

CONSULTING SERVICES AGREEMENT

This Agreement is made and entered into this 3rd day of May, 2005, by and between the City of Redlands ("City") and Mason & Mason ("Consultant").

In consideration of the mutual promises, covenants and conditions hereinafter set forth, City and Consultant agree as follows:

ARTICLE 1 - ENGAGEMENT OF CONSULTANT

1.1 City hereby engages Consultant to perform appraisal services for property located at the Redlands Municipal Airport (the "Appraisal Services").

1.2 The Appraisal Services shall be performed by Consultant in a professional manner and Consultant represents that it has the skill and the professional expertise necessary to provide the Appraisal Services to City at a level of competency presently maintained by other practicing professional appraisers in the industry.

ARTICLE 2 - SERVICES OF CONSULTANT

2.1 The specific Appraisal Services which Consultant shall perform are more particularly described in a proposal from Consultant dated April 8, 2005, attached hereto as Exhibit "A" and incorporated herein by this reference.

2.2 Consultant shall comply with all applicable Federal, State and local laws and regulations in the performance of this Agreement including, but not limited to, all applicable Labor Code and prevailing wage laws commencing at California Labor Code section 1770 et seq. and non-discrimination laws including the Americans with Disabilities Act and the Fair Employment and Housing Act.

ARTICLE 3 - RESPONSIBILITIES OF CITY

3.1 City shall make available to Consultant information in its possession that is relevant to the performance of the Appraisal Services.

3.2 City will make provisions for Consultant to enter upon City-owned property as required by Consultant to perform the Services.

3.3 City designates Charlotte Kranenburg to act as its representative with respect to the Services to be performed under this Agreement.

ARTICLE 4 - PERIOD OF SERVICE

4.1 Consultant shall perform the Appraisal Services in a prompt and diligent manner and in

accordance with the schedule set forth in Exhibit "A."

ARTICLE 5 - PAYMENTS TO THE CONSULTANT

5.1 The total compensation for Consultant's performance of the Appraisal Services shall not exceed \$11,500, with \$5,750 due upon execution of this Agreement and the balance due at delivery of the appraisal reports.

5.2 In the event that additional consulting services are required after delivery of the appraisal reports, the Consultant shall be paid at an hourly rate of \$175.00 per hour for performance of additional services as may be required hereunder.

5.3 In the event that Consultant is designated by City as an expert valuation witness or is otherwise required to testify in court in regard to Subject Property, an hourly rate of \$350.00 shall be paid for court testimony, deposition testimony and preparation time.

5.4 Consultant shall invoice City and shall be entitled to payment within thirty (30) days thereof. City retains the right to challenge all or any part of the invoice. Payments by City to Consultant shall be made within thirty (30) days after receipt and approval of Consultant's invoice, by warrant payable to Consultant.

5.5 All notices, bills and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail shall be addressed as follows:

CITY:

Charlotte Kranenburg
Municipal Utilities Department
City of Redlands
PO Box 3005
Redlands, CA 92373

CONSULTANT:

Mason & Mason
Frances H. Wolfe Mason, MAI
2609 Honolulu Avenue, Suite 100
Montrose, CA 91020-1706

When so addressed, notices shall be deemed given upon deposit in the United States mail. Changes may be made in the names and addresses of the persons to whom notices and payments are to be given by giving notice pursuant to this Section.

ARTICLE 6 - INSURANCE AND INDEMNIFICATION

6.1 Consultant's Insurance to be Primary. All insurance required by this Agreement shall be maintained by Consultant during the term of this Agreement, and shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by City. Consultant shall provide City with Certificates of Insurance and endorsements evidencing such insurance prior to commencement of any Appraisal Services.

6.2 Workers' Compensation and Employer's Liability

A. Consultant shall secure and maintain Workers Compensation and Employer's Liability insurance for its employees throughout the term of this Agreement pursuant to California Labor Code sections 3700 and 1860 and in amounts which satisfy statutory requirements with an insurance carrier acceptable to City. The insurance policy shall include a provision prohibiting cancellation of the policy except upon thirty (30) days prior written notice to City. A certificates of insurance evidencing such policy shall be delivered to City prior to commencement of the Appraisal Services.

B. Consultant waives all rights to subrogation against City, its elected officials, officers and employees for losses arising from work performed by Consultant for City by also waiving Consultant's immunity for injuries to Consultant's employees. Consultant agrees that the obligation to indemnify, defend and hold harmless provided for in this Agreement extends to any claim brought by, or in behalf of, any employee of Consultant. This waiver is mutually negotiated by the parties. This Section shall not apply to any damages resulting from the sole negligence of City, its agents and employees. To the extent any damages referenced herein were caused by, or resulted from, the concurrent negligence of City, its agents or employees, the obligations provided herein to indemnify, defend and hold harmless are valid and enforceable only to the extent of the negligence of Consultant, its officers, agents and employees.

6.3 Comprehensive General Liability Insurance. Consultant shall secure 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. The insurance policies shall include provisions prohibiting cancellation of the policy except upon thirty (30) days prior written notice to 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 Appraisal Services.

6.4 Professional Liability Insurance. Consultant shall secure and maintain professional liability insurance throughout the duration of this Agreement in the amount of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) annual aggregate.

6.5 Business Auto Liability Insurance. Consultant shall secure business automobile liability coverage with minimum limits of One Million Dollars (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. The coverage shall include all Consultant-owned vehicles, hired and non-owned vehicles and employee non-ownership vehicles used in connection with the Appraisal Services. A certificate of insurance shall be delivered to City prior to commencement of the Appraisal Services.

6.6 Assignment and Insurance Requirements. Consultant is expressly prohibited from subletting or assigning any of the Appraisal Services covered by this Agreement without the express written consent of City.

ARTICLE 7 - MISCELLANEOUS PROVISIONS

7.1 In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing party shall, in addition to any costs and other relief, be entitled to recover its reasonable attorneys' fees.

7.2 Either party may terminate this Agreement, without cause, by providing five (5) days prior written notice to the other party (delivered by certified mail, return receipt requested) of the intent to terminate.

7.3 All documents, records, drawings, designs, cost estimates, electronic data files, databases, and other documents developed by Consultant pursuant to this Agreement shall become the property of City and shall be delivered to City upon completion of the Appraisal Services, or upon the request of City. Any reuse of such documents and any use of incomplete documents will be at City's sole risk.

7.4 Consultant shall defend, indemnify and hold harmless City and its officials, agents and employees from and against any and all claims, losses and liability, including attorney's fees, arising from injury or death to persons or damage to property occasioned by any act or omission of Consultant or its officers, agents and employees in performing the Appraisal Services.

7.5 Consultant shall not assign any of the Appraisal Services without the prior written consent of City. Any attempted assignment without such consent shall be null and void, and in the sole discretion of City, result in the immediate termination of this Agreement. In the event the parties agree to an assignment of the Appraisal Services, Consultant shall add the assignee as an additional insured to the insurance policies required hereby. Consultant shall also provide City with insurance endorsements prior to any Appraisal Services being performed by the assignee.

7.6 Consultant is, for all purposes under this Agreement, an independent contractor with respect to the Appraisal Services and not an employee of City. All personnel of Consultant performing the Appraisal Services are employed by Consultant for its account only, and in no event shall Consultant or any personnel retained by it be deemed to have been employed by City or engaged by City for the account of, or in behalf of, City. No provision of this Agreement shall create the relationship of employer and employee between the parties.

7.7 This Agreement, including the exhibits incorporated herein by reference, represents the entire agreement and understanding between the parties as to the matters contained herein and any prior negotiations, proposals and oral agreements are superseded by this Agreement. Any amendment to this Agreement shall be in writing and approved by the Board of Directors of City and Consultant.

7.8 If this Agreement is terminated by City, an adjustment to Consultant's compensation shall be made, but (1) no amount shall be allowed for anticipated profit or unperformed services, and (2) any payment due Consultant at the time of termination may be adjusted to the extent of any additional costs to City occasioned by any default by Consultant.

7.9 Upon receipt of a termination notice, Consultant shall (1) promptly discontinue all services

affected, and (2) deliver or otherwise make available to City, copies (in both hard copy and electronic form, where applicable) of any data, design calculations, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in performing the Appraisal Services required by this Agreement.

7.10 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, duly authorized representatives of the parties have signed in confirmation of this Agreement.

CITY OF REDLANDS

CONSULTANT

By: 
Susan Pepler, Mayor

By: 
Frances H. Wolfe Mason, MAI
Owner

ATTEST:


Lorrie Poyzer, City Clerk

Consulting Services Agreement
Exhibit A

Scope of Work

Mason & Mason will provide appraisal services of real property located at the Redlands Municipal Airport. The appraisal will reflect an estimate of the market value of real estate interests, per the existing ground lease. Mason & Mason will prepare the valuations in one appraisal report, and will provide three copies of the report, which will complete reports in summary format, and will conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as well as the guidelines specified in the ground lease provided to Mason & Mason.

Task 1: Appraisal Report

- Mason & Mason will inspect the subject property as well as surrounding environs.
- Mason & Mason will review the zoning, general plan, community plan, and other information pertinent to the development and use of the subject.
- Mason & Mason will research, verify, inspect and document comparable market data.
- Mason & Mason will perform an analysis of the various markets affecting the subject.
- Mason & Mason will conclude estimates for the market value of the subject improvements, consistent with the directives of the existing lease, based on highest and best use, utilizing all relevant valuation approaches, as of a current date of value or one directed by the City.

Task 2: Additional Consultation

- Mason & Mason may perform, as required after submission of the appraisal reports, additional consultation, attend meetings, conduct telephone conferences, and perform pre-trial and trial work, which will be billed separately on a time and materials basis computed as provided for in Article 5 of this Agreement.

Schedule

Mason & Mason will provide the appraisal reports within 45 days after authorization to proceed.