

**AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
CBRE, INC**

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and CBRE, Inc., a Delaware corporation, (Contractor). City and Contractor may be referred to individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

RECITALS

- A. City desires to secure the services more fully described in this Agreement, at Exhibit A, entitled “Scope of Services”;
- B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,
- C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Scope of Services

Exhibit B – Schedule of Fees

Exhibit C – Insurance Requirements

Exhibit D – Labor Compliance Addendum (if applicable)

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes

and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on _____ and terminate on *_____, 20____. The City reserves the right to exercise up to five (5) one-year options to extend the agreement, for a total of ten years.

3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A within the time stated in Exhibit A. Time is of the essence.

4. WARRANTY

Contractor expressly warrants that all materials and services covered by this Agreement shall be fit for the purpose intended, shall be free from defect and shall conform to the specifications, requirements and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate or defective Services at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, City may make corrections or replace materials or services and charge Contractor for the cost incurred by City.

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement will vary depending on the services provided. Funds required for services not based on commission will be budgeted for corresponding years, subject to budget appropriations, which includes all

payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

7. TERMINATION

Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than Thirty (30) days' prior written notice to Contractor.

Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice to Contractor.

Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

8. ASSIGNMENT AND SUBCONTRACTING

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

10. INDEPENDENT CONTRACTOR

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

11. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor and shall not, without the prior written consent of City, be used for any purposes other than the performance of the Services nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

12. OWNERSHIP OF MATERIAL

All material, which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports, designs, technology, programming, works of authorship and other material developed, collected, prepared or caused to be prepared under this Agreement shall be the property of City but Contractor may retain and use copies thereof. City shall not be limited in any way or at any time in its use of said material. However, Contractor shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to, the release of this material to third parties.

13. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

14. HOLD HARMLESS/INDEMNIFICATION

To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury,

liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor's employees or persons contracting with Contractor to perform any portion of the Scope of Services – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.

Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

15. INSURANCE REQUIREMENTS

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit C. Insurance requirements may also be satisfied by letter of credit in a form approved by the City's Risk Manager.

16. WAIVER

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

17. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: City Manager's Office
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at Manager@santaclaraca.gov

And to Contractor addressed as follows:

Brian Hutcherson
4301 La Jolla Village Dr., Suite 3000
San Diego, CA 92122
and by e-mail at Brian.hutcherson@cbre.com

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

18. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally, Contractor has read and agrees to comply with City's Ethical Standards (<http://santaclaraca.gov/home/showdocument?id=58299>).

19. CONFLICTS OF INTEREST

Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and

following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

20. FAIR EMPLOYMENT

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

21. NO USE OF CITY NAME OR EMBLEM

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

22. GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

23. SEVERABILITY CLAUSE

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

24. AMENDMENTS

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

25. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form: _____

Dated: _____

Office of the City Attorney
City of Santa Clara

Office of the City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

“CITY”

CBRE, INC.
a Delaware corporation

Dated: _____

By (Signature): _____

Name: David Brennan, SIOR

Title: Senior Managing Director

Principal Place of Business Address: 500 Capitol Mall, Suite 2400

Sacramento, CA 95814

Email Address: David.brennan@cbre.com

Telephone: (916) 446-8709

Fax: (916) 446-8750

“CONTRACT”

EXHIBIT A SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are set forth below.

1. Contractor will provide real estate transaction services for the disposition of the city-owned Loyaltan Ranch Property in accordance with the Technical Capabilities & Management Plan which is included as part of this Exhibit A below.
2. Provide the City with commercial brokerage services, representing the City's interest in the disposition, acquisition, or leasing of real estate assets as required and providing associated services such as conducting due diligence, soliciting term sheets, performing financial analysis, and guiding the City through the transaction.
3. Provide City Staff with strategic planning for real estate assets owned or acquired by the City including marketing strategy; and periodic progress updates and timely communication with assigned staff as required
4. Provide City Staff with development advisory and consulting on public-private partnerships for real property transactions as required
5. Provide the City with advice regarding property for sale and confirmation of requirements to close the transaction as required
6. Provide site search and site selection of commercial real estate available for purchase or lease that meets City requirements as required
7. Make presentations at public meetings before the City Council as required.
8. Handle all other customary activities and services associated with commercial, rural and industrial real estate transactions.
9. Actively market properties beyond signs and multiple listing services.
10. Provide periodic activity updates as requested by the City.

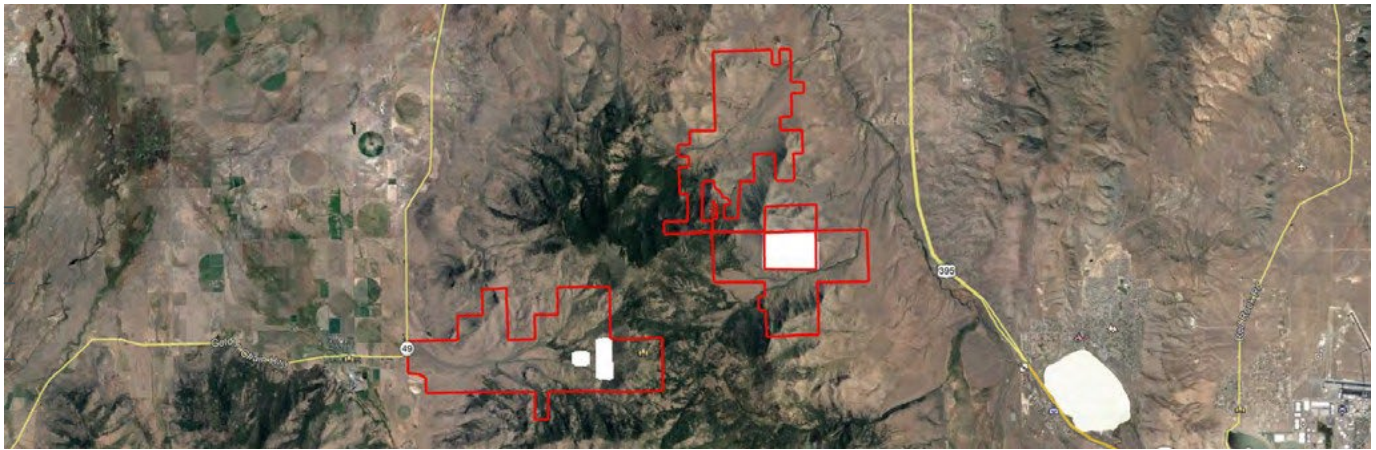
EXHIBIT A, CONTINUED
SCOPE OF SERVICES

Technical Capabilities & Management Plan



EXHIBIT A, CONTINUED - SCOPE OF SERVICES

Your proposed approach to marketing real estate for sale and assisting with the selection of property for sale or lease. The proposed quality control program or procedures for maintaining a superior level of service.



CBRE's marketing strategy recognizes the unique nature of the Loyalton Ranch property - vast, undeveloped, and remote, with little to no infrastructure or improvements - and applies our deep experience and knowledge of the market for similar properties to deliver a plan for success.

We anticipate the likely buyer pool includes the State of California, land trusts, conservation groups, mitigation banks, and other private capital buyers and high net worth individuals. We have recently sold similar properties to this buyer pool and can represent the City with a high level of credibility with these groups.

In previous transactions we've leveraged state propositions and federal funds to complete sales and acquisitions on behalf of this buyer pool. We also have intimate knowledge of the State's purchasing process through the appraisal review and approvals process and will apply that to the City's benefit in this process.

If engaged as your broker and advisor, CBRE will work with the City to sell the site (s); balancing community desires with maximizing the return to the City. CBRE will work with the City to:

- Capitalize on strong market interest in land acquisitions and the scale advantages of the property
- Maximize the opportunity while controlling your risk in the project
- Review all of the previous documents / materials to understand the property's history and learn from the past to create a roadmap for its future
- Conduct a global marketing campaign to attract qualified purchaser proposals that are highly competitive
- Negotiate a binding sale on behalf of the City

Proven approach to sell the Loyalton Ranch

Phase 1: Due Diligence

- review property information
- understand City goals
- plan for action

Phase 2: Market Engagement

- launch global marketing campaign
- target known conservation, government, mitigation, and individual buyers
- generate competitive offers for City review

Phase 3: Negotiation

- support City offer review process including Council briefings
- generate best and final offers
- supporting buyer interview process if any
- execute agreements
- open escrow upon delivery of contract and deposit

Phase 4: Closing

- facilitate due diligence and any additional required appraisals
- facilitate buyer's financing requirements if applicable
- address any issues necessary for closing

Phase 1: Due

EXHIBIT A, CONTINUED - SCOPE OF SERVICES

We understand that the disposition and pricing of the property has been the source of much debate among City Council, the Mayor, and the media to date, and that the property has a long history with the City. We have reviewed the documentation provided by the City including the appraisal, resolution designating the property as surplus, the notice of availability, and the post-meeting materials detailing the City's history with the property and the financial. Upon engagement, CBRE will seek to confirm our understanding of the situation to date by:

- Requesting a kick-off meeting with the City's project team and executive leadership to understand your priorities (price, speed, use, etc.) and current status of the project within the City and among its citizens
- Requesting additional available property information including title, easements, water rights, and any mineral rights that may remain
- Reviewing the current grazing lease including remaining term and any options the lessee may have
- Obtain a title report and discuss any easements impacting the property and any Williamson Act contracts.

Further we will seek to understand the City's preferences and requirements regarding sale methodology (i.e., sealed bid, managed brokerage process, auction, etc.). We are highly skilled at conducting sales with all three methods but suggest that a brokerage process with the following characteristics will enable the City to capture maximum value:

- Global campaign that allows CBRE to market the property as broadly as possible, to as many potential buyers as possible. We anticipate that the likely buyer pool includes the State of California's Department of Fish and Wildlife, land trusts, conservation groups, mitigation banks, and high net worth individuals and families, but a broadly marketed offering allows room for dynamism and creative offers that may have been otherwise overlooked. Auction sales can be effective and sealed bid processes are common among public sector sellers, but both methods can limit the buyer pool on an already niche property
- Open communication between the broker team and the buyer pool to discuss potential concerns, demystify the sale process and property, and generate offers
- Thorough due diligence documentation to enable offerors to understand the property's boundaries, condition, encumbrances, associated resource rights, and value opportunities

Phase 2: Market Engagement

Broad Exposure

Subject to your concurrence with the findings and recommendations in previous phases, the CBRE team will collaborate with the City's team to develop and implement an offering process to engage prospective buyers by performing the following tasks:

- CBRE will act quickly to create customized world class marketing materials that clearly demonstrate the unique benefits available at the property, outline the offering process and required information, selection process, value parameters, etc.
- CBRE will refine our proprietary developer and operator prospect list based on market specialization, financial capability, and compatibility with your goals for the project.

CBRE will oversee the offering process on your behalf, managing all communications, hosting site tours, disseminating documents, contacting respondents for clarifications, answering questions, and collecting responses. Our marketing plan includes development of electronic, as well as hard copy, marketing materials by professional graphic designers. The result is an appealing, highly polished collection of marketing materials that sets the stage for the offering.

Offering Memorandum: Digital-First Experience

- A concise, graphical, data and story-driven marketing package
- Captures the attention of decision makers by driving them to focus on high-level information of the property
- Enhances speed-to-market and increases efficiencies in the marketing process
- Supporting due diligence documents such as reports, in-depth financial models and deep-dive market information available in Deal Flow virtual deal room



Web Presence

- An engaging, full-featured, mobile-friendly executive summary presentation made available on the Deal Flow platform with over 1.1M registered buyers
- Potential investors can interact with a virtual tour, review investment highlights, access and sign a confidentiality agreement, and more

Launch Email

- Targets active, qualified buyers
- Includes standard touch points and virtual marketing materials
- Distributed through the Deal Flow platform directly to over 25,000 prospects



Drone Video

- Custom fly-over imagery and script
- Graphical pop-ups to highlight property information
- Showing relative location of the property and major highlights



After we create the necessary materials to launch a multi-channel marketing campaign, we set the streamlined process in motion in order to create a competitive environment. This phase in the process includes:

- Market internally to over 9,000 CBRE brokers worldwide
- Market externally to public audiences and listing services through advertising and placements including in publications such as Outdoor Magazine, Sierra Club, Lands of America, and engagement with local and regional (Bay Area, Sacramento, Reno) media
- Manual outreach to targeted buyer list
- Launch initial announcement blast through CBRE DealFlow targeting over 25,000 buyer, developer, and investor prospects; listing visible to over 1.1M prospects
- Accept inquiries and answer questions from prospective buyers
- Court qualified investors and distribute Offering Memorandum
- Conduct buyer site tours

Property Marketing

Access to global capital powered by CBRE Deal Flow

CBRE migrates more global capital around the world and into the U.S. than any other firm.

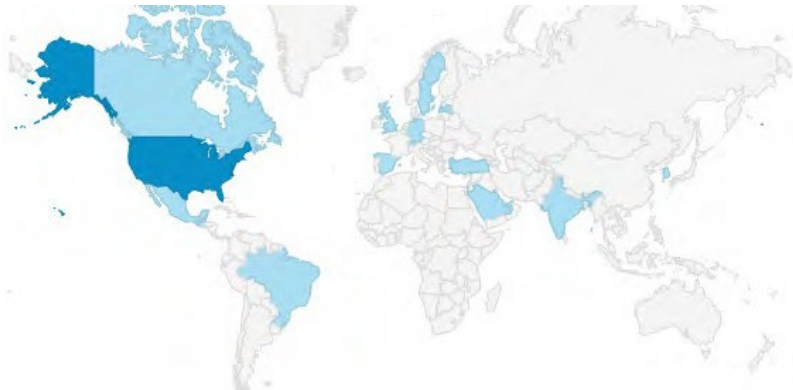
With CBRE, the properties will be advertised to the broadest range of potential buyers. Our offerings on behalf of public sector clients regularly generate international attention.

2021 Highlights

#1	23.7%	\$117B	\$64.8B	52.2%
In total properties sold & total dollar volume globally for the competitor 11th consecutive year	Market share globally	Global cross-border investment sales activity since 2019	Global cross-border investment sales activity in 2021	More than our closest

The maps provided below demonstrate the global reach of our marketing platform, illustrating our success in gaining attention from every part of the globe on behalf of our clients.

Sonoma County: Land Offering,



Alameda Unified School District: Land Offering, 2021



146
Interested
Foreign
Parties

Targeted Outreach

EXHIBIT A, CONTINUED - SCOPE OF SERVICES

In addition to the broad campaign, CBRE will also reach out directly to potential buyers from the below list to make them aware of the opportunity to purchase the Loyalton Ranch and generate interest.



YOUR BUILT IN NETWORK

9,000+
brokers

1,000+
development companies
locally,

500
offices in 100

1,000+
CBRE Investment Sales & Capital
Markets Professionals

30
CBRE specialty practice group leaders
in Affordable Housing, Multifamily,
Hotels, Office, Land, Senior Housing,
Retail, Life Sciences, and more

2,500
national and international
corporate account leaders
at CBRE

30+
multi-national corporations
exclusively represented by CBRE

60%
of the FORTUNE 500

Our ability to drive value for our clients is predicated on our ability to effectively reach capital sources across the globe with a creative and complete story that successfully positions this opportunity as a highly attractive, once in a generation purchase opportunity. Investors are continuously indicating that they are looking for quality, security and scale, and the Loyalton Ranch uniquely provides all of these. The final element is to create the sense of scarcity—that this opportunity is irreplaceable.



LOCATION	QUALITY	SCARCITY	UPSIDE	OPPORTUNITY
STRONG CA LOCATION, CLOSE PROXIMITY TO LAKE TAHOE AND RENO, OTHER CONSERVATION PARCELS NEARBY	GOOD SUMMER GRAZING LAND AND SUBSTANTIAL SCALE	LIKELY THE LARGEST AVAILABLE TRACT OF LAND IN THE STATE	OPPORTUNITY FOR IMPROVEMENTS AND MONETIZATION	UNIQUE OPPORTUNITY TO ACQUIRE A LARGE TRACT OF LAND IN CALIFORNIA FOR MULTIPLE USES

To create investor



MAXIMUM

TACTICAL LEVEL

- Provide security through defensible financial underwriting
- Articulate benefits and opportunity of this acquisition
- Tailor presentation to target different buyer types

STRATEGIC LEVEL

- Create competitive environment/managed offering process
- This opportunity cannot be replicated in the market
- Move decision from mathematical to emotional



Negotiations

CBRE will create and maintain a competitive environment throughout the sale process. Creating anxiety among bidders by carefully controlling information is a key element of this process. We pride ourselves on running clean and defensible negotiations and transaction strategies that withstand scrutiny and public attention.

The team will solicit draft transaction documents from selected buyers, analyze offers and counteroffers and provide like kind comparisons of buyer terms to recommend the optimal path for the City.

CBRE will work with the City’s selection team to review all proposals on a like-kind basis and participate in the respondent due diligence and selection process.

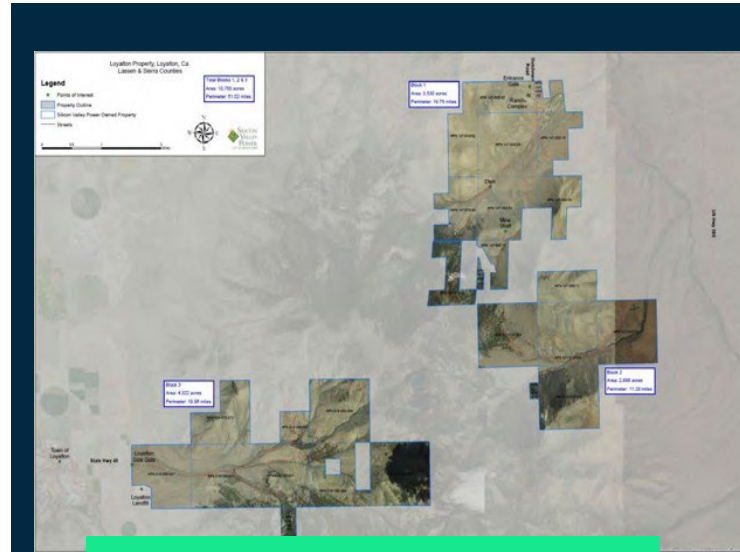
Our team will implement a fair, confidential negotiation process that includes:

- Evaluating offers with the City including financial analysis of various offers including price, terms, contingencies, and their relative merits to Santa Clara
- Sending out “best and final” letters to the top buyer prospects along with due diligence materials
- Receiving best and final bids
- Conducting buyer interviews if appropriate
- If the buyer is a State entity, with the City’s approval we can support the Wildlife Conservation Board approval and funding process
- Buyer selection
- Executing agreements necessary to contract sale
- Opening escrow upon delivery of contract and deposit

Closing

This final phase is detail heavy and relies on the strength of our platform, initial due diligence and experience. During the closing process, we will:

- Facilitate the buyer’s due diligence, including review of title and survey, zoning,
- physical inspection and market reviews
- Facilitate buyer’s financing requirements if applicable
- Address any issues necessary for closing
- Close escrow
- Successfully transition to new ownership



The CBRE team will support the City’s selection process considering

- Submission quality including objective and
- Interviews with proposal
- Closing
- Risk issues for all

Additional Real Estate Services Available

A Platform of Integrated Occupier Services

Creating the real estate solutions of tomorrow, so government and people thrive.

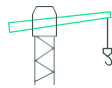
We understand that the City is also seeking as needed real estate services related to other properties beyond the Loyaltan Ranch.

CBRE is a full service real estate services firm, offering comprehensive services related to commercial and public sector property:



Plan, Lease &

- Transaction Services
- Site Selection & Location Strategy
- Workplace Solutions
- Experience Services
- Lease Administration
- Portfolio Strategy
- Flexible Space Solutions
- Market Forecasts & Analytics
- Smart Buildings & Services



Design &

- Cost
- Advisory
- Design
- Buildings & Systems
- Supply Chain
- Sourcing Principal
- Delivery
- Move & Decommission



Project & Program Transform Business

- Workplace Solutions Diversity, Equity & Inclusion Portfolio Strategy
- Own Vs. Lease Location Strategy
- Business Analytics Energy
- Management Consulting
- Electric Vehicle Charging Solutions



Manage Property &

- Facilities Management
- Sustainability
- Energy Management
- Experience Services (Host and Hospitality)
- Smart Buildings & Services

Sample Services:

EXHIBIT A, CONTINUED - SCOPE OF SERVICES

The CBRE team is ready to support your acquisition needs as a purchaser throughout the acquisition process. Our approach to acquisitions is grounded in careful planning and preparation to ensure the City's operational and financial goals are met, and that the solution is executed seamlessly and with minimal risk to the organization. Our experience with similar public sector clients means we can represent Santa Clara with no learning curve.

Significant steps

Overall, we anticipate completing the below significant tasks on your behalf:

- Review the City's desired goals for the project including ultimate purpose for acquiring property, site selection criteria, and any timing priorities or constraints
- Review the City's geographical search parameters
- Prepare a comprehensive market study of available properties (on and off-market), along with an interpretation and assessment of relevant market trends
- Recommend off-market opportunities for potential acquisition
- Conduct preliminary due diligence investigation of each potential property's suitability for the proposed use
- Analyze potential site plans and their corresponding feasibility for desired uses
- Confidentially contact property owners to confirm availability and pricing expectations on potential sites
- Assist the City in determining appropriate shortlist of candidate properties by preparing presentations comparing alternatives
- Develop offer strategy based on market activity and due diligence information received
- Prepare letter of intent substantiating the offer; manage counter-offer process if any and communicate with seller in accordance with jointly developed CBRE and City strategy
- Communicate with the seller on behalf of the City to obtain and review all necessary due diligence information, manage any notice periods and critical dates to the City's advantage, obtain any necessary 3rd party reports, and prepare to execute the purchase and sale agreement
- If any items arise during due diligence that may be of concern, work with the City to review them and suggest remedies such as cures by the seller, price reductions, or other measures
- Concurrently work on behalf of the City and with its legal counsel to prepare and negotiate the final purchase and sale agreement (PSA) that will govern the final sale following the due diligence period
- Assist in developing, communicating, negotiating, and presenting offers, counteroffers, and notices that relate to the offers and counteroffers until a purchase agreement is signed and all contingencies are satisfied or waived

Thoughtful strategy starts with the right



Why are you looking to acquire



In what parts of the City are you interested in purchasing?



Do you have a **budget** in mind?



What do you **plan to do** with the properties once purchased?



Are you seeking **land, buildings, or both?**



How quickly do the transaction(s) need to be completed?



What **size property** are you looking



How many properties are you looking to



Is **leasing property** an option?

We will begin our engagement after your notice to proceed by meeting with the City to discuss your desired goals in the acquisition process and to understand your site selection criteria.

Market Study & Site Selection

Following our discussion and complete understanding of your priorities and needs, the team will begin by preparing a comprehensive market study of available properties. CBRE will identify available sites through a combination of on and off-market sources. For example, with our access to our own broker network, CoStar, and other listing services, CBRE will present a list of publicly for-sale properties for the City's consideration.

Our brokerage professionals go beyond publicly listed sites and probe our contacts and market intelligence for sites that may be unlisted or that are not yet on the market.

We are in the market every day, building relationships, scouting properties, and meeting owners, developers, and community members to ensure we have our fingers on the pulse of Santa Clara area real estate. With this network at its fingertips, the City has a significant advantage in the market.

The collage displays several key market research reports from CBRE:

- Updated COVID-19 Aid Package and the Ability to Pay Rent:** A report dated January 2021 discussing the impact of the \$450 billion stimulus package on rental markets.
- NORTHERN CALIFORNIA APARTMENT MARKET OVERVIEW:** A comprehensive overview of the apartment market in Northern California.
- The Comprehensive Multifamily Market Report for the Bay Area:** A detailed report on the Bay Area multifamily market.
- Q3 2021 BAY AREA MULTIFAMILY MARKET:** A quarterly report focusing on the third quarter of 2021.
- Bay Area Multifamily Q2 2021 Fundamentals:** A report detailing the fundamental metrics of the Bay Area multifamily market for the second quarter of 2021.
- INVESTOR INTENTIONS SURVEY 2021:** A survey report on investor intentions in the market.
- Construction Deliveries by MSA:** A report showing construction deliveries by Metropolitan Statistical Area (MSA).

EXHIBIT A, CONTINUED - SCOPE OF SERVICES

We have several in-house researchers focused on the Santa Clara market. Upon engagement, the CBRE team will begin to gather data and synthesize information into usable formats for the City. At the direction of Brian Hutcherson and with data provided by use-type specialists within CBRE, we will perform market analysis based on different uses (e.g., the Santa Clara retail market or office market) and provide insights on the market conditions for each type of potential use, with comparable transactions providing insights on potential values that may be expected, market velocity, and major players. This data will inform modeling, forecasting of rates of return, land value, and development potential on any project. Subject to the specifics of the City's request, the team will:

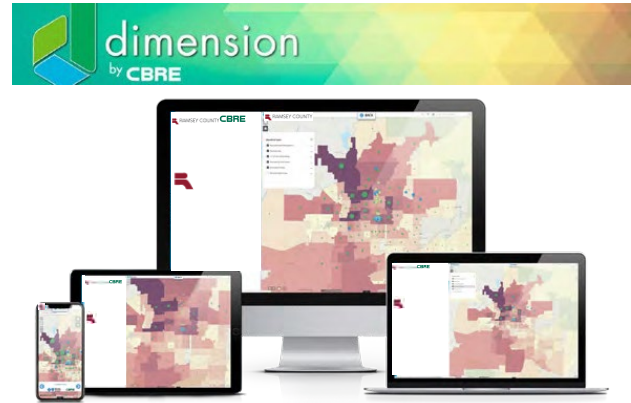
- Review recent market activity relevant to the property in question (i.e., land transactions, recent development projects, office leases, or industrial transactions)
- Provide market surveys of available space, both on and off market opportunities
- Deliver sector-specific analysis and synthesis of current rental rates, landlord concessions, new and upcoming vacancies, etc.
- Subject to the project type, the team may provide a Broker Opinion of Value of a potential acquisition or disposition target, opine on development costs, or perform financial analysis to determine potential City revenue and costs.

The team will prepare a market survey for the City presenting an inventory of vacancies and recent transactions in your search area, with their corresponding financial, timing, and logistical implications. Sample market surveys are provided below:



Following our gathering of information, CBRE will present the available options to the City team and develop a preliminary shortlist for further due diligence.

Using CBRE’s proprietary Dimension platform, we will prepare customized maps showing the properties, the relative advantages and disadvantages to their locations, and their interactivity with their locations such as proximity to major transit corridors, population. With Dimension, the City can visualize the impact of potential acquisition decisions and more easily down a short list of qualified properties with confidence and data on your side.



We harness the power of maps and demographics to visually understand a location and its impact on your strategy.

Due Diligence on Each Property

Following the shortlisting of sites of particular interest to the City, CBRE will support the City’s due diligence investigation of each potential property suitability for the intended use.

Below is a check list of the items that may be reviewed in preparation of purchase. These items may vary based on the nature of the asset (i.e., vacant land versus improved land, etc.). CBRE will review them along with your primary experts (attorneys, consultants, inspectors, etc.) and provide our opinion to the City on the impact to site value and negotiation strategy.

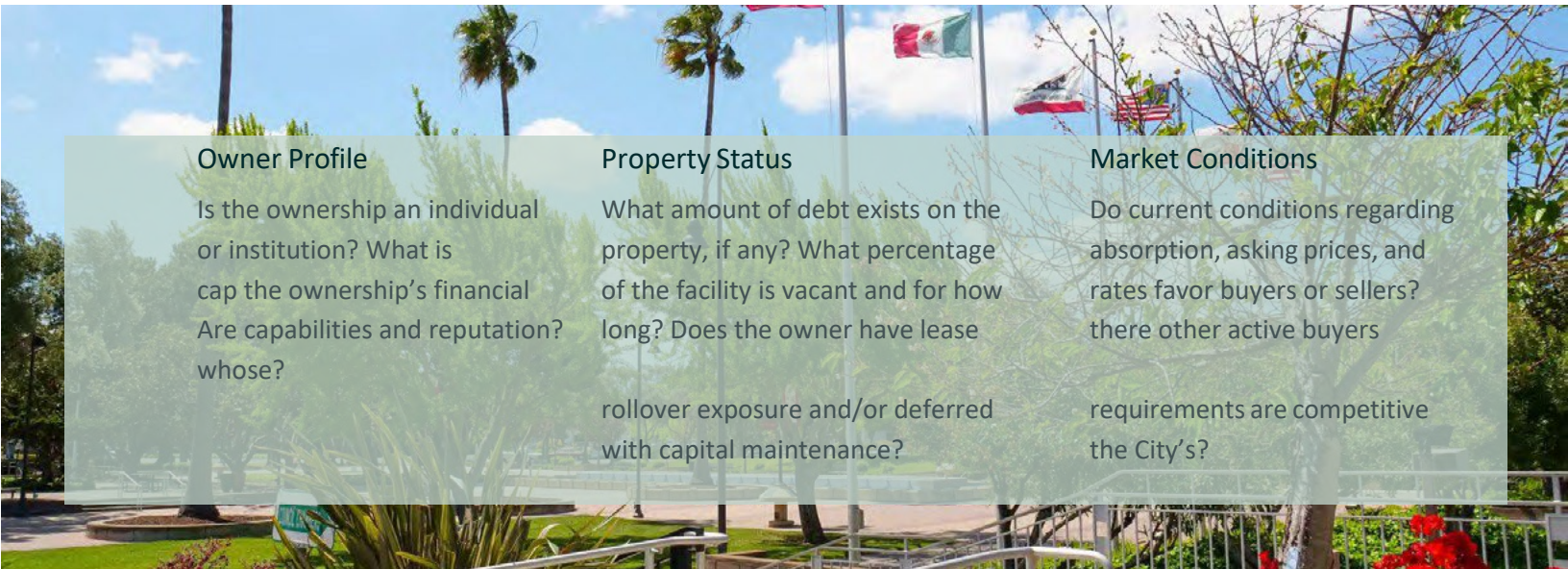
<p>Title Report</p> <ul style="list-style-type: none"> - land - improvement 	<p>Building Specifications (if applicable)</p> <ul style="list-style-type: none"> - approximate areas and source and method of measurement - building footprint - number of units - exterior structure description - foundations/framing/windows - roofing/age - interior finishes - pending capital requirements - HVAC/electrical/emergency generators/life safety 	<p>Third Party Contracts / Agreements</p> <ul style="list-style-type: none"> - maintenance (elevators, roofs, HVAC etc.)
<p>Survey</p> <ul style="list-style-type: none"> - zoning - utilities to the site - land area - calculation - easements 	<p>Parking</p> <ul style="list-style-type: none"> - asphalt conditions report total - number of stalls - number of handicapped stalls - revenue from parking 	<p>Operating</p> <ul style="list-style-type: none"> - tenant leases (if any) - recent operating statements - annual budget
<p>Environmental</p> <ul style="list-style-type: none"> - Phase I reports - Phase II reports 		<p>Consultant Reports On Hand</p> <ul style="list-style-type: none"> - mechanical - electrical parking - roof - ADA

We understand that acquiring quality property at defensible prices is important to the City, its partners, clients, and stakeholders. Throughout the process we will continually seek ways to maximize your value on any transaction and find leverage points in the negotiation.

CBRE will create and maintain a competitive environment throughout the acquisition process. Creating competition among bidders by carefully controlling information (while complying with public sector requirements) is a key element of this process. We pride ourselves on running clean and defensible negotiations and transaction strategies that withstand scrutiny and public attention. The team will solicit draft transaction documents from selected sellers, analyze offers and counteroffers and provide like kind comparisons of seller terms to recommend the optimal path for the City
CBRE will assist the City with the purchase negotiation process

- Recommending offer and counter-offer approaches based on market data and our knowledge of owner pain points and potential competing offers
- Recommending a shortlisting process that leverages seller anxiety about potentially losing an offer and maintains the City's information advantage

Our process incorporates information such as:



Owner Profile

Is the ownership an individual or institution? What is cap the ownership's financial capabilities and reputation? whose?

Property Status

What amount of debt exists on the property, if any? What percentage of the facility is vacant and for how long? Does the owner have lease rollover exposure and/or deferred with capital maintenance?

Market Conditions

Do current conditions regarding absorption, asking prices, and rates favor buyers or sellers? there other active buyers requirements are competitive the City's?

CBRE will work with the City's legal counsel to prepare purchase agreements that reflect the agreed upon terms. The team will also ensure that any issues that were uncovered during the due diligence period are reflected in purchase documents. In addition, we work side by side with our clients' counsel over working sessions, document reviews, and line by line comparisons to ensure the documents envision potential complications and provide a road map for each party. Our approach is to engage early and often to ensure our transaction documents comply with any of Santa Clara's or California's statutory requirements and will withstand all scrutiny.

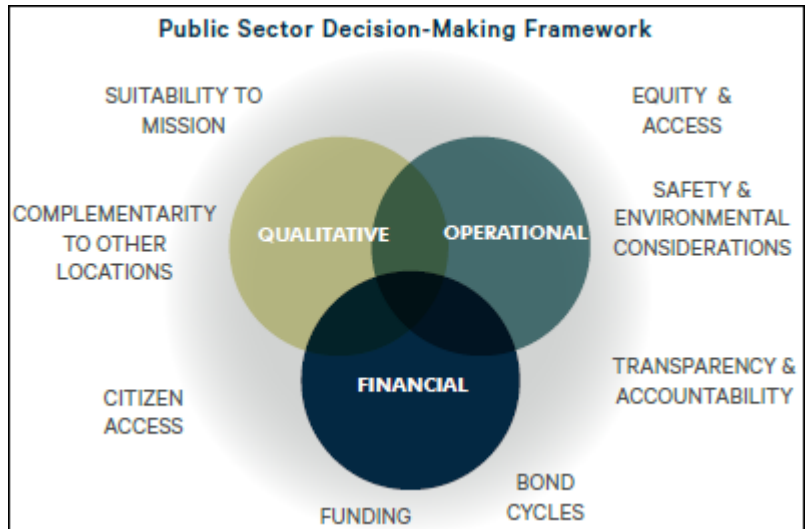
Finally, CBRE will be your complete partner throughout the closing process, coordinating execution of all transaction documents, partnering with the City's project team in Council meetings, staff communication, and other stakeholder management tasks at the direction and discretion of the City on an as-needed basis. This may include in-person participation, drafting presentations or other documents/materials, and/or other tasks to support the City in closing the best deal.

Sample Services: Strategic Planning

On any potential transaction, the CBRE team will undertake extensive planning and discussion with the City to determine your goals and desired path forward. CBRE provides strategic planning, portfolio review, and site analysis services to its public sector clients. These services are designed to help the City measure the performance and efficiency of its real estate and identify opportunities to reduce costs or monetize real estate assets. Examples include cost estimating deferred maintenance for capital planning purposes or measuring space utilization to identify candidate properties for re-purposing (i.e., development or disposition). To calculate the market value of a particular site, CBRE performs a feasibility analysis to identify the uses and site density that creates the most value. Our analysis also considers which deal structure (i.e., ground lease, disposition, joint venture, etc.) best serves the client’s financial and operational needs.

As part of this process CBRE will:

- Meet with the City to determine your objectives, strategy, priorities, and concerns relating to your overall goals as an organization.
- Discuss real estate goals, advise on your strategy, and recommend approaches to consider on new requirements
- Assemble specialists depending on the nature of the transaction (sale, lease, purchase, use type, etc.)
- Determine City priorities on each transaction (price? speed? location?) and set measurement metrics accordingly



Lease vs Buy Analysis

CBRE provides sophisticated financial analysis and underwriting to inform the City’s strategic planning and transaction approach. Lease versus buy is a common decision point for many clients seeking to optimize their spending decisions. Our finance, accounting, and consulting professionals customize analyses to empower clients to make informed real estate decisions.

Our customized financial models use discounted cash flow methodology to determine the present value of future cash inflows and outflows under both an ownership and lease scenario. A sensitivity analysis is then performed by applying various discount rates to these projected cash flows to derive the point at which the present value of either scenario is the same. This is known as the “indifference point”. A discount rate, typically the City’s weighted average cost of capital, lower than the indifference point would favor ownership. A higher discount rate would favor leasing. As a general rule of thumb, we have offered the below guidelines to other similar clients.

Factor	Determinan	Favors Leasing	Neutra	Favors Owning
Length of Occupancy	Term in	0-6	7-9 years	10+
Certainty of	Level of	Low	Mediu	High
% of Building Occupancy	How much of the building do you	<50%	50%-70%	>70%
Size of asset	Square	<25,00	25k-50k	>50,000
General Fit-Out	Fit-out cost as % of building cost	0-20%	20%-30%	30%+
Market	Market value as % of replacement	100%+	100%-	<85
Market practices	Term length and option availability	Good	Acceptable	Poor
Funds	Capital	Low	Low	High

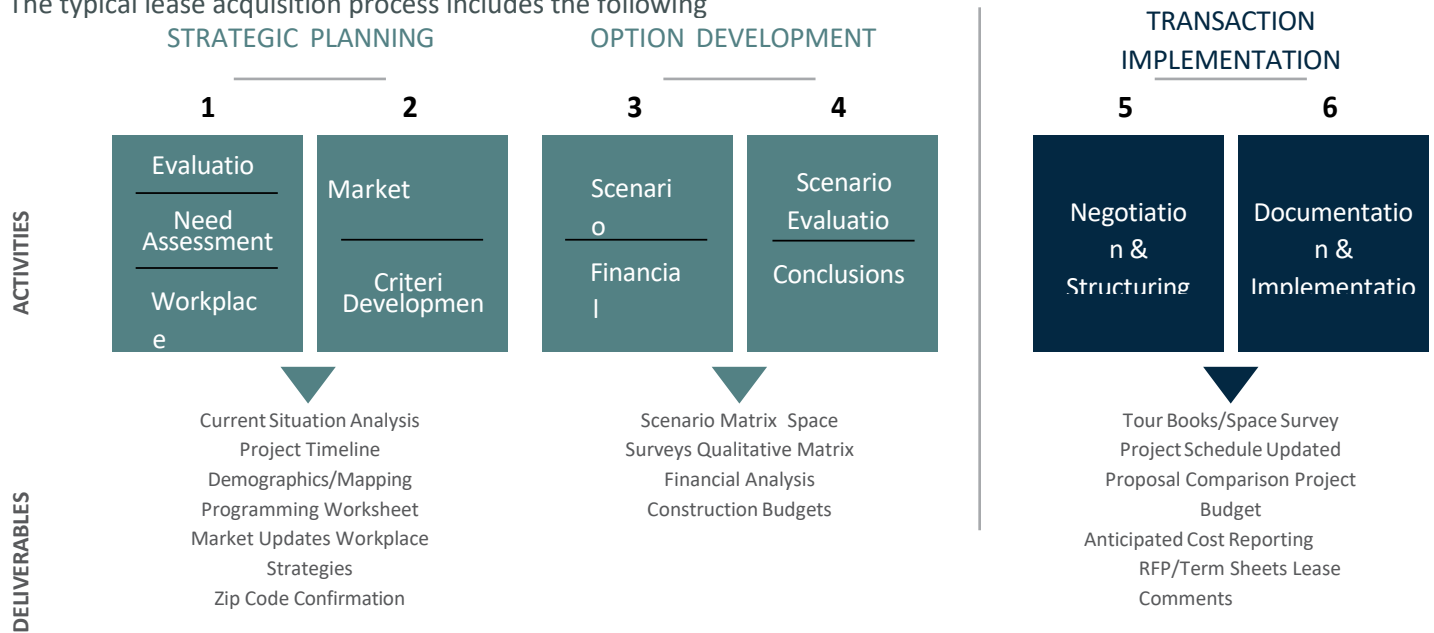
Sample Services: Leasing

CBRE will work collaboratively and diligently with the City’s team to negotiate leases and projects. Nationally, our Public Institutions & Education Solutions team members proposed for this assignment have provided transaction management services to numerous public sector entities and are familiar with incorporating unique governmental requirements into a typical commercial process. Locally, our Santa Clara market experts have been providing brokerage services to clients in the area for decades, making them extremely familiar with the market and its opportunities.

CBRE’s role is to be the City’s advocate, working in your best interests, in line with your established business objectives.

Lease Acquisitions

Representing the City on new leases will incorporate acquisition and site selection services listed on the previous pages, and incorporate review of all landlord proposals, financial analysis of terms, schedule planning, lease negotiation, and execution. In addition, we also perform significant due diligence on potential properties and on potential landlords. For example, CBRE provides assessments and safeguards regarding the financial ability of prospective lessors to perform as a routine part of our client-first service platform. We are particularly sensitive to this issue when representing mission-driven clients, whose missions may often drive their market selection into areas with fewer institutional landlords, leaving the City to negotiate with smaller, and possibly less professional building owners. If desired, CBRE can also provide owner’s representation in the tenant improvement and renovation package provided by the landlord through our Project Management team. The typical lease acquisition process includes the following



CBRE Plans

Easy online tool for test fits and layouts to visualize the space and how the City will use it.

Included at no cost to the City or landlord

With CBRE’s proprietary tools our team can quickly and seamlessly create, customize and share plans that meet tenant needs, while providing real-time visibility into key decision metrics, including headcount and open space. With one click, test-fits are instantly transformed into 3D immersive experiences, complete with accurate panoramic outdoor views and customizable design themes. CBRE’s Plans drives process efficiency, creates visibility and, ultimately, enhances the City’s transaction experience.

EXHIBIT B
SCHEDULE OF FEES

Contractor will bill City on a monthly basis for Services authorized by the City in writing that are provided by Contractor during the preceding month on an invoice and in a format approved by City and subject to verification and approval by City. City will pay Contractor within thirty (30) days of City's receipt of an approved invoice.

EXHIBIT B, CONTINUED
SCHEDULE OF FEES

Cost



Please describe the compensation structure that will be the basis for the fee that will be paid by City to Broker or a third-party, including any assumptions or variables. Alternatively, identify any fees that are to be paid by a third party. Also describe any administrative costs for which you intend to seek reimbursement. All compensation is contingent upon the successful closing of the real estate sale or lease transaction

Loyalton Ranch Sale

CBRE’s compensation for the sale of the Loyalton Ranch will be in the form of a commission, payable by the City from the proceeds of the sale at closing. This commission will be 7%, with 5% kept by CBRE and 2% shared with a licensed buyer’s representative with a verified representation agreement, if applicable. If there is no buyer’s representative, the fee will be reduced to 6%.

CBRE will not receive compensation from third parties on this transaction.

Other Services

Acquisition Services

In the event the City seeks to purchase property (either raw land or existing building(s)), CBRE will first pursue payment of those fees from the seller at a market rate, as brokerage fees are typically paid by the selling entity. In the event that land the City wishes to acquire is unlisted, or that a commission for the buyer’s agent is not included in the seller’s representation agreement with their agent/ broker, CBRE would seek the following compensation from the City on a cumulative basis.

PURCHASE PRICE	COMMISSION PAID TO CBRE	
First \$0 - \$2 M	5.0%	
Next \$2 M - \$7 M	4.0%	\$2,000,000 x 5% = \$100,000 +
Next \$7 M - \$12M	3.0%	\$5,000,000 x 4% = \$200,000 +
Next \$12M - \$20M	2.5%	\$5,000,000 x 3.0% = \$150,000
Next \$20M and up	2.0%	
		Total commission due to CBRE = \$450,000

For example, on a \$12,000,000 purchase, CBRE’s compensation would be calculated as follows:

Disposition Services (non Loyalton Ranch properties)

In the event the City seeks to sell surplus property on a fee simple basis, CBRE’s compensation will be as below, by the City to CBRE only. Any outside brokers / buyer representation will be responsible for seeking commissions

from their principals unless the City believes it to be prudent to offer a supplemental outside representation

SALE PRICE	COMMISSION PAID TO CBRE	
First \$0 - \$2 M	5.0%	
Next \$2 M - \$7 M	4.0%	\$2,000,000 x 5% = \$100,000 +
Next \$7 M - \$12M	3.0%	\$5,000,000 x 4% = \$200,000 +
Next \$12M - \$20M	2.5%	\$5,000,000 x 3.0% = \$150,000
Next \$20M and up	2.0%	
		Total commission due to CBRE = \$450,000

For example, on a \$12,000,000 sale, CBRE’s compensation would be calculated as follows:

EXHIBIT B, CONTINUED - SCHEDULE OF FEES

Leasing

Lease services and corresponding commissions vary depending on the role of the City in the transaction. We have priced multiple scenarios for your convenience:

City as landlord

In the event of a lease of owned property, CBRE shall be paid a fair market commission by the City from gross lease proceeds generated as a result of such lease. Fair market commission for representation is equal to six and one half percent (6.5%) if a broker is representing the lessee, with two and one half percent (2.5%) paid to CBRE and four percent (4.0%) paid to the lessee's broker. In the event the lease is completed without a cooperating broker, the commission is reduced to four percent (4.0%) fee to CBRE.

City as a tenant

In the event CBRE represents the City as a tenant in a lease transaction, CBRE would seek a commission of 4.0%, payable by the third party landlord.

Leasing

SERVICE	TOTAL FEE	FEE TO CBRE	FEE TO OUTSIDE BROKER	PAID BY
CBRE representing City as Landlord (with outside broker)	6.5%	2.5%	4.0%	City
CBRE representing City as Landlord (no outside broker)	4%	4.0%	0%	City
Representing City as Tenant	--	4.0%	--	Landlord

Hourly Rates, if appropriate

If desired, CBRE also offers the below hourly rates for various assignments.

POSITION	RATES
Managing Director/Executive Vice President	\$400
Senior Vice President/Regional Manager	\$375
Vice President/First Vice President	\$300
Senior Associate/Associate/Manager	\$250
Research & Administration	\$150

EXHIBIT B, CONTINUED - SCHEDULE OF FEES

Development Advisory Services

In the event the City seeks advisory and representation services to secure developer proposals for specific sites, CBRE’s compensation will take the form of a monthly retainer payable by the City of \$7,500 for our services throughout the transaction planning and execution process which is anticipated to be 12-18 months.

This fee will be credited back to the City following CBRE’s receipt of a market commission/success fee payable by the Developer, described below. If a transaction does not materialize, CBRE retains the accrued monthly retainer fee.

CBRE will be paid a Success Fee for Development Advisory Services by the selected Developer, calculated on the Total Project Cost on a sliding scale as listed below. Total Project Cost “TPC” is defined as all hard and soft costs of the project including but not limited to; the value of the land plus infrastructure, design, and construction costs as proposed by Developer.

The Developer shall pay the fee within Thirty (30) days of execution of all development agreements between the City and the Developer. CBRE will specify the fee arrangement and payment terms in the RFP/OM issued by CBRE on the City’s behalf and stipulate that said fee is to be paid by the developer is a condition for consideration of the Developer’s proposal to the City.

SERVICE	PAID BY	AMOUNT	TIMING
Consulting services for marketing, RFP development and distribution, bid analysis and documentation	City	7,500 / Month	Monthly upon notice to proceed
Transaction and development advisory brokerage	Developer	Per sliding scale listed below	30 days of execution of development
SUCCESS FEE		TOTAL PROJECT COST TRANCHE	
3.50		\$0 - \$10 M	
3.00		\$10 M - \$20	
2.50%		\$20 - \$30 M	
2.00%		\$30 M - \$50 M	
1.50%		\$50 - \$100 M	
0.95%		\$100 M or greater	

In the event that our Agreement or any particular engagement to provide the Services ends without a signed transaction, within 30 days of that ending, CBRE shall provide the City with a list of all parties with whom CBRE was engaged in active negotiations with respect to leases or other transactions for which fees could be earned under this Agreement. CBRE shall also provide the City with written evidence of such negotiations. If within one year after such expiration or termination date, the City enters into any agreement of sale, lease, sublease or other written agreement with a party on such list for which a fee would have been earned hereunder, CBRE shall earn the fee provided for under this Agreement to the same extent as if the Services had not expired or terminated.

Upon the expiration of the one year period, CBRE may present to the City for its consideration an extension of the fee protection period for any existing transactions which remain active and imminent. The City shall not be obligated to extend such period, but the Parties shall negotiate in good faith a fair compensation arrangement for the work performed by CBRE (or its Subagents) prior to termination. This paragraph shall survive the termination or expiration of our Agreement.

EXHIBIT C INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect during the period of performance of the Agreement and for twenty-four (24) months following acceptance by the City, at its sole cost and expense, the following insurance policies from insurance companies authorized to do business in the State of California. These policies shall be primary insurance as to the City of Santa Clara so that any other coverage held by the City shall not contribute to any loss under Contractor's insurance. The minimum coverages, provisions and endorsements are as follows:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

- \$1,000,000 Each Occurrence
- \$2,000,000 General Aggregate
- \$2,000,000 Products/Completed Operations Aggregate
- \$1,000,000 Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at

least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned (if any), non-owned and hired autos.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. PROFESSIONAL LIABILITY

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against negligent acts, errors or omissions of the Contractor. Covered services as designated in the policy must specifically include work performed under this agreement. Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per claim or two million dollars (\$2,000,000) aggregate. Any coverage containing a deductible or self-retention must first be approved in writing by the City Attorney's Office.

E. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85, or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.
2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution

from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. Cancellation.

a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through E of this Exhibit C, above.

F. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services, who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.
2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required

by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

G. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

H. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

EBIX Inc.
City of Santa Clara City Manager's office
P.O. Box 100085 – S2 or 1 Ebix Way
Duluth, GA 30096 John's Creek, GA 30097

Telephone number: 951-766-2280
Fax number: 770-325-0409
Email address: ctsantaclara@ebix.com

I. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

EXHIBIT D LABOR COMPLIANCE ADDENDUM

***Add Exhibit D for service agreements subject to prevailing wage and delete Exhibit D if not a prevailing wage service agreement**

This Agreement is subject to the requirements of California Labor Code section 1720 et seq. requiring the payment of prevailing wages, the training of apprentices, and compliance with other applicable requirements.

Prevailing Wage Requirements

Contractor shall be obligated to pay not less than the General Prevailing Wage Rate, which can be found at www.dir.ca.gov and are on file with the City Clerk's office, which shall be available to any interested party upon request. Contractor is also required to have a copy of the applicable wage determination posted and/or available at each job site.

Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime must be paid for work in excess of 8 hours per day or 40 hours per week pursuant to Labor Code Section 1811-1813.

Special prevailing wage rates generally apply to work performed on weekends, holidays and for certain shift work. Depending on the location of the project and the amount of travel incurred by workers on the project, certain travel and subsistence payments may also be required. Contractors and subcontractors are on notice that information about such special rates, holidays, premium pay, shift work and travel and subsistence requirements can be found at www.dir.ca.gov.

Only bona fide apprentices actively enrolled in a California Division of Apprenticeship Standards approved program may be employed on the project as an apprentice and receive the applicable apprenticeship prevailing wage rates. Apprentices who are not properly supervised and employed in the appropriate ratio shall be paid the full journeyman wages for the classification of work performed.

As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, Contractor agrees to present to City, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required

documentation to comply with the mandates set forth in Labor Code Section 1720 *et seq*, as well as any additional documentation requested by the City or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.

In addition to submitting the certified payrolls and related documentation to City, Contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and/or final payment.

No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than \$15,000 for maintenance work or less than \$25,000 for construction alternation, demolition or repair work, registration is not required.

All contractors/subcontractors and related construction services subject to prevailing wage, including but not limited to: trucking, surveying and inspection work must be registered with the Department of Industrial Relations as a "public works contractor". Those you fail to register and maintain their status as a public works contractor shall not be permitted to perform work on the project.

Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully indemnify the City for any fines assessed by the California Department of Industrial Relations against the City for such violation, including all staff costs and attorney's fee relating to such fine.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

Audit Rights

All records or documents required to be kept pursuant to this Agreement to verify compliance with this Addendum shall be made available for audit at no cost to City, at

any time during regular business hours, upon written request by the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such records or documents shall be provided to City for audit at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records or documents shall be made available at Contractor's address indicated for receipt of notices in this Agreement.

Enforcement

City shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., City may continue to hold sufficient funds to cover estimated wages and penalties under the Agreement.

Based on State funding sources, this project may be subject to special labor compliance requirements of Proposition 84.

The City is not obligated to make any payment due to Contractor until Contractor has performed all of its obligations under these provisions. This provision means that City can withhold all or part of a payment to Contractor until all required documentation is submitted. Any payment by the City despite Contractor's failure to fully perform its obligations under these provisions shall not be deemed to be a waiver of any other term or condition contained in this Agreement or a waiver of the right to withhold payment for any subsequent breach of this Addendum.

City or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to \$200 per day per worker for each wage violation identified; \$100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and \$25 per day per worker for any overtime violation.