordinated transition provides continuity between district formation and ongoing annual administration while ensuring a stable and reliable funding source for the City's long-term public safety needs.

Deliverables: Administrative calendar, annual levy procedures, public safety funding schedule, reporting schedule, quality assurance framework.

D. Community Facilities District (CFD) Annexation Services

SCG will provide complete consulting services necessary to annex new development into existing Maintenance Services and Public Safety Community Facilities Districts pursuant to the Mello-Roos Community Facilities Act of 1982 and each District's adopted Rate and Method of Apportionment. Our team will coordinate every phase of the annexation process, from project review and special tax analysis through landowner election, recordation, County tax roll enrollment, and transition into annual administration. Services will be coordinated with City staff, developers, bond counsel, engineers, and other members of the financing team to ensure each annexation is completed accurately, efficiently, and in accordance with the City's adopted financing program and development schedule.

1. Project Initiation and Annexation Evaluation: SCG will conduct an initial kickoff meeting with City staff, developers, engineers, legal counsel, and other project stakeholders to review the proposed development, determine eligibility for annexation into the existing Community Facilities District, establish project objectives, develop the annexation schedule, and identify the information necessary to complete the proceedings. We will coordinate project activities throughout the annexation process to ensure all statutory requirements, development milestones, and County enrollment deadlines are achieved.

Deliverables: Project schedule, annexation implementation plan, data request, meeting summaries.

2. Data Collection and Parcel Research: SCG will collect and review assessor parcel information, recorded subdivision maps, development plans, ownership records, title information, grading plans, improvement plans, landscape plans, maintenance exhibits (where applicable), conditions of approval, and other supporting documentation necessary to complete the annexation. Parcel boundaries, legal descriptions, lot configurations, land use classifications, maintenance obligations, and other project-specific information will be verified to ensure the annexation area is accurately identified and consistent with the adopted Rate and Method of Apportionment.

Deliverables: Parcel database, ownership verification, development summary, GIS parcel review, maintenance exhibit review (where applicable).

3. Special Tax Analysis and Tax Zone Development: SCG will evaluate the proposed development, applicable land uses, maintenance obligations, public safety funding requirements, administrative costs, and financing objectives to determine the appropriate tax classifications and annual special taxes for the annexation area. Where applicable, SCG will prepare or update Maintenance Exhibits, evaluate annual maintenance costs, establish new Tax Zones or Improvement Areas, and update the special tax schedules to accurately reflect the proposed development.

Deliverables: Special tax calculations, tax zone exhibits, maintenance cost analysis (where applicable), updated special tax schedules.

4. Annexation Documents and Proceedings: SCG will prepare or assist in the preparation of all financial documents necessary to complete the annexation proceedings. Documentation may include annexation maps, GIS exhibits, parcel databases, election materials, tax zone exhibits, Maintenance Exhibits (where applicable), special tax schedules, and supporting financial analyses. SCG will coordinate with City staff and bond counsel throughout the annexation process and assist with preparation of staff reports, resolutions, public hearing materials, election documentation, and related formation proceedings.

Deliverables: Annexation maps, GIS exhibits, election materials, Maintenance Exhibits (where applicable), financial schedules, staff report support.

5. County Recordation and Tax Roll Enrollment: Following approval of the annexation proceedings, SCG will coordinate the preparation and recordation of the Notice of Special Tax Lien, update the district parcel database, prepare County levy enrollment files, assign the appropriate tax classifications, and integrate the annexed parcels into SCG's proprietary technology platforms, including STAX, District Manager, and Property Finder. This process ensures the annexed properties are accurately incorporated into the annual levy process without interruption.

Deliverables: Recorded Notice of Special Tax Lien, County levy files, updated parcel database, GIS updates, STAX implementation.

6. Transition to Annual Administration: Upon completion of the annexation process, SCG will incorporate the annexed parcels into the District's annual administration program by updating levy models, maintenance funding schedules (where applicable), GIS mapping, Property Finder, District Manager, and STAX. Administrative procedures, reporting schedules, disclosure requirements, and quality assurance reviews will be completed to ensure the annexed properties are fully integrated into the City's ongoing Community Facilities District administration program.

Deliverables: Updated levy database, maintenance funding schedules (where applicable), STAX implementation, GIS mapping, Property Finder updates, annual administration integration.

E. Community Facilities District (CFD) Bond Financing Services

SCG will provide complete Special Tax Consulting services necessary to support the issuance of tax-exempt and taxable municipal bonds secured by Community Facilities District special taxes. Working closely with City staff, bond counsel, disclosure counsel, the municipal advisor, underwriter, trustee, appraiser, market absorption consultant, and other members of the financing team, SCG will prepare the financial analyses, special tax information, and supporting documentation necessary to facilitate a successful bond issuance while ensuring compliance with the Community Facilities Act, bond documents, and applicable securities regulations.

1. Bond Issuance Evaluation and Financing Strategy: SCG will evaluate the District's readiness for bond financing by reviewing development status, assessed valuation, infrastructure completion, value-to-lien ratios, absorption projections, reimbursement requirements, administrative funding needs, and other financing considerations. Based upon this evaluation, SCG will coordinate with the financing team to develop an appropriate financing strategy and bond issuance schedule.

Deliverables: Financing strategy, value-to-lien analysis, bond issuance schedule, financing assumptions.

2. Financial Analysis and Debt Service Modeling: SCG will prepare the financial analyses necessary to support the proposed bond issuance, including bond sizing, projected debt service, special tax revenues, administrative funding requirements, reserve fund requirements, delinquency assumptions, debt service coverage, and long-term cash flow projections. Alternative financing scenarios will be evaluated to optimize the financing structure while maintaining compliance with the adopted Rate and Method of Apportionment.

Deliverables: Bond sizing analysis, debt service model, cash flow projections, special tax analysis.

3. Financing Team Coordination: SCG will coordinate with City staff, bond counsel, disclosure counsel, municipal advisor, underwriter, trustee, appraiser, market absorption consultant, fiscal agent, and other financing participants throughout the financing process. We will participate in financing team meetings, monitor project schedules, review financing assumptions, respond to technical questions, and provide the special tax information necessary to support preparation of financing documents.

Deliverables: Financing team coordination, meeting participation, project schedule updates.

4. Official Statement and Financing Documentation: SCG will prepare or review the special tax information included within the Preliminary Official Statement and Official Statement, including special tax tables, debt service schedules, value-to-lien analyses, historical tax collection

information, development summaries, projected special tax revenues, and other financial information relating to the Community Facilities District. SCG will also review financing documents to ensure consistency with the adopted Rate and Method of Apportionment and proposed financing structure.

Deliverables: Official Statement tables, special tax exhibits, financial schedules, document review comments.

5. Bond Sale and Closing Support: SCG will assist the financing team throughout the bond sale and closing process by participating in pricing discussions, updating financial analyses, responding to financing questions, reviewing final financing documents, coordinating implementation of the annual special tax levy, and assisting with other activities necessary to successfully complete the financing.

Deliverables: Pricing support, updated financial schedules, closing coordination, implementation support.

6. Post-Issuance Implementation: Following bond issuance, SCG will establish the annual debt service schedule within STAX, update the District's annual levy model, coordinate with the trustee regarding annual debt service requirements, and transition the District into bonded CFD administration. SCG will also establish procedures for continuing disclosure support, annual reporting, debt service monitoring, and other post-issuance administrative requirements necessary to maintain long-term compliance.

Deliverables: Debt service schedule, STAX implementation, bonded CFD administration setup, continuing disclosure schedule.

F. Community Facilities District (CFD) Annual Administration Services

SCG will provide comprehensive annual administration services for the City's Community Facilities Districts in accordance with the Mello-Roos Community Facilities Act of 1982, each District's adopted Rate and Method of Apportionment, applicable bond documents, and County tax roll requirements. Our team will manage every phase of the annual administration process, including annual levy preparation, debt service administration, financial reporting, continuing disclosure, delinquency monitoring, property owner support, and County coordination. Services will be coordinated with City staff, bond counsel, trustees, County officials, developers, property owners, and other project stakeholders to ensure each District remains financially sound, legally compliant, and accurately administered throughout its lifecycle.

1. Kick-off Meeting: SCG will conduct an annual kick-off meeting with City staff to establish the annual administration schedule, review prior year activities, discuss changes affecting the upcoming levy, identify budget requirements, establish project milestones, and coordinate County enrollment deadlines. Throughout the administration process, SCG will monitor project progress and coordinate activities to ensure all statutory deadlines are achieved.

Deliverables: Annual administration schedule, project implementation plan, meeting summaries.

2. Data Collection and Parcel Administration: SCG will collect and review the annual County Assessor parcel roll, Geographic Information System (GIS) parcel files, subdivision maps, ownership information, tract maps, lot line adjustments, parcel mergers and splits, building permits, certificates of compliance, and other property information affecting the annual levy. Parcel information will be verified and maintained within STAX to ensure the annual levy reflects the current tax roll and adopted Rate and Method of Apportionment.

Deliverables: Updated district database, parcel change log, GIS verification, KML mapping files.

3. Budget Review and Financial Planning: SCG will review each District's annual budget, debt service requirements, administrative expenses, reserve fund balances, maintenance budgets (where applicable), and other financial information necessary to determine the annual special tax requirement. SCG will coordinate with City staff to assist with accurate cost recovery and provide recommendations regarding budget assumptions, reserve funding, and future levy requirements.

Deliverables: Annual levy budgets, financial analysis, reserve review, funding recommendations.

4. Debt Service Component: For Bonded Community Facilities Districts, SCG will coordinate with the City's Fiscal Agent and Trustee to review debt service schedules and determine the annual principal, interest, administrative expenses, reserve funding requirements, and other obligations to be funded through the annual special tax levy. SCG independently maintains debt service schedules for each District as part of our quality assurance process and verifies all annual debt service requirements prior to levy calculation.

Deliverables: Current debt service schedules, debt service verification.

5. Calculation of Special Taxes: SCG will annually calculate and apportion the special taxes for each District in accordance with the adopted Rate and Method of Apportionment. Annual calculations include assigning the appropriate tax classifications, verifying development status, applying escalation provisions, evaluating reserve funding requirements, and determining the annual special tax necessary to satisfy each District's financial obligations. Multiple quality assurance reviews will be completed prior to finalizing the levy.

Deliverables: Annual tax rolls, special tax schedules, levy worksheets, QA/QC documentation.

6. Annual Levy Preparation and County Submittal: SCG will prepare the annual levy requirements for each District and submit the levy files in the format required by the Riverside County Auditor-Controller prior to the statutory deadline. Services include preparation of levy detail reports, enabling resolutions, County levy files, and all supporting documentation necessary to successfully enroll the annual special taxes.

Deliverables: County levy files, enabling resolutions, levy detail reports.

7. Annual Enrollment Correspondence: SCG will prepare all annual enrollment documentation required by the County Auditor-Controller, including Proposition 218 compliance forms, authorized signature forms, summary statements, and other enrollment documents. SCG will coordinate directly with County staff and discuss any legislative or procedural changes affecting the annual enrollment process with City staff.

Deliverables: Proposition 218 compliance forms, enrollment documentation, County correspondence.

8. Resubmittals and Adjusted Property Tax Bills: Should changes to the secured tax roll require revisions following the annual enrollment deadline, SCG will research the affected parcels, recalculate the special taxes, prepare revised levy files, and coordinate with the County to process approved corrections. SCG will notify City staff of any parcels rejected by the County and recommend the appropriate corrective action.

Deliverables: County resubmittals, corrected levy files, parcel correction reports.

9. Handbills: SCG will prepare and distribute handbills for parcels that do not receive a County property tax bill. Handbills will include City letterhead, invoices, payment instructions, installment schedules, and other information necessary to facilitate direct payment to the City.

Deliverables: Handbills, invoices, payment schedules.

10. Annual Levy Report: Upon completion of the annual enrollment process, SCG will prepare a comprehensive Levy Report summarizing the annual special tax enrollments for each District. The report will identify all parcels levied, annual special tax amounts, total levy revenues, and other information relevant to the annual levy calculations.

Deliverables: Annual Levy Report, levy summary schedules.

11. Annual Continuing Disclosure: SCG will prepare Annual Continuing Disclosure Reports in accordance with the Continuing Disclosure Certificate and SEC Rule 15c2-12. Following City review and approval, SCG will file the reports with the Municipal Securities Rulemaking Board (MSRB) through the Electronic Municipal Market Access (EMMA) system and distribute the reports to any additional parties identified in the Continuing Disclosure Agreement.

Deliverables: Annual Continuing Disclosure Reports, EMMA filings.

12. SB 165 Reporting: SCG will assist the City in preparing annual reports required pursuant to Government

Code Section 53411, including financial information, development status, and other reporting requirements applicable to Community Facilities Districts.

Deliverables: SB 165 Reports.
13. AB 2109 Reporting: SCG will prepare all reports required by State and Federal law, including Assembly Bill 2109 reporting requirements, where applicable.

Deliverables: AB 2109 Reports.

14. California Debt and Investment Advisory Commission (CDIAC) Reporting: SCG will prepare and coordinate all reports required by the California Debt and Investment Advisory Commission (CDIAC), including annual reporting associated with outstanding bond issues, where applicable.

Deliverables: CDIAC Reports.

1**5. Annual Reporting (AB 1666):** SCG will prepare the City's Annual Administrative Report in accordance with Assembly Bill 1666. The report will identify eligible administrative costs, review fund balances, summarize debt service requirements, evaluate delinquency trends, identify surplus or deficit fund balances, and provide recommendations regarding the financial condition of each District.

Deliverables: AB 1666 Annual Report.

16. Bond Call Analysis: Upon request, SCG will evaluate outstanding bond maturities, calculate redemption amounts and applicable premiums, prepare revised debt service schedules, and coordinate bond redemption activities with the Fiscal Agent and Trustee.

Deliverables: Bond Call Analysis, revised debt service schedules.

17. Release of Lien: Upon confirmation that a special tax obligation has been prepaid, SCG will prepare and record the Release of Lien in accordance with applicable provisions of the Revenue and Taxation Code and provide copies of the recorded document to the City and property owner.

Deliverables: Recorded Release of Lien.

18. Bond Rating Agency Support: SCG will assist City staff in responding to requests from bond rating agencies by providing financial information, special tax data, development updates, and other information requested during the rating review process.

Deliverables: Rating agency support, financial information.

19. Toll-Free Property Owner Services: SCG will provide a toll-free customer service number for inclusion on annual property tax bills. Our staff will respond to inquiries from property owners, title companies, escrow officers, developers, and lending institutions regarding Community Facilities Districts, annual special taxes, payoff calculations, and other District-related matters. Bilingual staff members are available to assist Spanish-speaking property owners.

Deliverables: Property owner assistance, title company support, bilingual customer service.

20. Disclosure for Prospective Property Purchases: SCG will assist the City in providing the disclosure information required pursuant to California Government Code Sections 53340.2(b) and 53341.5 for prospective property purchasers and escrow transactions.

Deliverables: Property disclosure reports.

21. Notice of Special Tax: SCG will prepare and record Notices of Special Tax Disclosure as required by California Government Code Sections 53340.2(b) and 53341.5.

Deliverables: Recorded Notice of Special Tax.

22. Prepayment Calculations: Upon request, SCG will calculate the special tax prepayment amount for individual parcels in accordance with the adopted Rate and Method of Apportionment and applicable bond documents. Any applicable prepayment fees shall be paid by the requesting party.

Deliverables: Special Tax Prepayment Quotes.

23. Delinquency Monitoring: SCG will monitor annual special tax delinquencies, prepare delinquency reports, coordinate collection activities

with City staff and foreclosure counsel, monitor payment plans, and provide delinquency information necessary to support continuing disclosure reporting and District administration.

Deliverables: Delinquency detail reports, summary reports, collection monitoring.

24. Foreclosure Coordination: For Bonded Community Facilities Districts, SCG will assist with foreclosure proceedings by preparing supporting documentation, coordinating with foreclosure counsel, preparing Notices of Intent to Commence Foreclosure, updating delinquency information, and assisting with removal of foreclosed parcels from the annual tax roll as appropriate.

Deliverables: Foreclosure documentation, recorded notices, delinquency schedules.

25. Current and Future CFD Laws: SCG actively monitors changes in California statutes, case law, and industry practices affecting Community Facilities Districts. We participate in continuing education programs, professional organizations, and industry conferences to remain current with evolving legal and regulatory requirements. SCG will advise City staff of significant legislative changes and recommend procedural updates necessary to maintain compliance.

Deliverables: Legislative updates, compliance recommendations.

26. Meetings: SCG will attend annual City Council meetings, Public Hearings, staff meetings, financing meetings, and other meetings requested by the City in support of the annual administration process. Our staff will be fully prepared to present technical information, respond to questions, and assist City staff throughout the administration cycle.

Deliverables: Meeting attendance, presentations, technical support.

G. Landscape Maintenance District (LMD) Annual Administration Services

SCG will provide comprehensive annual administration services for the City's Landscape Maintenance Districts in accordance with the Landscaping and Lighting Act of 1972, Proposition 218, the District's Engineer's Report, and County tax roll requirements. Our team will manage every phase of the annual administration process, including budget development, assessment calculations, preparation of the annual Engineer's Report, levy enrollment, property owner support, and County coordination. Services will be coordinated with City staff, the District Engineer, County officials, property owners, and other project stakeholders to ensure each Landscape Maintenance District remains financially sustainable, legally compliant, and accurately administered throughout its lifecycle.

1. Kick-off Meeting: SCG will conduct an annual kick-off meeting with City staff to establish the annual administration schedule, review prior year activities, discuss proposed maintenance budgets, identify changes affecting the upcoming levy, establish project milestones, and coordinate County enrollment deadlines.

Deliverables: Annual administration schedule, project implementation plan, meeting summaries.

2. Data Collection and Parcel Administration: SCG will collect and review the annual County Assessor parcel roll, subdivision maps, ownership information, parcel changes, lot line adjustments, GIS parcel files, and other property information affecting the annual assessment roll. Parcel information will be verified and maintained within STAX to ensure the annual assessments reflect the current tax roll and approved assessment methodology.

Deliverables: Updated parcel database, GIS verification, parcel change log.

3. Budget Review and Maintenance Cost Analysis: SCG will review the annual maintenance budget provided by the City, including landscape maintenance, irrigation, utilities, administrative expenses, reserve funding, contingency funding, and other eligible costs. SCG will coordinate with City staff to ensure the annual assessments accurately recover the costs of maintaining the District improvements.

SCG will also review maintenance responsibilities, zone allocations, maintenance exhibits, and cost assignments to verify that annual costs are allocated among the District's

eleven benefit zones in accordance with the approved Engineer's Report and assessment methodology.

Deliverables: Annual maintenance budget, cost recovery analysis, funding recommendations.

4. Consumer Price Index (CPI) Review: Where authorized by the Engineer's Report and assessment ballot proceedings, SCG will calculate the applicable Consumer Price Index adjustment and determine the allowable annual assessment increase in accordance with the District's approved methodology.

Deliverables: CPI calculations, assessment adjustment analysis.

5. Annual Assessment Calculations: SCG will calculate the annual assessments for each parcel in accordance with the approved Engineer's Report and assessment methodology. Annual calculations will include verification of assessment categories, benefit zones, assessment rates, budget allocations, reserve funding, and applicable CPI adjustments. Multiple quality assurance reviews will be completed prior to finalizing the annual assessment roll.

Deliverables: Annual assessment roll, assessment schedules, QA/QC documentation.

6. Annual Engineer's Report Preparation: SCG will prepare the annual Engineer's Report, including updated budgets, assessment calculations, assessment diagrams, assessment rolls, benefit zone summaries, and supporting financial schedules. The report will be reviewed by the District Engineer prior to finalization and presentation to the City Council.

Deliverables: Draft and Final Engineer's Report, assessment roll, assessment diagrams.

7. Public Hearing Proceedings: SCG will assist with preparation of annual resolutions, staff reports, notices, public hearing documentation, and other materials required to levy the annual assessments. SCG will attend City Council meetings, present the Engineer's Report, respond to questions, and assist City staff throughout the annual levy proceedings.

Deliverables: Staff report support, resolutions, hearing documentation, City Council presentation.

8. Annual Assessment Enrollment: SCG will prepare the annual County assessment files and all supporting documentation required by the County Auditor-Controller. Services include preparation of levy files, authorized signature forms, Proposition 218 compliance documentation, and other enrollment materials necessary to place the annual assessments on the County property tax roll.

Deliverables: County assessment files, Proposition 218 forms, enrollment documentation.

9. Resubmittals and Corrected Assessment Rolls: If changes to the secured tax roll require revisions following the annual enrollment deadline, SCG will research the affected parcels, recalculate the assessments, prepare revised assessment files, and coordinate approved corrections with the County.

Deliverables: Corrected assessment rolls, County resubmittals.

10. Handbills: SCG will prepare and distribute handbills for parcels that do not receive County property tax bills. Handbills will include assessment information, payment instructions, installment schedules, and other information necessary to facilitate direct payment to the City.

Deliverables: Handbills, invoices, payment schedules.

11. Annual Assessment Report: Upon completion of the annual enrollment process, SCG will prepare an Annual Assessment Report summarizing the assessments levied, total assessment revenues, benefit zone summaries, assessment rates, and other information relevant to the annual levy.

Deliverables: Annual Assessment Report, assessment summary schedules.

12. Property Owner Services: SCG will respond to inquiries from property owners, title companies, escrow officers, developers, and other interested parties regarding annual assessments, benefit zones, assessment calculations, Engineer's Reports, and other District-related matters. Bilingual staff members are available to assist Spanish-speaking property owners.

Deliverables: Property owner assistance, title company support, bilingual customer service.

13. Legislative Compliance: SCG will monitor changes in California statutes, Proposition 218 requirements, case law, and industry practices affecting Landscape Maintenance Districts. SCG will advise City staff regarding legislative changes and recommend procedural updates necessary to maintain compliance.

Deliverables: Legislative updates, compliance recommendations.

14. Meetings: SCG will attend annual City Council meetings, Public Hearings, staff meetings, budget meetings, and other meetings requested by the City in support of the annual administration process. Our staff will be fully prepared to present technical information, respond to questions, and assist City staff throughout the annual assessment cycle.

Deliverables: Meeting attendance, presentations, technical support.

H. Improvement District Administration Services

SCG will provide comprehensive annual administration services for the City's Improvement Districts in accordance with the applicable Improvement Act, bond documents, assessment methodology, and County tax roll requirements. Our team will manage every phase of the annual administration process, including annual assessment calculations, debt service administration, financial reporting, continuing disclosure, property owner support, and County coordination. Services will be coordinated with City staff, bond counsel, trustees, County officials, property owners, and other project stakeholders to ensure each Improvement District remains financially sound, legally compliant, and accurately administered throughout its lifecycle.

1. Kick-off Meeting: SCG will conduct an annual kick-off meeting with City staff to establish the annual administration schedule, review prior year activities, discuss debt service requirements, identify changes affecting the upcoming levy, establish project milestones, and coordinate County enrollment deadlines.

Deliverables: Annual administration schedule, project implementation plan, meeting summaries.

2. Data Collection and Parcel Administration: SCG will collect and review the annual County Assessor parcel roll, subdivision maps, ownership information, parcel changes, lot line adjustments, and other property information affecting the annual assessment roll. Parcel information will be verified and maintained within STAX to ensure the annual assessments reflect the current tax roll and approved assessment methodology.

Deliverables: Updated parcel database, parcel change log, GIS verification.

3. Debt Service Review and Financial Planning: SCG will coordinate with the Fiscal Agent and Trustee to review annual debt service schedules, reserve fund balances, administrative expenses, and other financial obligations necessary to determine the annual assessment requirement. SCG will independently verify all debt service calculations as part of our quality assurance process.

Deliverables: Debt service schedules, financial analysis, reserve review.

4. Annual Assessment Calculations: SCG will calculate the annual assessments for each parcel in accordance with the approved assessment methodology, debt service requirements, administrative expenses, reserve funding requirements, and applicable bond documents. Multiple quality assurance reviews will be completed prior to finalizing the annual assessment roll.

Deliverables: Annual assessment roll, assessment schedules, QA/QC documentation.

5. Annual Assessment Enrollment: SCG will prepare the annual County assessment files, assessment roll, enabling resolutions (if required), and supporting documentation necessary to enroll the annual assessments on the County property tax roll. SCG will coordinate directly with County staff to ensure timely enrollment.

Deliverables: County assessment files, assessment roll, enrollment documentation.

6. Continuing Disclosure and Regulatory Compliance: SCG will prepare Annual Continuing Disclosure Reports in accordance with the Continuing Disclosure Certificate and SEC Rule 15c2-12. Following City review and approval, SCG will file the reports with the Municipal Securities Rulemaking Board (MSRB) through the Electronic Municipal Market Access (EMMA) system and prepare CDIAC reports and other regulatory filings, where applicable.

Deliverables: Continuing Disclosure Report, EMMA filing, CDIAC reports.

7. Property Owner Services: SCG will respond to inquiries from property owners, title companies, escrow officers, developers, and lending institutions regarding annual assessments, payoff calculations, assessment balances, bond obligations, and other Improvement District-related matters. Bilingual staff members are available to assist Spanish-speaking property owners.

Deliverables: Property owner assistance, title company support, payoff calculations.

8. Delinquency Monitoring: SCG will monitor annual assessment delinquencies, prepare delinquency reports, coordinate collection activities with City staff and foreclosure counsel, monitor payment plans, and provide delinquency information necessary to support continuing disclosure reporting and annual administration.

Deliverables: Delinquency reports, collection monitoring, summary reports.

9. Release of Assessment Lien: Upon confirmation that an assessment obligation has been prepaid, SCG will prepare and coordinate the recordation of the appropriate Release of Assessment Lien and provide copies of the recorded document to the City and property owner.

Deliverables: Recorded Release of Assessment Lien.

1**0. Meetings:** SCG will attend annual City Council meetings, staff meetings, financing meetings, and other meetings requested by the City in support of the annual administration process. Our staff will be fully prepared to present technical information, respond to questions, and assist City staff throughout the annual assessment cycle.

Deliverables: Meeting attendance, presentations, technical support.

I. County Service Area (CSA) No. 152 Annual Administration Services

SCG will provide comprehensive annual administration services for County Service Area (CSA) No. 152 in accordance with the County Service Area Law, the District's formation documents, approved budget, and County tax roll requirements. Our team will manage every phase of the annual administration process, including budget development, benefit charge calculations, annual levy preparation, County coordination, financial reporting, property owner support, and ongoing district administration. Services will be coordinated with City staff, Riverside County officials, property owners, and other project stakeholders to ensure the District remains financially sustainable, legally compliant, and accurately administered throughout its lifecycle.

1. Kick-off Meeting: SCG will conduct an annual kick-off meeting with City staff to establish the annual administration schedule, review prior year activities, discuss operational changes, identify budget requirements, establish project milestones, and coordinate County enrollment deadlines.

Deliverables: Annual administration schedule, project implementation plan, meeting summaries.

2. Data Collection and Parcel Administration: SCG will collect and review the annual County Assessor parcel roll, subdivision maps, ownership information, parcel changes, lot line adjustments, and other property information affecting the annual benefit charge roll. Parcel information will be verified and maintained within STAX to ensure the annual benefit charges reflect the current tax roll and approved benefit methodology.

Deliverables: Updated parcel database, parcel change log, GIS verification.

3. Budget Review and Financial Planning: SCG will review the annual operating budget, administrative expenses, reserve funding requirements, anticipated service costs, and other financial information necessary to determine the annual benefit charge requirement. SCG will coordinate with City staff to assist with accurate cost recovery and provide recommendations regarding reserve funding and future budget needs.

Deliverables: Annual budget analysis, reserve review, funding recommendations.

4. Annual Benefit Charge Calculations: SCG will calculate the annual benefit charges for each parcel in accordance with the District's approved methodology, budget requirements, reserve funding needs, and applicable statutory requirements. Multiple quality assurance reviews will be completed prior to finalizing the annual assessment roll.

Deliverables: Annual benefit charge roll, assessment schedules, QA/QC documentation.

5. Annual Levy Preparation and County Enrollment: SCG will prepare the annual County tax roll files, levy documentation, authorized signature forms, and supporting materials necessary to enroll the annual benefit charges on the County property tax roll. SCG will coordinate directly with Riverside County staff to ensure timely enrollment.

Deliverables: County levy files, enrollment documentation, levy reports.

6. Resubmittals and Corrected Assessment Rolls: If revisions are required following the annual enrollment deadline, SCG will research the affected parcels, recalculate the benefit charges, prepare revised levy files, and coordinate approved corrections with Riverside County.

Deliverables: Corrected levy files, County resubmittals.

7. Property Owner Services: SCG will respond to inquiries from property owners, title companies, escrow officers, developers, and other interested parties regarding annual benefit charges, District boundaries, parcel classifications, and other District-related matters. Bilingual staff members are available to assist Spanish-speaking property owners.

Deliverables: Property owner assistance, title company support, bilingual customer service.

8. Financial Reporting and District Monitoring: SCG will prepare annual administrative reports summarizing annual levy activity, fund balances, budget performance, development activity, parcel changes, and other financial information necessary to assist the City in monitoring the long-term financial condition of the District.

Deliverables: Annual administrative report, financial summaries, budget monitoring.

9. Legislative Compliance: SCG will monitor changes in California statutes, County Service Area Law, and industry practices affecting County Service Areas. SCG will advise City staff of legislative changes and recommend procedural updates necessary to maintain compliance.

Deliverables: Legislative updates, compliance recommendations.

10. Meetings: SCG will attend annual City Council meetings, staff meetings, budget meetings, and other meetings requested by the City in support of the annual administration process. Our staff will be fully prepared to present technical information, respond to questions, and assist City staff throughout the annual administration cycle.

Deliverables: Meeting attendance, presentations, technical support. for special district administration.

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APPENDIX B

Vendor Master File

Name: SPICER CONSULTING GROUP

Address: 41880 KALMIA ST. SUITE 145

MURRIETA, CA 92562

City, State, Zip:

Phone Number: (951) 520-3331

Contact Person: SHANE SPICER

Email Address: SHANE.SPICER@SPICERCG.COM

Business Description: SPECIAL TAX CONSULTANT

Remittance Address (if different from above)

Name:

Address:

City, State, Zip:

Company License (if Applicable):

City: _____ State: _____ Contractors: _____ DIR: _____

Office Use Only

Vendor Number: _____

W-9 Attached: _____ Licenses Verified: _____

Comm/Serv: _____ E/X Code _____

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APPENDIX C

City of Banning

99 East Ramsey Street, PO Box 998, Banning, CA 92220
Attn: Business Taxes Phone: (951) 922-3126 Fax: (951) 922-3165

BUSINESS TAX CERTIFICATE APPLICATION

Please Check One	
New Application	☐
Change of Owner	☐
Change of Address	☐
Change of Business Name	☐
Home Occupation	☐

PLEASE TYPE OR PRINT CLEARLY

Business Name: SPICER CONSULTING GROUP
Business Location (Not P.O. Box): 41880 KALMIA ST. SUITE 145, MURRIETA, CA 92562
Bus. Phone: (951) 520-3331 Bus. Fax:
Mailing Address (If Different):
Email Address: SHANE.SPICER@SPICERCG.COM

Ownership: ☐ Corporation ☒ Limited Liability Corp. ☐ Partnership ☐ Sole Proprietor ☐ Trust
(A Federal ID Number Is Required For All Business Types except Sole Proprietor)

Banning Start Date	Description of Business / Contractor Job

Business Type: ☐ Retail / Wholesale Service ☐ Manufacturing ☒ Professional ☐ Contractor

State Lic. No. _____ License Type _____ Expiration date _____
Resale No. _____ Federal ID No. _____ State ID No. _____

OFFICIAL USE ONLY

Account No. _____
Expiration Date _____
License Tax $ _____
Penalty _____
Total Fee $ _____
Date Paid _____ ☐ Cash
Check No. _____ By _____

Reviewed and Approved by

Bus. Lic. Dept. _____/_____
Planning Dept. _____/_____
Bldg. & Safety Dept. _____/_____
Fire Dept. _____/_____
Public Works _____/_____
Home Occup. Permit Required- YES ☐ NO ☐

BELOW ENTER THE NAMES OF OWNERS, PARTNERS, OR CORPORATE OFFICERS – use additional sheets if necessary

Owner Name: SHANE SPICER Title: MANAGING DIRECTOR Phone (951) 208-7870
Home Address: 25407 CHAMPLAIN AVE. MURRIETA, CA 92562 Cell No. (951) 520-3331
(Street Number, Street Name, City, State, Zip)
Driver's Lic. No.: A8057918 Social Security No.: 557-93-1038

Owner Name _____ Title _____ Phone ( ) _____
Home Address _____ Cell No. ( ) _____
(Street Number, Street Name, City, State, Zip)
Driver's Lic. No. _____ Social Security No. _____

In Case of Emergency, Please Contact (Required for In-Town Location)

Name _____ Title _____ Phone ( ) _____
Home Address _____ Cell No. ( ) _____
(Street Number, Street Name, City, State, Zip)

PLEASE COMPLETE THE FOLLOWING:

No. of Employees	10
No. of Professionals	
No. of Non Professionals	
No. of Rental Units	
No. of Coin Operated Machines	

NOTE: Sales or use tax may apply to your business activities. You may seek written advice regarding the application of tax to your particular business by writing to the nearest Board of Equalization office. For general information, please call the Board of equalization at 1-800-400-7115

CONTRACTORS- Please provide ONLY the number of employees working on the project here in the City of Banning

PLEASE CALCULATE AMOUNT DUE BY ENTERING INFORMATION IN BOXES BELOW AND SIGN.

Business Tax -	$
Fire Inspection -	$
Building Inspection -	$
Home Occupation Fee -	$
Other Fee -	$
State CASp Fee -	$ 4.00
TOTAL FEES -	$

I understand that the acceptance of this application does not give me the right to occupy any building until I receive a Certificate of Occupancy. I declare under penalty of perjury, that I am authorized to complete this application and, that to the best of my knowledge, the information provided herein is true and correct.

Date: 6-29-2026 Title: MANAGING DIRECTOR
Signature:

"Any Business License Applications/Renewals Submitted Without a Signature, Will Not Be Processed"

NOTICE: Under Federal and State law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:
The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx
The Department of Rehabilitation at www.rehab.cahwnet.gov
The California Commission on Disability Access at www.ccda.ca.gov

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APPENDIX D

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ **Go to *www.irs.gov/FormW9* for instructions and the latest information.**

Give Form to the requester. Do not send to the IRS.

Print or type. See **Specific Instructions** on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

SCG - SPICER CONSULTING GROUP, LLC

2 Business name/disregarded entity name, if different from above

SPICER CONSULTING GROUP

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☒ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ S

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from FATCA reporting code (if any)

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

41880 KALMIA STREET, SUITE 145

Requester's name and address (optional)

6 City, state, and ZIP code

MURRIETA, CA 92562

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

8	1	–	2	6	5	8	5	7	9

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person** ▶ **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

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APPENDIX E

COMPLIANCE WITH PRESIDENTIAL EXECUTIVE ORDERS IMPOSING SANCTIONS AGAINST THE RUSSIAN FEDERATION (RUSSIA)

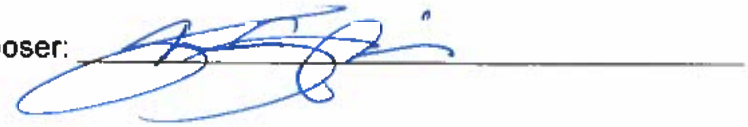
Executive Order Nos. 13660, 13661, 13662, 13685, 13849, and 14065, and the Directives thereunder, (collectively "Orders"), impose economic sanctions against Russia ("Sanctions"), and establish prohibitions that include, but are not limited to:

(i) engaging in certain commercial transactions with a person or entity whose property or interest is blocked and/or who is listed on the Treasury Department's List of Specially Designated Nationals and Blocked Persons ("SDN List") or Sectoral Sanctions Identification List ("SSI List"); and

(ii) exporting or importing goods, services, or technology, to or from Crimea, or the Donetsk or Luhansk region, in Ukraine.

Please review the economic sanctions imposed in response to Russia's actions in Ukraine, including, but not limited to, the Orders, Directives, and sanctions identified on the U.S. Department of the Treasury website (or any successor website): https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions

Based on your review of the Sanctions and/or your personal knowledge, by signing below you certify that (i) no person, or entity or any owner thereof, submitting this bid or proposal, is a Blocked Person or is a person or entity listed on the SDN List or the SSI List; or is otherwise subject to any of the prohibitions created by the Sanctions or any of the Orders; and (ii) no performance required by a contract awarded by the City to the bidder or proposer signed for below will involve the prohibited exporting or importing of goods, services, or technology, to or from Crimea, or the Donetsk or Luhansk region, in Ukraine, or will otherwise involve conduct prohibited by any of the Sanctions.

Bidder/Proposer: 

Dated: 6/27/2026

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V.C PRICE PROPOSAL

SCG proposes the following fixed-fee schedule for CFD formation, annexation, bond financing support, fiscal impact analysis, and annual administration services. Fees include project management, special tax consulting, GIS support, coordination with City staff and legal counsel, preparation of required reports and exhibits, and attendance at meetings necessary to complete the requested services.

The above formation and financing services are generally initiated in connection with private development projects. Accordingly, these costs are typically funded through developer deposits and, where applicable, reimbursed from bond proceeds or other financing mechanisms. SCG proposes the following fixed-fee schedule for services performed in accordance with the Scope of Services included in Appendix A.

Consulting Services		Fee
A.	Facilities CFD Formation Services	$25,000
	Plus: per Improvement Area	$5,000
B.	Bond Issuance Services	$25,000
C.	Maintenance CFD Formation Services	$15,000
D.	Maintenance CFD Annexation Services	$12,500
E.	Public Safety Fiscal Impact Analysis Services	$13,500
F.	Public Safety CFD Formation Services	$9,500
G.	Public Safety CFD Annexation Services	$10,000

CFD Administration Services		Fee
A.	Facilities CFD – Monitoring (No Development)	$2,500
B.	Facilities CFD – Pre Bond Issuance (Some Development)	$5,000
C.	Facilities CFD – Bonded (per Improvement Area/Bond Series)	$7,500
D.	Maintenance CFD Residential ($500-$1,800 per Zone)	Varies
E.	Maintenance CFD Commercial (per Zone)	$500
F.	Public Safety CFD (per Annexation)	$500

LMD Administration Services		Fee
A.	Landscape Maintenance District No. 1 (11 Zones)	$11,000

Optional Administration Services		Fee
A.	Improvement District 2004-1	$4,500
B.	CSA 152	$6,500

Hourly / Additional Services

Services not specifically included in the fixed-fee scope may be provided on an hourly basis upon written authorization by the City. These services may include special studies, additional financial analyses, special presentations, development agreement support, bond refunding analysis, additional GIS mapping, legislative or regulatory research, special district policy updates, and other services requested by the City.

Hourly Rates

Title	Rate
Principal	$265
Senior Associate	$185
Associate	$145
Mapping Technician	$135
Administrative Support	$90

For services not specifically identified in the above fee schedule, compensation shall be based upon the hourly rates set forth herein, together with reimbursement at cost for reasonable direct expenses incurred in connection with the administration services, and reimbursement for outside professional services at cost plus fifteen percent (15%), when authorized by the City.

AGREEMENT FOR PROFESSIONAL SERVICES (C01295) BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR ("Agreement") is made and effective as of the _____ by and between the **CITY OF BANNING**, a California municipal corporation ("City") whose address is 99 East Ramsey Street, Banning, California 92220, and SCG-SPICER CONSULTING GROUP, LLC, a California limited liability company whose address is 41880 Kalmia Street, Suite 145, Murrieta, California 92562 ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as "party" and hereinafter collectively referred to as the "parties."

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. City desires to engage Contractor to provide the following services: community facilities district (CFD) & tax consulting services; and

B. Contractor has made a proposal ("Proposal") to the City to provide such professional services, which Proposal is attached hereto as **Exhibit "A"** and incorporated herein by this reference; and

C. Contractor agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to City that Contractor possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, City and Contractor agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after two (2) years from the Effective Date, unless extended for up to three (3) additional one (1) year term upon approval of the City Council of the City.

2. Services to be Performed. Contractor agrees to provide the services ("Services") as follows: assist in the formation, implementation, and potential administration of Community Facilities District (CFDs) pursuant to the Mello-Roos Community Facilities Act of 1982, for bonded district, as well as service and maintenance districts. Also, provide special district administration services in accordance with Exhibit "A". All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. Contractor designates Shane Spicer as Contractor's Representative responsible for overseeing the Services provided by Contractor ("Contractor's Representative"). City designates the City Manager, or his or her designee, to act as the Project Manager ("Project Manager") in connection with the delivery of Services under this Agreement. Contractor shall supply, at its sole expense, all equipment, tools, materials, and supplies necessary to perform Services. In the event that the Proposal contains terms that are in addition to or in conflict with this Agreement, other than the price for Services, such terms shall not be valid and shall be of no force or effect.

3. Associates and Subcontractors. Contractor may, at Contractor's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as Contractor deems necessary to perform the Services; provided, however, that Contractor shall not subcontract any of the Services without the prior written consent of City. Contractor shall ensure that all subcontractors comply with the requirements of this Agreement, including, but not limited to, insurance, indemnification, and licensing requirements.

4. Compensation.

4.01 Contractor shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the City. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by City to Contractor under this Agreement shall not exceed the amount of Five Hundred Twenty-Six Thousand Dollars and Zero Cents ($526,000.00) for the full five-year term of the agreement.

4.02 Contractor shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the City, in writing.

4.03 Contractor shall submit to City, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The City shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. City shall have the right to review and audit all invoices prior to or after payment to Contractor. This review and audit may include, but not be limited to City's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Verification that the hours billed, when multiplied by the approved hourly rates, result in the correct total;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If City determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, City shall either return the bill to Contractor with a request for explanation or adjust the payment accordingly and give notice to Contractor of the adjustment.

4.04 If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should City dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Contractor in writing of the disputed portion.

5. Obligations of Contractor.

5.01 Contractor agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the City other than the Services to be rendered and the hourly rate for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, Contractor will supply all personnel, materials and equipment required to perform the Services. Contractor shall provide its own offices, telephones, vehicles and computers. Contractor will determine the method, details, and means of performing the Services under this Agreement.

5.03 Contractor shall keep City informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by City, Contractor shall prepare written status reports.

5.04 Contractor is responsible for paying, when due, all income and other taxes, fees, and withholding, including withholding state and federal taxes, social security, unemployment and worker’s compensation, incurred as a result of the compensation paid under this Agreement. Contractor agrees to indemnify, defend, and hold harmless City for any claims, costs, losses, fees, penalties, interest, or damages suffered by City resulting from Contractor’s failure to comply with this provision.

5.05 In the event Contractor is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 Contractor represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event City is required to obtain an approval or permit from another governmental entity, Contractor shall provide all necessary supporting documents to be filed with such entity.

5.07 Contractor shall be solely responsible for obtaining Employment Eligibility Verification information from Contractor's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that Contractor's employees are eligible to work in the United States.

5.08 In the event that Contractor employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the City and shall be subject to the City's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the Contractor hereby certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 Contractor shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict, the most stringent shall apply.

5.11 Contractor shall keep itself informed concerning and shall render all Services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any federal, state or local governmental entity having jurisdiction in effect at the time service is rendered.

5.12 By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of Services to be performed, (ii) has carefully considered how the Services should be performed, and (iii) fully understands the conditions,

circumstances, difficulties and restrictions attending performance of the Services under this Agreement. If the Services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of Services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the Services hereunder, Contractor shall immediately inform the City of such facts and shall not proceed except at Contractor's sole risk until written instructions are received from the Project Manager.

Contractor warrants all Services under the Agreement to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Services, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Services or non-conformance of the Services to the Agreement, commence and prosecute with due diligence all Services necessary to fulfill the terms of the warranty at Contractor's sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Services (or work of other contractors) damaged by Contractor's defective Services or which becomes damaged in the course of repairing or replacing defective Services. For any Services so corrected, Contractor's obligation hereunder to correct defective Services shall be reinstated for an additional one-year period, commencing with the date of acceptance of such corrected Services. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor.

In the event that Contractor fails to fulfil its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Services and any work damaged by such services or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

5.13 Time is of the essence in the performance of this Agreement.

6. Insurance. Contractor hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, Contractor hereby covenants and agrees to

maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "B"** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate; Contractor agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's City, its officials, employees and agents. Contractor also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than $1 million per accident. If Contractor or Contractor's employees will use personal autos in performance of the Services hereunder, Contractor shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation insurance for any of Contractor's employees that will be providing any Services hereunder. Contractor will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any Workers' Compensation insurance will not limit the obligations of Contractor under this Agreement. Contractor expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents. Sole proprietors with no employees, LLCs, or partnerships using the services of members or partners who do not carry Workers' Compensation insurance acknowledge that they are not subject to the Workers' Compensation Act of the State of California and agree to complete a signed workers compensation exemption form.

6.04 Optional Insurance Coverage. Choose and check one: Required _X_ /Not Required __; Errors and omissions insurance in a minimum amount of $2 million per occurrence to cover any negligent acts or omissions committed by Contractor, its employees and/or agents in the performance of any Services for City.

6.05 Cyber Liability Insurance REQUIRED IF CHECKED HERE ONLY [___] (Technology Professional Liability – Errors and Omissions), with limits not less than $2,000,000 per occurrence or claim, and $2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic

information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Contractor will file with City, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to City evidencing.

6.06 If Claims Made Policies (applies only to professional liability and cyber liability policies):

i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

ii. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

iii. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the contract work.

7. General Conditions pertaining to Insurance Coverage.

7.01 No liability insurance coverage provided shall prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor waives all rights of subrogation against City regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do the same.

7.02 Prior to beginning the Services under this Agreement, Contractor shall furnish City with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03 All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A-VII". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. Contractor acknowledges and agrees that that all insurance coverage required to be provided by

Contractor or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to City.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Contractor shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7.06 Contractor agrees to provide immediate notice to City of any claim or loss against Contractor or arising out of the Services performed under this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

7.07 The coverage shall contain no special limitations on the scope of protection afforded to City, its directors, officers, employees, or authorized volunteers. If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

8. Indemnification.

8.01 Contractor and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by Contractor or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to City. Contractor acknowledges that City would not enter into this Agreement in the absence of the commitment of Contractor to defend, indemnify, and protect City as set forth herein.

a. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, injuries, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by City, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement.

Contractor's obligation to defend, indemnify, and hold harmless shall include any and all claims, suits, and proceedings in which Contractor (and/or Contractor's agents and/or employees) is alleged to be an employee of City. All obligations under this provision are to be paid by Contractor as they are incurred by City.

b. Without affecting the rights of City under any provision of this Agreement or this Section, Contractor shall not be required to indemnify and hold harmless City as set forth above for liability attributable solely to the fault of City, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

8A Indemnification Design Professionals. In the event that Contractor is a design professional under California Civil Code Section 2782.8 this Section 8A shall apply instead of Section 8. To the fullest extent permitted by California law and in accordance with California Civil Code section 2782.8, Contractor shall defend, indemnify, and hold harmless the City, its officers, employees, trustees and members ("Indemnified Parties") from any and all actions, assessments, counts, citations, claims, costs, damages, demands, judgments, liabilities (legal, administrative or otherwise), losses, notices, expenses, fines, penalties, proceedings, responsibilities, violations, attorney's and consultants' fees and causes of action including, but not limited to those for, injury to property or persons, including personal injury and/or death ("Claim(s)"), to the extent that the Claim(s) arises out of, pertains to, or relates to the negligence, recklessness, or willful misconduct of Contractor, its directors, officials, officers, employees and consultants arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement. This indemnity excludes liability caused by the negligence or willful misconduct of any of the Indemnified Parties. The cost to indemnify, hold harmless, and defend charged to Contractor shall not exceed Contractor's proportionate percentage of fault.

9. Additional Services, Changes and Deletions.

9.01. In the event Contractor performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of City, Contractor shall not be compensated for such services. Contractor expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the City in writing.

9.02 Contractor shall promptly advise the City Manager and Finance Director of City as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the City and/or City Council.

10. Termination of Agreement.

10.01. Notwithstanding any other provision of this Agreement, City, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to Contractor.

10.02 In the event of termination, the payment of monies due Contractor for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, Contractor agrees to promptly provide and deliver to City all original documents, reports, studies, plans, specifications and the like which are in the possession or control of Contractor and pertain to City.

11. Status of Contractor.

11.01 Contractor shall perform the Services in Contractor's own way as an independent contractor, and in pursuit of Contractor's independent calling, and not as an employee of City. However, Contractor shall regularly confer with City's City Manager or Project Manager as provided for in this Agreement.

11.02 Contractor agrees that it is not entitled to the rights and benefits afforded to City's employees, including disability or unemployment insurance, Workers' Compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. Contractor is responsible for providing, at its own expense, disability, unemployment, Workers' Compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 Contractor hereby specifically represents and warrants to City that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of City and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the City is located. Further, Contractor represents and warrants that the individual signing this Agreement on behalf of Contractor has the full authority to bind Contractor to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties, and all other documents of any kind or nature prepared, developed, or obtained by Contractor in connection with the performance of Services

performed for the City shall become the sole property of City, and Contractor shall promptly deliver all such materials to City upon request. At the City's sole discretion, Contractor may be permitted to retain original documents, and furnish reproductions to City upon request, at no cost to City.

12.02 Subject to applicable federal and state laws, rules and regulations, City shall hold all intellectual property rights to any materials developed pursuant to this Agreement. Contractor shall not use such data or documents for purposes other than the performance of this Agreement, nor shall Contractor release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of City.

12.03 Contractor shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as City may deem necessary, Contractor shall make available to City's agents for examination all of such records and shall permit City's agents to audit, examine and reproduce such records.

12.04 Contractor acknowledges that the City is a California municipal corporation and is subject to the California Public Records Act, Government Code § 7920.000 et seq. ("CPRA"), and other applicable laws requiring public access to records. Contractor further acknowledges and agrees that any and all documents, records, data, writings, communications, materials, and other information of any kind, in any format (including electronic format), that Contractor (or any associate, subcontractor, consultant, or agent of Contractor) prepares, develops, obtains, provides, transmits, or submits to the City, or that are otherwise received or maintained by the City, in connection with this Agreement or the Services may constitute public records and may be subject to disclosure to third parties in response to a CPRA request, unless the City determines that all or a portion of the Submitted Materials are exempt from disclosure under the CPRA or other applicable law.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by Contractor for City and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 Contractor shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of City. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 Contractor shall timely file FPPC Form 700 Conflict of Interest Statements with City if required by California law and/or the City's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 Contractor covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 Contractor has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. Contractor agrees that they are unaware of any financial or economic interest of any public officer or employee of the City relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the City may immediately terminate this Agreement by giving notice thereof. Contractor shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the City in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by City. The City, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the City with respect to the proposal and award process of this

Agreement or any City contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any City contract has been awarded. Contractor shall immediately report any attempt by any City officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor.

13.09 Severability. If any portion, section, sentence, provision or paragraph of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

13.10 Prevailing Wages. Contractor shall be responsible to comply with applicable prevailing wages laws. As a condition of payment, if applicable Contractor shall show proof of payment of wages under applicable state and federal laws and regulations relating to prevailing wages in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773, 1773.1, 1773.5, and 1773.9", for Riverside County and/or 40 U.S.C. Section 276a, et. seq. Such wage rates shall conform with those posted at City offices and the project site. In the event that the Contractor fails to pay the prevailing wages, the Contractor shall be solely liable for penalties and for the shortfall in wages and shall indemnify, defend and hold harmless City under Section 8.01 against any of the same. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1771 - Requirement to Pay Prevailing Wages
2. Section 1773.1 – Per Diem Wages; Travel and Subsistence Pay.
3. Section 1774 – Payment of Prevailing Wage Rates.
4. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
5. Section 1776 – Payroll Records and Certified Payroll Reports.
6. Section 1777.5 - Apprenticeship Requirements.
7. Sections 1810 and 1811 - Working Hour Restrictions.
8. Section 1813 - Penalty for Failure to Pay Overtime.

13.11 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

13.12 Waiver. Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or Services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

13.13 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

13.14 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purpose of this Agreement.

13.15 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

13.16 Force Majeure. Neither party shall be deemed in default of this Agreement to the extent that performance of its obligations is delayed or prevented by causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, riots, fires, floods, epidemics, pandemics, earthquakes, strikes, labor disputes, governmental orders, or failure of utilities. The affected party shall promptly notify the other party in writing of the occurrence of such event and shall use reasonable efforts to resume performance as soon as practicable. Force majeure shall not excuse the obligation to make payments when due. In no event shall force majeure entitle Contractor to additional compensation, but only to a reasonable extension of time.

13.17 Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified neither party shall be responsible for the service of the other.

13.18 The parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. The parties expressly adopt and confirm each electronic signature made by a party to this Agreement, regardless of whether delivered in person, by mail, courier, facsimile, email, or in portable document format (PDF), as if the same were manually signed and delivered in person. Each party agrees not to assert that any electronic signature is inadequate to bind such party to the same extent as if signed manually and delivered in person.

13.19 The provisions of this Agreement that by their nature are intended to survive the expiration or termination of this Agreement shall survive such expiration or termination. Without limiting the foregoing, the provisions relating to indemnification, ownership of documents and intellectual property, audit and records retention, insurance obligations, confidentiality, and payment obligations shall survive the termination or expiration of this Agreement.

13.20 Notice. Any notice, demand, request, consent, approval, or other communication required or permitted to be given under this Agreement ("Notice") shall be in writing and shall be deemed to have been duly given if delivered personally, sent by nationally recognized overnight courier, sent by certified or registered mail (return receipt requested), or sent by electronic mail, addressed as follows:

To City:
City of Banning
Attn: City Manager
99 East Ramsey Street
Banning, California 92220
Email: eclifford@banningca.gov

To Contractor:
SCG-Spicer Consulting Group, LLC
Attn: Shane Spicer
41880 Kalmia Street, Suite 145
Murrieta, California 92562
Email: shane.spicer@spicercg.com

Notices shall be deemed received as follows: (i) on the date of delivery if delivered personally; (ii) one (1) business day after deposit with a nationally recognized overnight courier; (iii) three (3) business days after deposit in the United States mail, postage prepaid; or (iv) on the date transmitted if sent by electronic mail during normal business hours of the receiving party, or on

the next business day if sent after normal business hours. Either party may change its address for Notice by providing written Notice of such change to the other party in accordance with this Section.

13.21 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which counterparts taken together shall constitute one and the same instrument for all purposes of this Agreement.

13.22 The recitals set forth in the preamble of this Agreement are hereby incorporated into and made a substantive part of this Agreement as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CITY OF BANNING

By:_____
Elizabeth Gibbs, City Manager

Date: _____

City Council Approval: RESO No.

ATTEST:

By: _____
Sandra Calderon, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Phaedra Norton, City Attorney

Date: _____

CONTRACTOR:

SCG-SPICER CONSULTING GROUP LLC

By:_____
Print
Name: _____

Date: _____

EXHIBIT “A”
PROPOSAL

A. Statement of Understanding and Approach

Statement of Understanding

SCG understands the City of Banning is seeking a long-term consulting partner to assist with the implementation, formation, financing, and administration of its Special District Program. Based on the original Request for Proposals and subsequent addenda, SCG understands the City's needs extend beyond CFD formation to include ongoing administration of Landscape Maintenance District No. 1, assessment engineering services, and comprehensive special district consulting to support the City's continued growth and long-term financial sustainability.

Earlier this year, SCG had the opportunity to present to the Banning City Council on the use of Community Facilities Districts as a financing tool to fund public infrastructure, public safety, and maintenance services associated with future development. Following that presentation, the City Council unanimously supported pursuing CFDs as a financing mechanism. This proposal represents the next step in implementing that vision by providing the City with an integrated program for district formation, financing, administration, and long-term management.

SCG's objective is to provide the City with a single, experienced consultant capable of supporting every phase of its Special District Program. Rather than relying on multiple consultants to perform formation, administration, assessment engineering, bond support, GIS mapping, disclosure reporting, and property owner services, SCG provides these services through one coordinated team working under a single project manager. This integrated approach improves communication, enhances quality control, reduces administrative effort, and provides consistent service throughout the life of each district.

SCG recognizes that this engagement includes not only providing ongoing administration services, but also successfully transitioning existing district records, databases, historical documents, and annual procedures. Our transition process is designed to ensure continuity of service, maintain existing project schedules, preserve institutional knowledge, and provide a seamless transfer with minimal staff involvement.

Our Approach

SCG believes successful Special District Programs are built on four fundamental principles:

- Develop financing programs that are equitable, legally defensible, and capable of supporting long-term growth.
- Administer districts accurately, efficiently, and transparently while maintaining the highest level of quality assurance.
- Provide responsive support to City staff, developers, property owners, and other stakeholders throughout the life of each district.
- Leverage technology to improve efficiency, increase transparency, and reduce administrative risk.

Our team functions as an extension of City staff, providing practical recommendations and responsive service while maintaining complete accountability for project schedules, deliverables, and ongoing administration.

SCG proposes a comprehensive service program that includes:

- Community Facilities District formation for public infrastructure, maintenance services, and public safety services.
- Annual administration of future Community Facilities Districts, including bonded and non-bonded districts.
- Annual administration of Landscape Maintenance District No. 1, including preparation of the annual Engineer's Report, levy calculations, County enrollment, and Council proceedings.
- Bond financing support, continuing disclosure, and post-issuance compliance.
- GIS mapping, parcel database management, levy audit mapping, and property owner support utilizing SCG's proprietary technology platforms.

Comprehensive Funding Strategy

SCG recommends implementing a coordinated financing strategy that allows the City to recover the full cost of growth while protecting existing residents and the General Fund.

Facilities CFD

Project-specific Facilities CFDs provide a flexible financing mechanism for public infrastructure required to support new development, including transportation improvements, water, sewer, storm drainage, parks, public buildings, and other eligible capital facilities. SCG will assist the City in developing financing structures that accommodate reimbursement agreements, phased development, multiple improvement areas, and future bond issuances.

Public Safety CFD

A citywide annexation Public Safety CFD provides a sustainable funding source for police, fire, emergency medical response, and other eligible public safety services. Prior to formation, SCG will prepare a comprehensive Fiscal Impact Analysis to evaluate the relationship between future development, General Fund revenues, and the cost of providing public safety services. The results of the analysis will establish an equitable special tax structure that protects the City's existing taxpayers while ensuring new development pays its proportional share of future service demands.

Maintenance Services CFD

SCG recommends establishing a citywide annexable Maintenance Services CFD to recover the long-term cost of maintaining public improvements constructed with new development. Individual Tax Zones can be established for each project to ensure only benefiting properties pay for the services they receive. The program may include separate special taxes for City-maintained improvements and contingency funding for privately maintained improvements should maintenance responsibilities ever revert to the City.

Comprehensive Administration Services

SCG views annual administration as more than preparing annual levies. Successful administration requires financial management, regulatory compliance, assessment engineering coordination, GIS integration, technology, and responsive customer service. Our goal is to provide the City with a proactive administration program that protects revenues, maintains compliance, and supports long-term growth.

Through STAX, District Manager, Property Finder, and our GIS platform, SCG delivers a fully integrated administration program capable of managing Community Facilities Districts, Landscape Maintenance Districts, Assessment Districts, and other special financing programs through a single technology platform.

Streamlined Annexation Process

SCG employs a structured and efficient 8-step annexation process for all new developments, including:

1. Eligibility Review
2. Application & Deposit Submission
3. Tax Zone and Service Scope Determination
4. RMA and Document Preparation
5. City Council Authorization
6. Recordation and Enrollment with the County
7. Maintenance Exhibits and GIS Mapping
8 Ongoing Monitoring and Annual Tax Adjustments

This process ensures legal compliance, accurate cost recovery, and consistent experience for City staff, developers, and property owners.

SCG's experience in managing more than 800,000 parcels across 750+ special districts, many with similar three-CFD frameworks, ensures a proven, adaptable solution for the City. Our commitment is to build a stable and transparent funding platform that supports long-term fiscal sustainability, equitable growth, and exceptional service delivery.

Transition and Program Implementation

Upon contract award, SCG will work closely with City staff to ensure a seamless transition of Landscape Maintenance District No. 1 and establish the framework for future CFD administration. Our transition process is designed to minimize disruption while ensuring complete continuity of annual levy administration and future district formations.

Transition activities include:

- Review of existing Engineer's Reports and assessment methodologies
- Transfer and validation of parcel databases
- Review of annual budgets and maintenance costs
- GIS verification of district boundaries and zones
- Review of County enrollment procedures
- Integration into STAX and District Manager
- Coordination with City staff regarding annual levy schedules
- Establishment of long-term administration calendars
- Preparation for future CFD formations and annexations

City Staff Responsibilities

SCG's objective is to minimize demands on City staff by managing the day-to-day administration of each assignment. We anticipate requesting only the information necessary to complete the requested services, such as existing district documents, budgets, development information, financial data, maintenance cost estimates, and other records maintained by the City. SCG will coordinate directly with the City's designated project manager and appropriate departments to obtain information, review assumptions, and schedule meetings, allowing City staff to remain focused on their core responsibilities while maintaining appropriate oversight of the program.

Use of City Facilities or Property

SCG does not anticipate requiring the use of City-owned facilities, equipment, or property to perform the requested services. Work will be performed from SCG's Murrieta office utilizing our personnel, technology platforms, and software systems. SCG will attend meetings at City Hall, project sites, or other City facilities as requested and will coordinate closely with City staff throughout the engagement.

V.C PRICE PROPOSAL

SCG proposes the following fixed-fee schedule for CFD formation, annexation, bond financing support, fiscal impact analysis, and annual administration services. Fees include project management, special tax consulting, GIS support, coordination with City staff and legal counsel, preparation of required reports and exhibits, and attendance at meetings necessary to complete the requested services.

The above formation and financing services are generally initiated in connection with private development projects. Accordingly, these costs are typically funded through developer deposits and, where applicable, reimbursed from bond proceeds or other financing mechanisms. SCG proposes the following fixed-fee schedule for services performed in accordance with the Scope of Services included in Appendix A.

Consulting Services		Fee
A.	Facilities CFD Formation Services	$25,000
	Plus: per Improvement Area	$5,000
B.	Bond Issuance Services	$25,000
C.	Maintenance CFD Formation Services	$15,000
D.	Maintenance CFD Annexation Services	$12,500
E.	Public Safety Fiscal Impact Analysis Services	$13,500
F.	Public Safety CFD Formation Services	$9,500
G.	Public Safety CFD Annexation Services	$10,000

CFD Administration Services		Fee
A.	Facilities CFD – Monitoring (No Development)	$2,500
B.	Facilities CFD – Pre Bond Issuance (Some Development)	$5,000
C.	Facilities CFD – Bonded (per Improvement Area/Bond Series)	$7,500
D.	Maintenance CFD Residential ($500-$1,800 per Zone)	Varies
E.	Maintenance CFD Commercial (per Zone)	$500
F.	Public Safety CFD (per Annexation)	$500

LMD Administration Services		Fee
A.	Landscape Maintenance District No. 1 (11 Zones)	$11,000

Optional Administration Services		Fee
A.	Improvement District 2004-1	$4,500
B.	CSA 152	$6,500

Hourly / Additional Services

Services not specifically included in the fixed-fee scope may be provided on an hourly basis upon written authorization by the City. These services may include special studies, additional financial analyses, special presentations, development agreement support, bond refunding analysis, additional GIS mapping, legislative or regulatory research, special district policy updates, and other services requested by the City.

Hourly Rates

Title	Rate
Principal	$265
Senior Associate	$185
Associate	$145
Mapping Technician	$135
Administrative Support	$90

For services not specifically identified in the above fee schedule, compensation shall be based upon the hourly rates set forth herein, together with reimbursement at cost for reasonable direct expenses incurred in connection with the administration services, and reimbursement for outside professional services at cost plus fifteen percent (15%), when authorized by the City.

Formation	Frequency	GL String	Cost	Quantity	Extended Amount
Facilities Formation	As Needed	Paid by Developer	25,000	3	75,000
additional improvement areas	As Needed	Paid by Developer	5,000	2	10,000
Bond Issuance Services			25,000		
Maintenance Formation landowner	As Needed	Paid by Developer	15,000	1	15,000
Maintenance Annexation	As Needed	Paid by Developer	12,500	10	125,000
Public Safety Fiscal Impact Analysis	One-Time	General Fund	13,500	1	13,500
Public Safety Formation	One-Time	General Fund	9,500	1	9,500
Public Safety Annexation	As Needed	Paid by Developer	10,000	5	50,000
Admin					
Facilities CFD Monitoring (no development)			2,500		
Facilities CFD Monitoring (some development)			5,000		
Facilities CFD Monitoring (per improvement area)	Annual	Paid by District	7,500	(3*7,500)*4	90,000
Maintenance CFD Residential			varies		
Maintenance CFD Commercial per zone	Annual	Paid by District	500	(11*500)*4	22,000
Public Safety per Annexation	Annual	Paid by District	500	(6*500)*4	12,000
Optional Services					
All 11 Zones in LMD 1	Annual	Paid by District	11,000	5,000+(4*11,000)	49,000
Improvement District 2004-1	Annual	Paid by District	4,500	5	22,500
CSA 152	Annual	Paid by District	6,500	5	32,500
Total Not-to-Exceed					**526,000**
Hourly Rates					
Principal			265		
Senior Associate			185		
Associate			145		
Mapping Technician			135		
Admin Support			90		

EXHIBIT “B”
CERTIFICATES OF INSURANCE