

**AGREEMENT FOR SPECIAL COUNSEL LEGAL AND INVESTIGATIVE SERVICES
BETWEEN THE CITY OF REDLANDS AND
BEST BEST & KRIEGER LLP**

1. PARTIES AND DATE.

This Agreement is made and entered into as of the 15th day of December, 2011, by and between the City of Redlands("City") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BB&K").

2. RECITALS.

2.1 City presently engages the services of BB&K as its special counsel to perform certain as-requested legal services for City.

2.2 City wishes to engage BB&K to perform certain additional services related to personnel investigations.

2.3 City wishes to reaffirm, by this Agreement, the scope of City's engagement of BB&K's services and the rates at which BB&K shall perform such services for City, on the terms set forth below.

3. TERMS.

3.1 Term. The term of this Agreement shall commence on December 15, 2011 and shall continue in full force and effect unless terminated in accordance with Section 3.12 of this Agreement.

3.2 Scope of Services. BB&K shall provide special counsel and investigative services related to certain personnel issues ("Services") as may be requested from time to time by City. As part of the Services to be performed hereunder, BB&K shall be responsible for the following:

3.2.1 Provide investigative services relating to certain personnel issues including the interviewing of witnesses and review of documentation and provide analysis and services related to said investigation(s);

3.2.2 Preparation for and attendance at meetings of the City Council or Agency Board of Directors, as requested by the City Council and/or the City Manager; and/or the City Attorney;

3.2.3 Provide legal counsel at such other meetings, as requested, by the City Council and/or the City Manager and/or the City Attorney;

3.2.4 Preparation or review of staff reports, orders, agreements, forms, notices, declarations and other documents as requested by the City Council, and/or the City Manager , and/or the City Attorney;

3.2.5 Research and interpret laws, court decisions and other legal authorities in order to prepare legal opinions to advise the City Council and management staff on legal matters, as requested by the City Council, and/or the City Manager, and/or the City Attorney;

3.3 Indemnity. BB&K shall defend, indemnify and hold harmless City, and its elected and appointed officials, officers and employees from and against any and all losses, claims, liabilities, expenses, or demands arising out of any negligent act or omission of BB&K in connection with the performance of Services pursuant to this Agreement.

3.4 Time of Performance. The Services of BB&K shall be performed expeditiously in the time frames and as requested by the City Council, and/or the City Manager, and/or the City Attorney.

3.5 Business License. BB&K shall apply for and/or possess a valid City of Redlands business license during the term of this Agreement

3.6 Assistance. City agrees to provide all information and documents necessary for the attorneys at BB&K to perform its obligations under this Agreement.

3.7 Review of Compensation. BB&K or City may initiate consideration of a rate increase or decrease. Such a rate increase or decrease may be approved or denied by City or BB&K, respectively, in their sole and absolute discretion. BB&K and City will use reasonable efforts to conduct a review of BB&K's performance and rates annually during the month of June.

3.8 Independent Contractor. BB&K shall perform all legal Services requested pursuant to this Agreement as independent contractor of City and shall remain, at all times as to City, a wholly independent contractor with only such obligations as are required under this Agreement. Neither City, nor any of its employees, shall have any control over the manner, mode or means by which BB&K, its agents or employees, render the legal Services contemplated under this Agreement, except as otherwise set forth. City shall have no voice in the selection, discharge, supervision or control of BB&K's employees, representatives or agents, or in fixing their number, compensation, or hours of service.

3.9 Services and Compensation. City shall pay for such services based on the following rates, or as they are adjusted from time to time by mutual consent, and pursuant to BB&K's Billing Policies attached hereto.

3.9.1 Special Legal Services. For performance of the Services set forth above, City shall pay BB&K the hourly billing rate of: Two hundred fifty Dollars (\$250) for Services performed by Partners; Two Hundred and Twenty-Five Dollars (\$225) for Services performed by those attorneys classified by BB&K as "Associates," Two Hundred Dollars (\$200) for Services performed by those attorneys classified by BB&K as "Associate 2," One Hundred and Fifty Dollars (\$150) for Services performed by all paralegals and law clerks and One Hundred and Sixty Five Dollars (\$165) for those non-attorney employees of BB&K who perform specialized investigative services pursuant to this Agreement.

3.9.2 Reimbursable Services. Legal services provided to City for which City receives reimbursement (i.e. from a developer or other third party) shall be billed at BB&K's then current published standard private client rates, minus ten percent (10%).

3.9.3 Reimbursement. City shall reimburse BB&K for reasonable and necessary expenses incurred by it in the performance of the Services on behalf of City. Authorized reimbursable expenses shall include, but are not limited to, printing and copying expenses, mileage expenses at the rate allowed by the Internal Revenue Service, long distance telephone and facsimile tolls, court fees, computerized research time (e.g. Lexis or Westlaw), extraordinary mail or delivery costs (e.g. courier, overnight and express delivery) and similar costs relating to the Services that are generally chargeable to a client.

3.9.4 Billing. BB&K shall submit monthly to City a detailed statement of account for Services. City shall review BB&K's monthly statements and pay BB&K for Services rendered and costs incurred, as provided for in this Agreement, on a monthly basis. Time is accrued on an incremental basis for such matters as telephone calls (minimum .3 hour) and letters (minimum .5 hour), and on an actual basis for all other work.

3.10 Return of Files. BB&K understands and agrees that all files maintained by BB&K shall, upon the request of the City Council and/or City Manager and/or City Attorney, be returned to City, at no cost to City.

3.11 Insurance. BB&K carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

3.12 Termination of Agreement and Legal Services. This Agreement and the Services to be rendered under it may be terminated at any time upon ten (10) days prior written notice from either party, with or without cause. In the event of such termination, BB&K shall be paid for all Services authorized by City and performed up through and including the effective date of termination.

3.13 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.14 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino.

3.15 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

3.16 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

3.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.18 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.19 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

City:

Daniel J. McHugh, City Attorney
City of Redlands
35 Cajon Street, Suite 200
Redlands, CA 92373-1505

Best Best & Krieger LLP:

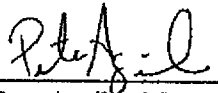
Howard B. Golds, Partner
Best Best & Krieger LLP
3750 University Ave.,
Riverside, CA 92502

Such notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

IN WITNESS WHEREOF, City and BB&K have executed this Agreement as of the date first written above.

CITY OF REDLANDS

By:


Pete Aguilar, Mayor

BEST BEST & KRIEGER LLP

By:


Howard B. Golds, Partner