

AGREEMENT TO FURNISH CONTINUING DISCLOSURE SERVICES

This Agreement is made and entered into this 18th day of July, 2008 by and between the City of Redlands, a municipal corporation (hereinafter "City") and Applied Best Practices, LLC, a subsidiary of Fieldman, Rolapp & Associates, Inc. ("ABP"). The City and ABP are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

AGREEMENT

Section 1. Services. ABP, shall perform continuing disclosure services as specified in the May 27, 2008 proposal submitted to City (the "Proposal" and attached hereto as Exhibit "A"). ABP represents that it has the skill and the professional expertise necessary to provide high quality services for the continuing disclosure services at the level of competency presently maintained by other practicing professional consultants in the industry providing similar types of services.

Section 2. Payment. City shall pay ABP based on the hourly rates provided in Proposal, not-to-exceed the sum of Nine Thousand and 00/100 Dollars (\$9,000) for each year, plus expenses as described in the Proposal. ABP shall provide an invoice by the tenth of the month following the services provided and shall be entitled to payment within thirty (30) days thereof. ABP, will be entitled to a 1% rebilling charge for any invoices unpaid after thirty (30) days.

Section 3. Insurance. All insurance required by this Agreement is to be maintained by ABP for the duration of the Services and shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by City. ABP shall provide City with Certificates of Insurance and endorsements evidencing such insurance prior to commencement of the Services.

3.1 Workers' Compensation and Employer's Liability

ABP shall secure and maintain Workers' Compensation and Employer's Liability insurance throughout the duration of this Agreement in an amount which meets the statutory requirement and with an insurance carrier acceptable to the City. Such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by the City. The insurance policy shall include a provision prohibiting cancellation of said policy except upon thirty (30) days prior written notice to City. Certificates of Insurance shall be delivered to City prior to commencement of the Services.

3.2 Comprehensive General Liability Insurance

ABP shall secure and maintain in force throughout the duration of this Agreement comprehensive general liability insurance with carriers acceptable to City. Minimum coverage of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for public liability, property damage and personal injury is required. City shall be named as an additional insured and the insurance policy shall include a provision prohibiting cancellation of said policy except upon thirty (30) days prior written notice to the City. Such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by City. Certificates of insurance and endorsements shall be delivered to City prior to commencement of the Services.

3.3 Professional Liability Insurance

ABP shall secure and maintain professional liability insurance throughout the duration of this Agreement in the amount of one million dollars (\$1,000,000) per claims made. The certificate of insurance for such professional liability insurance shall be delivered to City prior to commencement of the Services.

3.4 Assignment and Insurance

ABP is expressly prohibited from subletting or assigning any of the Services without the express prior written consent of City. In the event of mutual agreement between Parties to sublet a portion of the Services, ABP will add the subcontractor as an additional insured and provide the City with the insurance endorsements prior to any work being performed by the subcontractor. Assignment does not include printing or other customary reimbursable expenses that may be provided in this Agreement

3.5 Hold Harmless and Indemnification

The City and ABP shall each defend, indemnify and hold harmless the other from and against any and all losses, claims, damages, expenses, including legal fees for defense, or liabilities, collectively, damages, to which either may be subjected by reason of the other's negligent and intentionally wrongful acts, errors or omissions in performing their respective obligations under this Agreement.

Section 4. Independent Contractor. It is the express intention of the Parties that ABP is an independent contractor and not an employee of City. Nothing in this Agreement shall be interpreted or construed as creating or establishing a relationship of employer and employee between City and ABP. The Parties acknowledge that ABP is not an employee for State tax, Federal tax or any other purpose.

Section 5. Discrimination Prohibited. In the performance of this Agreement and in the hiring and recruitment of employees, ABP shall not discriminate on the basis of race, creed, color, religion, sex, physical handicap, ethnic background or country of origin.

Section 6. Notices. Any notice to be given pursuant to this Agreement shall be deposited with the United States Postal Service, postage prepaid and addressed as follows:

CITY:
City of Redlands
Tina T. Kundig, Finance Director
35 Cajon Street, Suite 30
P.O. Box 3005
Redlands, California 92373

APPLIED BEST PRACTICES, LLC:
Applied Best Practices, LLC
Joshua J. Lentz, Assistant Vice President
19900 MacArthur Blvd., Suite 1100
Irvine, CA 92612

Nothing in this Section 6 shall be construed to prevent the giving of notice by personal service.

Section 7. Modifications. No change or modification of the terms or provisions of this Agreement shall be deemed valid unless made in writing and signed by the Parties.

Section 8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 9. Effect of Headings. The heading sections of this Agreement have been inserted for convenience of reference only and shall not affect the interpretation of any of the provisions of this Agreement.

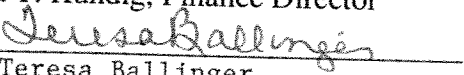
Section 10. Attorneys' Fees. In the event any action is commenced to enforce or interpret the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs and other relief, be entitled to the recovery of reasonable attorneys' fees, including fees for use of in-house counsel by a Party.

Section 11. Entire Agreement. This Agreement represents the entire agreement of the Parties as to the matters contained herein and supersedes any and all prior written or verbal agreements between the Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and date first shown at Redlands, California.

City of Redlands

Applied Best Practices, LLC

By: 
Tina T. Kundig, Finance Director
Attest: 
Teresa Ballinger
Assistant City Clerk

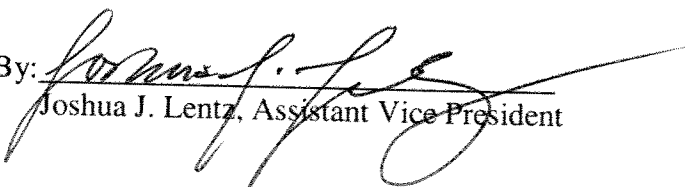
By: 
Joshua J. Lentz, Assistant Vice President

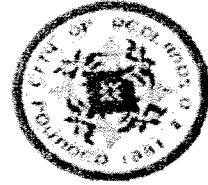
EXHIBIT "A"



There is no substitute for experience.

PROPOSAL FOR
CONTINUING DISCLOSURE SERVICES

CITY OF REDLANDS AND
REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

May 27, 2008

SCOPE OF SERVICES

Applied Best Practices, LLC, a subsidiary of Fieldman, Rolapp & Associates has procedures and practices to assist the City and the Agency with the preparation and filing of each respective continuing disclosure annual report. We will help you meet all necessary requirements pursuant to Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934.

Applied Best Practices understands that the City and the Agency have distinctive continuing disclosure needs. We provide a full range of services designed to assure that continuing disclosure annual reports and material event notices (if applicable) are prepared and disseminated on a timely basis. With respect to each continuing disclosure annual report, our scope of services is outlined below.

City Continuing Disclosure Annual Report

Applied Best Practices will assume primary responsibility for assisting the City in connection with the preparation and filing of a continuing disclosure annual report for the City pursuant to continuing disclosure obligations under the City's Water Revenue Refunding Bonds, Series 1999A, the City's Wastewater Revenue Refunding Bonds, Series 1999A, the city's 2003 Lease Revenue Refunding Certificates of Participation, the city's 2003 General Obligation Refunding Bonds, the City's Taxable Pension Funding Bonds, Series 2007 and any additional debt obligations of the City (collectively, the "City Obligations"). Such services shall include, but are not limited to:

- At least sixty (60) days prior to the due date of a continuing disclosure annual report determine the required categories of information and provide a template of tables to complete, list of data to provide and/or questions to be answered in preparation of the continuing disclosure annual report;
- Coordinate and order from outside vendors specific data not accessible to the City;
- Determine if previous continuing disclosure filings and event notices have been disseminated and filed with Nationally Recognized Municipal Securities Information Repository (herein, "NRSMIRs");
- Review and supplement any information, in addition to the information required by a continuing disclosure undertaking, which might be necessary;
- Assist the officers or employees of City designated with responsibility for continuing disclosure to assemble information necessary for the annual report;
- Format or assist in formatting such material into a final form for the continuing disclosure annual report; and
- Submit to U.S. Bank National Association the continuing disclosure annual report for dissemination to NRSMIRs and any state information depository.

Agency Continuing Disclosure Annual Report

Applied Best Practices will assume primary responsibility for assisting the Agency in connection with the preparation and filing of a continuing disclosure annual report for the Agency pursuant to continuing disclosure obligation under the Agency's Redlands Redevelopment Tax Allocation Refunding Bonds, Series 1998A, the Agency's Redlands Redevelopment Project Area Tax Allocation Bonds, Series 2003A, the Agency's Redlands Redevelopment Project Area Tax Allocation Bonds, Taxable Series 2007A and any additional tax allocation bond obligations of the Agency (collectively, the "Agency Obligations"). Such services shall include, but not limited to:

- At least sixty (60) days prior to the due date of a continuing disclosure annual report determine the required categories of information and provide a template of tables to complete, list of data to provide and/or questions to be answered in preparation of the continuing disclosure annual report;
- Coordinate and work with outside consultants specific special tax data not accessible to the City;
- Determine if previous continuing disclosure filings and event notices have been disseminated and filed with Nationally Recognized Municipal Securities Information Repository (herein, "NRSMIRs");
- Review and supplement any information, in addition to the information required by a continuing disclosure undertaking, which might be necessary;
- Assist the officers or employees of City designated with responsibility for continuing disclosure to assemble information necessary for the annual report;
- Format or assist in formatting such material into a final form for the continuing disclosure annual report; and
- Submit to U.S. Bank National Association the final continuing disclosure annual report for dissemination to NRSMIRs and any state information depository.

FEES

Fee for City Continuing Disclosure Services

Our continuing disclosure services for the City Continuing Disclosure Annual Report will be billed at the then current hourly rates and shall not exceed **\$3,000**. The majority of the fee will be based on Joshua Lentz's current hourly rate at the Assistant Vice President level and the balance of the fee may be based on any assistance provided by Associates, Analysts and/or Administrative Assistants at the applicable rates described below. The table below reflects our current rates.

Hourly FEES Effective January 1, 2005	
Executive Officer	\$300 Per Hour
Principal	\$290 Per Hour
Principal/Senior Vice President	\$275 Per Hour
Vice President	\$225 Per Hour
Assistant Vice President	\$195 Per Hour
Senior Associate	\$150 Per Hour
Associate	\$125 Per Hour
Analyst	\$85 Per Hour
Administrative Assistant	\$65 Per Hour
Clerical	\$35 Per Hour

Fee for Agency Continuing Disclosure Services

Our continuing disclosure services for the Agency Continuing Disclosure Annual Report will be billed at the then current hourly rates and shall not exceed **\$3,000**. The majority of the fee will be based on Joshua Lentz's current hourly rate at the Assistant Vice President level and the balance of the fee may be based on any assistance provided by Associates, Analysts and/or Administrative Assistants at the applicable rates described below. The table below reflects our current rates.

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Analyst	\$85 Per Hour
Administrative Assistant	\$65 Per Hour
Clerical	\$35 Per Hour

Expenses

Expenses will be billed for separately and will cover, among other things, travel, subsistence, overnight courier, conference calls, computer, and fax transmission charges. Advances made on behalf of the City and the Agency for costs of preparing, printing or distributing disclosure materials or related matter whether by postal services or electronic means, may also be billed through to the City and the Agency upon prior authorization.

Limited Terms and Conditions

A vital part of our service delivery philosophy is ensuring that our clients receive true value for the fees that we earn. Each employee of our firm is required to complete and file detailed timekeeping records for the purpose of establishing charges to the client, or cost of the services, whether the client is paying fees based on a "lump sum" arrangement or on a "time and materials" arrangement.

It is our policy to provide services to you at fair and reasonable cost, and at rates that are cost-effective for the project you have asked us to assist with. If, at any time, you have questions or concerns about the amount of our fees, or the method used for establishing or collecting them, please contact the firm employee responsible for your engagement immediately.

The billing rate assigned to each individual in the firm is our estimates of the relative experience, knowledge level and particular skill of the individual, and is based on periodic surveys of the market for individuals possessing the talents and skills of our employees. Our hourly billing rates are, necessarily, a benchmark, and are not the sole determinant of the value we bring to each client engagement. The true value of the work we perform for you must take into account not only the time required to complete such work, but also any specialized subject matter expertise, unusual delivery requirements, the size and scope of the undertaking and the value added by our activities. Regardless of the number of hours spent on a particular matter, there is always a cost associated with the exposure the firm accepts relating to the matter and the organizational elements required to properly deliver the requested services.

Generally, our billing occurs monthly, on or about the 10th of the month following the period in which the services were provided. Certain lump sum arrangements are billed at the conclusion of the project. Payment for monthly billing statements is expected within thirty days of the billing date, and unpaid balances may be assessed a rebilling charge of 1% per month. The intent of the rebilling charge is to assess on an equitable basis additional costs incurred by the firm in carrying past due balances.

Payment for monthly billings should be submitted to the firm by mail. Payment for lump sum billings may be requested by wire transfer of immediately available funds.