

**AGREEMENT FOR PROFESSIONAL SERVICES
BEWEEN DEVELOPMENT MANAGEMENT GROUP, INC.
AND THE CITY OF LAKE ELSINORE**

ECONOMIC DEVELOPMENT CONSULTING SERVICES

This Agreement for Professional Services (the "Agreement") is made and entered into as of July 1, 2018, by and between the City of Lake Elsinore, a municipal corporation ("City") and Development Management Group, Inc... ("Consultant").

RECITALS

A. The City has determined that it requires professional services for the economic development services as identified in Exhibit A.

B. Consultant has submitted to City a proposal incorporate hereto as Exhibit A ("Consultant's Proposal") and incorporated herein, to provide professional services to City pursuant to the terms of this Agreement.

C. Consultant possesses the skill, experience, ability, background, certification and knowledge to perform the services described in this Agreement on the terms and conditions described herein.

D. City desires to retain Consultant to perform the services as provided herein and Consultant desires to provide such professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services described in Consultant's Proposal (Exhibit A). Consultant shall provide such services at the time, place, and in the manner specified in Consultant's Proposal (Exhibit A), subject to the direction of the City through its staff that it may provide from time to time.

2. Time of Performance.

a. Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the professional services to be performed by Consultant is an essential condition of this Agreement. Consultant shall prosecute regularly and diligently the professional services contemplated pursuant to this Agreement according to the agreed upon performance schedule in Consultant's Proposal (Exhibit A).

b. Performance Schedule. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the Consultant's Proposal (Exhibit A). When requested by Consultant, extensions to the time period(s) specified may be approved in writing by the City Manager.

c. Term. The term of this Agreement shall commence upon execution of this Agreement and shall continue until the services and related work are completed in accordance with the Consultant's Proposal (Exhibit A).

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the fees set forth in Consultants' Proposal (Exhibit A), which is attached hereto and incorporated herein by reference. Notwithstanding any provision of Consultant's Proposal to the contrary, out of pocket expenses set forth in Exhibit A shall be reimbursed at cost without an inflator or administrative charge. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to the City at the time of payment.

4. Method of Payment. Contractor shall promptly submit billings to the City describing the services and related work performed during the preceding month to the extent that such services and related work were performed. Contractor's bills shall be segregated by project task, if applicable, such that the City receives a separate accounting for work done on each individual task for which Contractor provides services. Contractor's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. City shall pay Contractor no later than forty-five (45) days after receipt of the monthly invoice by City staff.

5. Reserved.

6. Suspension or Termination.

a. The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least thirty ten 30 (10) days prior written notice. Upon receipt of such notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City, pursuant to Section entitled "Method of Payment" herein.

7. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notepad internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. City acknowledges that any use of such materials in a manner beyond the intended purpose as set forth herein shall be at the sole risk of the City. City further agrees to defend, indemnify and hold harmless Consultant, its officers, officials, agents, employees and volunteers from any claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therein), arising out of the City's use of such

materials in a manner beyond the intended purpose as set forth herein. This Section shall not apply to those documents listed under Copyright Protection in Exhibit A, as Development Management Group, Inc. desires to protect certain intellectual property (methodology and presentation).

a. Licensing of Intellectual Property. This Agreement creates a nonexclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require that all subcontractors agree in writing that City is granted a nonexclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City. City shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

b. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the services under this Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the services under this Agreement. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs relating to project for which Consultant's services are rendered, or any publicity pertaining to the Consultant's services under this Agreement in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

8. Consultant's Books and Records.

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually

agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to the City and that the records and documents be maintained in City Hall. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City.

10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other federal, state and local laws, codes, ordinances and regulations to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

11. Interests of Consultant. Consultant (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of the City or of any City official, other than normal agreement monitoring; and

b. possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg. 18700(a)(2).)

12. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter

into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

13. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.

14. Licenses. Consultant represents and warrants to City that it has the licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of Lake Elsinore business license.

15. Indemnity. Consultant shall indemnify, defend, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Consultant or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Consultant shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises from the sole negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Consultant or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

16. Insurance Requirements.

a. Insurance. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, unless modified by the City's Risk Manager, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days

prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City. In the event that Consultant is exempt from Worker's Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California, Consultant shall submit to the City a Certificate of Exemption from Workers Compensation Insurance in a form approved by the City Attorney.

ii. General Liability Coverage. Consultant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Required commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) or Insurance Services Office form number GL 0002 (ed. 1/73) covering comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability. No endorsement may be attached limiting the coverage.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence. Automobile liability coverage must be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 ("any auto"). No endorsement may be attached limiting the coverage.

iv. Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance appropriate for Consultant's profession for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant's services under this Agreement, whether such services are provided by the Consultant or by its employees, subcontractors, or sub consultants. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis, or a combined single limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. The City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured with respect to liability arising out of work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers.

Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

iv. The insurer waives all rights of subrogation against the City, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. The insurance provided by this Policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days written notice has been received by the City.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.

17. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of Lake Elsinore
 Attn: City Manager
 130 South Main Street
 Lake Elsinore, CA 92530

With a copy to: City of Lake Elsinore
 Attn: City Clerk
 130 South Main Street
 Lake Elsinore, CA 92530

If to Consultant: Michael Bracken, Managing Partner
Development Management Group, Inc.
The Economic Architects
41-625 Eclectic St., Suite D-2
Palm Desert, CA 92260 (760)
346-8820 (office)
(760) 346-8887 (fax)

18. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

20. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant and the subcontractors listed in Exhibit B. Consultant shall be fully responsible to City for all acts or omissions of any subcontractors. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of the City. Consultant shall not subcontract any portion of the work to be performed under this Agreement except as provided in Exhibit B without the written authorization of the City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of those subcontractors. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.

21. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

22. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

23. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Riverside.

24. Litigation Expenses and Attorneys' Fees. If either party to this Agreement commences any legal action against the other party arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

25. Mediation. The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and share the costs of mediation equally. If the parties are unable to agree upon a mediator, the dispute shall be submitted to JAMS or its

successor in interest. JAMS shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

26. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

27. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party. The City Manager is authorized to enter into an amendment or otherwise take action on behalf of the City to make the following modifications to the Agreement: (a) a name change; (b) grant extensions of time; (c) non-monetary changes in the scope of services; and/or (d) suspend or terminate the Agreement.

28. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

29. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

30. Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Consultant agrees to fully comply with all applicable federal and state labor laws (including, without limitation, if applicable, the Prevailing Wage Laws). It is agreed by the parties that, in connection with the Work or Services provided pursuant to this Agreement, Consultant shall bear all risks of payment or non-payment of prevailing wages under California law, and Consultant hereby agrees to defend, indemnify, and hold the City, and its officials, officers, employees, agents, and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The foregoing indemnity shall survive termination of this Agreement.

31. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties

when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

“CITY”
CITY OF LAKE ELSINORE, a municipal corporation

“CONSULTANT”
Development Management Group, Inc.

Grant Yates, City Manager

Michael Bracken, Managing Partner

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachments: Exhibit A – Consultant’s Proposal

EXHIBIT A
CONSULTANT'S PROPOSAL

Compensation

DMG, Inc. will provide a professional services timesheet and would reserve the right to bill for less than the retainer amount should the number of hours worked in a given month not justify the full retainer amount. The retainer amount shall be

FY 2018-19: \$11,000 per month.

FY 2019-20: \$11,500 per month.

FY 2020-21: \$12,000 per month

Costs within Retainer

All professional services as described above shall be include in our retainer as will travel to ICSC Las Vegas, ICSC Western Region (San Diego or Los Angeles) and ACRE. Travel to and from the City of Lake Elsinore, when desired, is also included. DMG, Inc. shall request travel reimbursement (to be approved in writing prior to incurring expenses) to other events/venues not shown above.

DMG, Inc. shall be responsible for ancillary costs associated with certain office supply type materials in preparation for various projects (not inclusive of commercial-type designs or commercial scale/quality printing).

DMG, Inc. shall have the ability to request reimbursement for extraordinary or unusual expenses. Such requests shall be made in advance of the expense and shall be within the established policy, protocol or guidelines of the City of Lake Elsinore.

All payments to Consultant shall be paid by the City of Lake Elsinore within thirty (30) days of submittal of an invoice and a signed United States Internal Revenue Service W-9.

Certainty of Fee Arrangement and Contract Limit

DMG, Inc. shall commit to the proposed fee arrangement being in place until June 30, 2021 (end of the 2020-21 Fiscal Year) to provide the City of Lake Elsinore a stable professional services rate.

Term of Agreement:

Development Management Group, Inc. is requesting the City of Lake Elsinore consider a three (3) year agreement. As you are aware economic development is an ongoing process which takes a level of planning, marketing, sales, follow-up and follow-through. Economic investment seeks certainty within the community including elected officials, appointed officials (namely the Planning Commission), community leadership and staff. A three-year commitment allows us to market a level of contract stability. Even under this type of arrangement both the City of Lake Elsinore and Development Management Group, Inc. shall maintain the ability to terminate with or without cause a professional arrangement with thirty (30) days notice.

Background and Scope

By way of background, DMG, Inc. first began serving the City of Lake Elsinore on an “On-Call” basis in April 2014. In July 2015 DMG, Inc. began a “Full Service” contract with your community under a three (3) year agreement. During this time, we have been active in the following projects/initiatives:

1. Served as a project ombudsman on the proposed Wal-Mart project. The project is now fully entitled. The project plans have been submitted for approval and the 3rd Street Flood Control project is at bid. Construction is slated to begin in the 3rd quarter of 2018 with Walmart opening in September 2019.
2. Represented the City at ICSC-Las Vegas and Western Regional ICSC (San Diego and Los Angeles). We have both hosted various brokers, developers and retailers and participated in 20+ meetings at each event. This has led to several developer and retailer relationships that have manifested themselves in new businesses in the City of Lake Elsinore (or under construction). These include: Peninsula Retail Partners Central Plaza, Marshall's, ULTA, Skechers, Panera, Starbucks, Pieology, Aldi, Chick-Fil-A.
3. Participated as an economist in the evaluation of Alberhill Villages Specific Plan. Our work helped the City successfully negotiate a development that is (at least) revenue neutral versus the original proposal that would have put significant financial strain on the City.
4. Generated a Long-Term Economic Development Strategic Plan that addresses retail, office, industrial and residential.
5. Completed Retail and Hotel Market Analysis that has been used by various developers and retailers (along with hoteliers) to make investment decisions (some of the users have included Diamond Indoor Sports, Civic Partners, Lake Elsinore Outlets, La Quinta Inn & Suites)
6. Created Annual Market Demographics and Retail Market Opportunity that is used by retailers, brokers and developers (distributed via email, hardcopy and at special events).
7. Working with City Attorney and Administration, formed new JPA and negotiated agreements with SMER Research 1, LLC for the City of Lake Elsinore to take advantage of fixed pricing for electricity purchases (20-year agreement). Project is currently under construction.
8. Leading negotiations with six (6) landowners and developers in the La Strada area to reach agreement for a Road and Bridge Benefit District (RBBD) and related Development Agreements (in process).
9. Leading negotiations with industrial developer to bring new manufacturing operation to Lake Elsinore on former RDA property (in process).

The balance of this document is designed to review what professional services we propose to provide under a long-term arrangement between the City of Lake Elsinore and Development Management Group, Inc.

Professional Responsibilities of DMG, Inc.

1. DMG, Inc. shall have professional and functional responsibility for the implementation of the Economic Development Strategic Plan during the period of the contract proposed.
2. During the time that the Plan is being generated, DMG, Inc. shall continue to serve as a project ombudsman for Wal-Mart, Proposed New Car Dealership, Central Plaza and others as they are submitted to the City.
3. DMG, Inc. shall continue to follow-up regarding development and retail leads (generated at ICSC, Retail Live, ACRE and organically within the City/community).
4. DMG, Inc. shall coordinate with the Lake Elsinore Chamber of Commerce to provide appropriate professional support to assist them with franchise recruitment. Said support may include general and specialized market studies, providing contacts and assisting with an understanding of project financing.
5. Demographic research for the City of Lake Elsinore and the surrounding market area.
6. Retail market opportunity analysis for the City of Lake Elsinore and the surrounding market area.
7. Produce an ongoing electronic marketing campaign (specific to retailers, developers and industrial/office users)
8. Customized research for companies that the City of Lake Elsinore is targeting for location, expansion and/or relocation.
9. DMG, Inc. presentations to business prospects (retail, commercial and industrial) in support of efforts to attract additional investment into the community.
10. Economic, employment and/or fiscal impact analysis of proposed development projects to properly provide information to the residents, businesses, council members and staff within the City of Lake Elsinore.
11. Preparation for and represent of City of Lake Elsinore at industry trade-shows including the International Council of Shopping Centers (ICSC) Las Vegas International and Western Regional Conference(s).
12. Generate customized market research for a variety of industries (in addition to retail, which is specified above).
13. Project management and ombudsman services to the City of Lake Elsinore serving as a go-between and on-going communicator between the City and a developer/development project.
14. Provide Economic Development Training to City of Lake Elsinore staff, business leaders, appointed and elected officials.

15. DMG, Inc. shall serve as a project coordinator, ombudsperson and liaison with funding sources at the County, State and Federal level as it pertains to helping achieve economic development objectives in the City of Lake Elsinore.
16. Additional economic development and post-redevelopment related services as needed (and mutually agreed upon).

Economic Impact Reports

From time to time, the City will desire an Economic Impact Report (brief) that contemplates the anticipated tax revenue along with employment and wages from a potential project. These reports (as have been done in the past on such projects as Diamond Indoor Sports, WakeRider, La Quinta Inn & Suites, Vantage Auctions, Walmart and Central Plaza are included in our retainer services.

Fiscal Impact Reports

From time to time, the City may desire a full Fiscal Impact Report. These reports generally contemplate the impact to the City of Lake Elsinore from large scale endeavors such as residential development, specific plans, annexations and new major industries (such as cannabis). These are complex in nature and are specialized. These reports are not included within our retainer but are available upon request. In all cases whereby the City requests such services, a proposal will be generated for consideration.

Copyright Reservation

DMG, Inc. has proprietary claims on three professional service products. These include a) Fiscal Impact Analysis, b) Economic/Job Impact Analysis c) EB-5 Economic & Job Creation Analysis. While DMG, Inc. may be asked to provide these services to the City of Lake Elsinore, it shall be understood that DMG, Inc. shall reserve the right to copyright work completed. Further, the City of Lake Elsinore shall be granted unlimited use of said reports in their final form. Note that the copyright provision is to protect the intellectual property (form, style, function) of DMG, Inc.'s work rather than to limit the dissemination of the work.

Note: EB-5 Analysis may be generated for projects within the City of Lake Elsinore, but the contracting entity would be an EB-5 investor, and/or a regional center and a separate contract would be executed with them for said services. If DMG, Inc. is asked to perform such services, the City of Lake Elsinore shall be notified in writing and can either authorize or reject said work prior to execution of a contract.

Insurance

Development Management Group, Inc. shall have a Certificate of Liability Insurance (ACORD) with the City of Lake Elsinore named as additional insured prior to commencement of any work under this Agreement. DMG, Inc. respectfully requests that the City of Lake Elsinore accept the following insurance limits as satisfactory based on the professional services being provided.

Professional Error & Omission

Issued by: Continental Casualty Insurance Company / Policy Number: 425311802: \$1,000,000

Commercial General Liability

Issued by: Sentinel Insurance Company, Limited 72 SBA IB8260

Commercial General Liability: \$2,000,000

Personal and Advertising Injury: \$2,000,000

Medical Expense (any one person): \$10,000

Damages to Premises Rented to DMG, Inc.: \$1,000,000

Aggregate Limits Products-Completed Operations: \$4,000,000

General Aggregate: \$4,000,000

Umbrella Liability: \$1,000,000 (each occurrence & aggregate) (\$10,000 retention)

Automotive and Automobile Liability

Issued by: Farmers Insurance Exchange / Policy number 606290333

Combined Single Limit (each accident): \$1,000,000

Hold Harmless

Development Management Group, Inc. shall hold the City of Lake Elsinore harmless regarding any claims resulting from personal injury or automobile accidents.

Termination

If the Consultant does not perform the work in this Agreement or becomes unable to perform such work, the City of Lake Elsinore shall have the right to terminate this Agreement with thirty (30) days written notice. At such time, Consultant shall have the right to submit an invoice for work performed to date along with the actual work performed to the City of Lake Elsinore. The City of Lake Elsinore shall have thirty (30) days for which to make payment to Consultant for all work performed prior to termination. DMG, Inc. shall also reserve the right to terminate the provision of professional services to the City of Lake Elsinore with a thirty (30) day notice.

In such case as either the City of Lake Elsinore or DMG, Inc. terminates services under this Agreement (or at the end of the contract), DMG, Inc. shall be responsible for providing a final "Project Status Report" and an electronic version of all files pertaining to economic development work in the City of Lake Elsinore

Disclosed Ownership/Directorship in Publicly Traded Company

Michael Bracken as the Managing Partner of Development Management Group, Inc. is individually involved as a Founder and Director of Community Valley Bank based in El Centro, CA. His ownership (inclusive of shares held (directly, and in trust) as well as options does not exceed 5% of the total outstanding ownership of the bank. The company trades under Stock Symbol CMUV. Under an abundance of caution, Michael Bracken shall not vote on any loans that may be considered by the bank in the City of Lake Elsinore. It is disclosed that as a Director, Mr. Bracken does receive compensation but said compensation is NOT based on referrals nor a percentage of any customer or loan transaction.

Exclusivity

Under this proposed retainer agreement, DMG, Inc. would agree to NOT represent any other community within the market area of Lake Elsinore. This shall include Corona, Wildomar, Temecula, Murrieta and Menifee nor any project in that general area within the County of

Riverside.

Conflict Procedures & Disclosures

DMG, Inc. is a highly experienced economic development consulting firm and does have both active and inactive clients throughout Southern California. Within the Inland Empire specifically, we have active contracts with Manheim Investments (their nearest facilities are in Riverside and Fontana) and Elmore Sports Management (the operators of the Inland Empire 66'ers California League Professional Baseball Franchise) and the City of Colton.

If there is a potential conflict whereby a community DMG, Inc. is working on behalf of and a specific business client (that is negotiating or comparing multiple communities represented by DMG, Inc.), DMG, Inc. shall offer to represent the first community that identified that particular client to DMG, Inc.