

AGREEMENT

This Agreement is made and entered into this 3rd day of May, 2005 by and between the City of Redlands, a municipal corporation (hereinafter "City"), and the Redlands Chamber of Commerce (hereinafter "Chamber").

RECITALS

WHEREAS, a proposed voter initiative (the "Initiative") has been filed with City to further clarify and refine provisions contained in Measure U, a voter initiative that was adopted in November, 1997; and

WHEREAS, City and Chamber seek an independent, third-party analysis of the Initiative; and

WHEREAS, City and Chamber desire to engage the Rose Institute of State and Local Government (the "Institute") to review and evaluate the effects of the Initiative, with particular emphasis on consistency with City's General Plan, land use policies and regulations, and its fiscal effects upon City.

NOW, THEREFORE, in consideration of the mutual promises contained herein, City and Chamber hereby agree as follows:

AGREEMENT

Section 1. Duties and Responsibilities of Chamber.

A. Chamber shall engage the Institute to provide professional services to Chamber for ultimate delivery to City. Specifically, Chamber shall contract with the Institute to prepare a written report, for delivery to City by June 6, 2005, which addresses the following:

- Provision-by-provision consideration of the Initiative's consistency with City's General Plan.
- Land use effects of the Initiative.
- Issues relating to implementation of the Initiative.
- Identification of legal issues associated with the Initiative.
- Identification of fiscal issues associated with the Initiative.

B. Chamber shall pay all costs of the Institute's services in excess of Twenty-Five

Thousand (\$25,000) Dollars.

Section 2. Obligations of City. City shall do the following:

- Pay Twenty-five Thousand (\$25,000) Dollars to Chamber for City's share of the costs of the Institute's services upon receipt of an invoice from Chamber and delivery of the Institute's report.
- Provide reasonable and necessary support to Chamber and the Institute.

Section 3. Indemnification. Chamber shall defend, indemnify and hold City, its elected officials, officers, employees and agents harmless from and against any and all actions, damages, losses, causes of action and liability imposed or claimed relating to the injury or death of any person or damage to any property, including attorneys' fees and other legal expenses, arising directly or indirectly from any negligent act or omission of Chamber or the Institute in performing their obligations under this Agreement.

Section 4. Independent Contractor. It is the express intention of the parties hereto that the Institute is an independent contractor, under contract to Chamber, and shall not be an employee or agent of City. Nothing in this Agreement shall be interpreted or construed as creating or establishing a relationship of employer and employee or any privity of contract between City and the Chamber or the Institute. The parties acknowledge that the Institute is not under contract with, or an employee of City, for State tax, or Federal tax or any other purpose.

Section 5. Entire Agreement/Modification. This Agreement represents the entire agreement of the parties hereto as to the matters contained herein. Any modification of this Agreement will be effective only if it is in writing and signed by the parties hereto.

Section 6. In the event any action is commenced to enforce or interpret the provisions of this Agreement the prevailing party shall, in addition to its costs and any other relief, be entitled to the recovery of its reasonable attorneys' fees, including any fees of in-house counsel of the respective parties at rates prevailing in San Bernardino County, California.

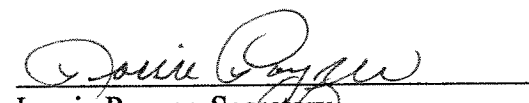
Section 7. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

CITY OF REDLANDS


Susan Peppler, Mayor

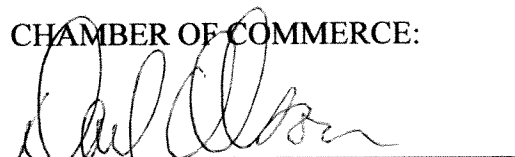
Date May 4, 2005

ATTEST:


Lorrie Poyzer, Secretary
City Clerk

Date May 4, 2005

CHAMBER OF COMMERCE:


Darrel Olson, President

Date 5-3-05