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April 27, 2026

VIA EMAIL

Ms. Trystan Hayes
Public Works Construction Project Manager
City of Clearlake
14050 Olympic Dr.
Clearlake, CA 95422

Reference: Proposal for Annexation Application

Dear Trystan,

As per your request, VVH Consulting Engineers (VVHCE) is pleased to offer this proposal to the City of Clearlake (City, Client) for professional services for land surveying for the proposed Annexation Area (Project).

1.0 INTRODUCTION

VVHCE is in receipt of the "Draft Annexation Area 3-18-2026" exhibit provided by the Client. It is our understanding that the City is seeking to annex approx. 1,331 acres, detach approx. 1,491 acres and establish a Sphere of Influence of approx. 637 acres. This scope of work anticipates that the City will be the lead agency in the application to Lake County LAFCO and that the application will be by resolution.

Section 2.0 includes a description of tasks that will be completed in support of the Project.

2.0 SCOPE OF WORK

2.1 Survey Base Drawing

VVHCE's work will include the following:

- ❑ VVHCE project surveyor will research Lake County record maps, surveys deeds and Client-supplied preliminary title reports for the affected properties.
- ❑ VVHCE project surveyor will prepare a base drawing in CAD from available record information for the territory being annexed, detached and included in the SOI.
- ❑ The base map will include assessed parcels, streets highways, railroads, streams, canals, water boundaries and other important physical features. This scope of work assumes that these features will be provided from available County GIS shape files to supplement the survey base drawing data.
- ❑ VVHCE project surveyor will establish the boundaries of the existing City limits and SOI limits from available City and LAFCO documentation.

The deliverables for this portion of the work program will be:

- ❑ Survey Base Drawing in PDF

2.2 Legal Descriptions, Maps and LAFCO Application

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- ❑ Utilizing the survey base drawing prepared in Item 2.1, the VVHCE project surveyor will prepare geographic descriptions of the project area boundaries. The scope of work assumes 9 individual areas will be described: 4 detachment areas, 1 annexation area and 4 SOI areas.
- ❑ The 18"x26" maps will be prepared to satisfy the requirements of LAFCO and the State Board of Equalization to include the following.
 - Show the exterior boundaries
 - Dimensions, north arrow, scale and vicinity map
 - Net and gross acreage
 - Show roadways, highways, canals and other important information
 - Assessor's parcels
 - Tax area codes
- ❑ The legal descriptions are to describe the boundaries by metes and bounds and shall contain sufficient reference information to be retraceable without the need for additional reference documents.
- ❑ Prepare map closures for each of the areas.
- ❑ Submit signed legal descriptions and maps to the Client for review.
- ❑ Prepare LAFCO Application with VVHCE prepared mapping documentation. Any environmental compliance, plan for services and tax exchange documentation is to be provided by the Client and/or others.

The deliverables for this portion of the work program will be:

- ❑ Maps and Legal Descriptions for the 9 areas.
- ❑ LAFCO Annexation Application

2.3 Agency Coordination and Processing

VVHCE's work will include the following:

- ❑ Attendance at pre-application conference if requested.
- ❑ Coordination with the City staff/representatives for LAFCO documentation needed for application.
- ❑ Revisions to the mapping documents as requested by the Client and/or LAFCO.
- ❑ Coordination with LAFCO for submittal requirements.
- ❑ Coordination with other sub-consultants working on the project.

2.4 Meetings and Client Directed Services

At the specific request of the Client, VVHCE will perform additional services in support of the project which are not specifically included in other task items.

Examples of VVHCE's work under this task could include:

- Prepare for and attend additional meetings at the request of the Client.
- Preparation of supplemental exhibits
- Coordination with additional consultants, contractors, or other project stakeholders.

3.0 SCHEDULE OF FEES

VVH Consulting Engineers' fees for the work noted in this proposal will be as follows.

Item	Description	Fee	Fee Type
2.1	Survey Base Drawing	\$35,000	FF
2.2	Legal Descriptions, Maps & LAFCO Application	\$82,000	FF
2.3	Agency Coordination and Processing	\$15,000	T&M
2.4	Meetings and Client Directed Services	\$10,000	T&M
Total Fee		\$142,000	

Fee types: FF = Fixed Fee

T&M = Time and Materials Estimated Budget. Total fees may be higher.

Unless otherwise indicated, the fees do not include Expenses (also referred to as Disbursements, Other Direct Costs, etc.). Refer to the Limitations and Conditions section of this proposal for information with respect to disbursements.

Time and Materials (T&M) tasks in the Schedule of Fees indicate an initial estimated fee, to be invoiced on a time and materials basis, for this portion of the work. This is not an upset fee (not a "not to exceed" fee). VVH Consulting Engineers' invoices will show the current and cumulative billing amounts, so that it will be reasonably clear, as the project proceeds, whether this estimated fee amount will be adequate. If it appears that this fee will be exceeded, then VVH Consulting Engineers will confirm revised fees with the client prior to billing over the initial budget amount.

4.0 GENERAL LIMITATIONS AND CONDITIONS

In addition to any limitations and conditions noted in the other parts of this proposal, the following limitations and conditions apply to this work.

- 4.1 The offer to provide services, including the rates indicated in this proposal, expires if this proposal is not accepted by the Client within thirty (30) days after the date indicated near the top of the first page of this letter.
- 4.2 The fees in this proposal exclude all taxes, levies or duties that may be applied by a

Federal, State, County, or Municipal Government on fees for services.

- 4.3 This proposal is contingent on the Client executing VVH Consulting Engineers' standard Professional Services Agreement. If the Client proposes another contract for use, or requests alteration to the terms of VVH Consulting Engineers' form, the wording must be acceptable to VVH Consulting Engineers and the fees are subject to adjustment commensurate with any added risk imposed by such non-standard contract terms. VVH Consulting Engineers accepts no responsibility for delays caused by time required to negotiate contract terms.
- 4.4 Work to be completed on a lump sum (fixed fee) basis will be invoiced based on a percentage of work completed as determined by VVH Consulting Engineers. No breakdown of time expended will be shown on invoices or otherwise provided by VVH Consulting Engineers.
- 4.5 VVH Consulting Engineers does not guarantee that any Approving Authority will approve any portion of this project. Payment of VVH Consulting Engineers' fees is not contingent on receipt of approvals or the length of time required for the Approving Authority to grant approvals.
- 4.6 Unless specifically required in the contract documents or in this proposal, VVH Consulting Engineers has no obligation to deliver data files in electronic format ("Electronic Files"). VVH Consulting Engineers cannot guarantee the authenticity, integrity or completeness of Electronic Files. Client shall release, indemnify and hold VVH Consulting Engineers, its officers, employees, consultants and agents harmless from any claims or damages arising from the use of Electronic Files. Electronic files will not contain stamps or seals, remain the property of VVH Consulting Engineers, are not to be used for any purpose other than that for which they were transmitted, and are not to be retransmitted to a third party without VVH Consulting Engineers' written consent.
- 4.7 Payment of invoices shall not be subject to any discounts, backcharges, or set-offs by the Client, unless agreed to by VVH Consulting Engineers. Payment to VVH Consulting Engineers for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party.
- 4.8 Payment of all invoices is due on receipt. If full payment is not received within 30 calendar days of the invoice date, then all VVH Consulting Engineers work related to the project shall cease until payment arrangements are made that are acceptable to VVH Consulting Engineers.
- 4.9 The fees in this proposal exclude disbursement costs. Costs (plus 15 percent) for disbursements will be invoiced in addition to the fees noted. Disbursements may include, among other things, , printing and reproduction charges, postage and courier charges.
- 4.10 All electronic drawings provided to VVH Consulting Engineers by the Client or the Client's

consultants are to be in AutoCAD Version 2018 or newer file format.

4.11 The Client is responsible for payment of all government application, permitting, municipal fees, and all other fees.

4.12 Examples of items that are specifically excluded from this proposal include, but are not limited to:

- Aerial Survey and/or Photography
- Agency Fees
- Agency Permits
- ALTA Survey
- Architectural Services
- Assessment Districts
- Boundary Surveys
- Construction Related Services
- CEQA Documentation
- Coordination with Dry Utility Providers
- Design or Civil Engineering Services
- Environmental Mitigation/Compliance
- Field Surveying
- Finance Districts
- Flood Plain Issues
- General Plan Amendment or Update
- Lighting and Landscape Maintenance Districts
- Local, State, and Federal Lobbying Efforts and/or Meetings
- Lot Line Adjustment
- Municipal Service Review
- Parcel Map
- Plan for Services
- Property Tax Negotiation
- Public Facility Fees
- Public Noticing
- Record of Survey
- Reimbursement Agreements
- Rezoning
- Right-of-Way or Easement Acquisition
- Topographic Surveys
- Title Reports
- Underground Utility Locating
- Any Other Services Not Specifically Described in This Proposal.

VVH Consulting Engineers shall not be responsible for any costs associated with the above noted exclusions.

VVH Consulting Engineers is capable of providing most of these services. If the Client requests that VVH Consulting Engineers provide these services, VVH Consulting Engineers

will provide a proposal. If directed in writing by the Client to provide these services with less than five business days' notice before the work must be started, VVH Consulting Engineers will perform the work on a time and materials basis.

- 4.13 The tasks and fees in this proposal are not severable. If some items are not to be done by VVH Consulting Engineers, fee increases may be required.

We are prepared to commence work upon our receipt of a signed copy of the attached contract.

We trust that this proposal is in order. However, please do not hesitate to contact the undersigned if you have any questions.

Respectfully,

Respectfully,

VVH CONSULTING ENGINEERS



Ryan Vance, LS #8225
Principal
209.568.4477 Phone
209.480.5189 Cell
rvance@vvhce.com

Attachment: VVH Consulting Engineers Rate Sheet
VVH Consulting Engineers Standard Agreement

c. Michael Hayes, VVHCE



2026 MUNICIPAL FEE SCHEDULE

Effective January 1, 2026

Title / Position	Hourly Billing Rate
Principal	\$290.00
Senior Project Manager	\$235.00
Project Manager	\$210.00
Senior Civil Engineer	\$245.00
Civil Engineer	\$210.00
Senior Land Surveyor	\$245.00
Land Surveyor	\$210.00
Senior Designer	\$185.00
Designer	\$160.00
Drafter / CAD Technician	\$130.00
Administrative / Clerical	\$130.00
1-Person Survey Crew (Prevailing Wage Rate)	\$275.00
2-Person Survey Crew (Prevailing Wage Rate)	\$390.00
3-Person Survey Crew (Prevailing Wage Rate)	\$515.00
Investigative / Expert Witness / Professional Consultation*	\$790.00

* Fees for investigative services, expert witness, and professional consultation are generally not applicable to projects involving the preparation of plans or specifications for construction projects.

Expense Item	Billing Rate
Bond Plots, Black & White**	\$0.50 / sf
Bond Plots, Color**	\$1.00 / sf
Vellum Plots**	\$2.50 / sf
Mylar Plots**	\$5.00 / sf
U.S. Mail Transmittal	No Fee
FedEx, UPS, or Other Courier Transmittal	Cost + 15%
Vehicle Mileage (Excludes Survey Crews)	Current IRS Standard Rate + 15%

** Prints and plots in the ordinary course of our work are not billed. These fees are applicable to requested special reproduction services only and are not billed without prior agreement of Client when requesting services.

Project - Client: LAFCO Annexation Area – City of Clearlake hereafter referred to as the Project & Client, and VH Design Group, Inc. dba VVH Consulting Engineers, hereafter referred to as the Engineer, agree as follows:

1. **Engineer's Basic Services:** The Engineer's basic services and fees are as stated on the attached services agreement / proposal dated **April 27, 2026**.
2. **Engineer's Additional Services:** The Engineer's additional services are all services rendered other than those specifically defined as basic services described above. They include but are not limited to, changes in design, whether at the request of the Client, Engineer's, Agency or Contractor's request upon prior approval by the Client, Engineer shall be paid as set forth in paragraph 3a, unless otherwise agreed in writing.
3. **Compensation:**
 - a. See Attached 2024 Rate Sheet (if applicable)

REIMBURSABLES

Travel, Subsistence & Misc. Expenses	cost + 15%
Permit Fees	cost + 15%
Outside Reproduction Services	cost + 15%
Overnight mail & Delivery	cost + 15%
Subcontracted Services	cost + 15%
Mileage	\$.54 per mile

- b. Engineer's invoices which are in excess of any Client retainers are due within 30 (thirty) days from invoice date. A late charge of 1.5% per month shall be charged for invoice(s) not paid within 30 (thirty) days from invoice date. If invoice(s) become past due over 60 (sixty) days, from invoice date, Engineer shall have the unilateral and unequivocal right to suspend performance of services under this agreement and withhold its instruments of service without liability for delay or for consequential or other damages which may result therefrom.
 - c. No deductions shall be made from Engineer's compensation on account of penalties, liquidated damages, or other sums withheld from payments to contractors, or on account of the cost of changes in construction other than those for which the Engineer has been found legally liable.
 - d. If all or a portion of the project designed by the Engineer hereunder is abandoned or suspended or is not completed, Engineer nevertheless shall be paid for all work performed prior to written notification by Client of such abandonment or suspension or non-completion; this payment is to include all reimbursable costs accrued to that point in time. Payment of Engineer is not in any way conditioned upon the use or incorporation of Engineer's designs into the project or project approval by governing agencies (i.e. Local Planning or Building Departments).
 - e. Client acknowledges that in the event Client fails to pay Engineer in full for services rendered upon completion of the project, Engineer has the right to any lien rights it may have pursuant to all applicable provisions of the law.
 - f. Client may terminate this Agreement with seven days prior written notice to Engineer for convenience or cause. Engineer may terminate the Agreement for cause with seven days prior written notice to Client.
4. **Use of Electronic Media:** Copies of documents that may be relied upon by Client are limited to the printed copies (also known as hard copies) that are signed or sealed by Engineer. Files in electronic media format or text, data, graphic or other types that are furnished by Engineer to Client are only for convenience of Client. Any conclusions or information obtained or derived from such electronic files will be at the user's sole risk. When transferring documents in electronic media format, Engineer makes no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems or computer hardware differing from those in use by Engineer at the beginning of this assignment.
 5. **Limitation of Liability.** The Engineer shall be responsible only for its own performance and work product and shall not be responsible for any and all delays, damages or costs to the extent they are caused by others, including but not limited to the Client or its design consultants, contractors or material suppliers. In recognition and equitable allocation of the relative risks and benefits of the project, the Client agrees to limit the liability of Engineer and its owners, officers, directors, employees, agents, and sub-consultants to the Client for Engineer's negligent acts, errors or omissions, such that the aggregate liability of the Engineer and its sub-consultants to the Client shall not exceed the total fees for services rendered by the Engineer and its sub-consultants, in the aggregate, on the Project.
 6. **Specification of Materials:** The Client understands and agrees that products or materials which are permissible under current building codes and ordinances may, at some future date, be banned or limited in use in the construction industry because of presently unknown hazardous characteristics. The Client agrees that if any such product or material specified for this project shall, at any future date, be suspected or discovered to be a health or safety hazard, then the Client agrees to waive all claims against the Engineer, and to indemnify and hold them harmless from any damage, liability or cost, including reasonable attorney's fees, arising in any way from the specification or use of any such product or material, excepting only those damages, liabilities or costs attributed to the sole negligence or willful misconduct of the Engineer.

7. **Construction Observation:** It should be understood that construction observation is strongly advised in order to minimize problems during construction due to changed conditions, conditions not previously known, conflicts among trades, errors or omissions by Contractors, designers or suppliers or others. Should the Engineer not be retained to review construction, or should review of construction be unduly restricted, the Client agrees to waive all claims against the Engineer, and to indemnify and hold the Engineer harmless from any damage, liability or cost, including reasonable attorney's fees, to the extent allowable by law, and resulting in any way from problems during or after construction that allegedly result from work by the Engineer. In such case, time expended by the Engineer to resolve problems will be billed as additional services.

8. **Indemnity:** Engineer will indemnify, defend and hold harmless Client and Client's principals and employees to the extent of Engineer's fault from any and all claims and/or liabilities that were caused by Engineer's sole negligence or willful misconduct in the performance of the services called for by this Agreement. Should Engineer be subjected to claims and/or become involved in litigation concerning the project for any reason other than as a direct result of Engineer's sole negligence or willful misconduct, then Client agrees to defend, indemnify and hold harmless Engineer and Engineer's sub-consultants and their respective principals and employees, to the fullest extent allowed by law, from and against any such claims and/or litigation, including attorneys' fees and costs of litigation.
9. **Ownership of Documents:** All documents prepared or furnished by Engineer pursuant to this Agreement are instruments of Engineer's professional service, and Engineer shall retain an ownership and property interest therein. Engineer grants client a license to use instruments of Engineer's professional service for the purpose of constructing, occupying and maintaining the Project. Reuse or modification of any such documents by Client, without Engineer's written permission, shall be at Client's sole risk, and Client agrees to indemnify and hold Engineer harmless from all claims, damages and expenses, including attorney's fees, arising out of such reuse by Client or by other acting through Client.
10. **Mediation Requirement:** Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to the filing of a lawsuit or demand for arbitration. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the County where the Project is located unless another location is mutually agreed upon by the parties. Any agreements reached in the mediation shall be enforceable as a settlement agreement in any court having jurisdiction thereof. A demand for mediation shall be made within a reasonable period of time after the claim; dispute or other matter in question has arisen. In no event shall the demand for mediation be made after the date when institution of legal or equitable proceedings based on such a claim, dispute or other matter in question would be barred by the applicable statute of limitations.
11. **Standards of Practice:** It is understood and agreed that the nature of the design process is such that the plans, specifications and other documentation prepared by the Engineer/Engineer under this Agreement will inevitably contain ambiguities requiring clarification and/or correction during construction. Not only is the production of perfect documents an impossibility, but some design decisions are more efficiently deferred, for the benefit of the Client, to a point during construction at which they can be made in light of a clear understanding of actual field conditions.
12. **Opinions of Cost:** When included in Engineer's scope of services, opinions or estimates of probable construction cost are prepared on the basis of Engineer's experience and qualifications and represent Engineer's judgment as a professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment or services furnished by others, over contractor's methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from Engineer's opinions or estimates of probable construction cost.
13. **Successors and Assignments:** The Client and the Engineer each binds himself, his partners, successors, legal representative, and assigns to the other party in this agreement. Neither the Client nor the Engineer shall assign or transfer his interest in this agreement without the written consent of the other.
14. **Force Majeure:** Neither party shall be deemed in default of the Agreement to the extent that any delay or failure in the performance of its obligations results from any cause beyond its reasonable control and without its negligence.

CLIENT APPROVAL		
Approved _____	Title _____	Date <u> / / </u>

VVH CONSULTING ENGINEERS APPROVAL	
Approved _____	Date <u> / / </u>
RYAN VANCE, LS #8225 - PRINCIPAL	