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*A PROFESSIONAL CORPORATION

April 10, 1985

Honorable Mayor and Members of
the City Council
City of Redlands
30 Cajon Street
P. O. Box 280
Redlands, CA 92373

Re: Proposal for Bond Counsel Services
City of Redlands Proposed Multifamily Housing
Revenue Bonds (Gibraltar Community Builders
Project)

Ladies and Gentlemen:

We are pleased to submit the following proposal for bond counsel services in connection with the City of Redland's proposed issuance and sale of its \$25,000,000 Multifamily Rental Housing Revenue Bonds (Gibraltar Community Builders Project) in order to finance multifamily rental housing to be owned by Gibraltar Community Builders under Chapter 7, Part 5 of Division 31 of the California Health and Safety Code. The firm of Best, Best & Krieger would be happy to serve as bond counsel on this financing and proposes to perform the following services on the basis set forth in this letter.

We will confer and consult with City staff and the City's consultants and underwriters on all matters relating to the financing including participation in the review and selection of appropriate financing methods. We will assist the City in identifying the most advantageous method of financing based upon our experience and we will attend all meetings of the City's staff and consultants at which

LAW OFFICES OF
BEST, BEST & KRIEGER

Mayor and City Council
City of Redlands
April 10, 1985
Page 2

financing methods are to be discussed and analyzed for successful completion of the financing.

Our services will include the preparation of all ordinances, resolutions, notices, bond forms and other documents required in the proceedings. We will also review any official statement prepared on behalf of the City, and attend all meetings in which any action in connection with the proceedings is to be taken.

Subject to completion of the financing to our satisfaction, Best, Best & Krieger will issue its approving legal opinion to the purchasers of the bonds to the effect that all proceedings have been legally undertaken for the authorization, issuance, sale and delivery of the bonds, and that the bonds are exempt from Federal and State personal income tax. We will also issue appropriate supplemental opinions and certificates as may be necessary or appropriate.

Finally, we will confer and consult with City officials with respect to problems which may arise during the period of servicing and payment of the bonds, and provide any and all other services commonly expected of bond counsel.

The fee for the foregoing legal services with respect to the issuance of the bonds will be based on the amount of bonds authorized and sold. Our present fee schedule for this work is as follows: 1/2% of the first \$6,000,000 of bonds sold with a minimum of \$30,000, .15% thereafter up to \$15,000,000 and 1/10% of any amount of bonds sold over \$15,000,000.

The fee for the foregoing services will be payable upon completion and sale of the bonds from the proceeds of the financing. If other services are requested by the City which are not within the scope of those outlined above, they will be performed on a time basis at the hourly rate of the attorneys involved.

LAW OFFICES OF
BEST, BEST & KRIEGER

Mayor and City Council
City of Redlands
April 10, 1985
Page 3

In the event that bonds are not issued, we will be paid a reasonable fee, to be mutually agreed upon based upon the applicable hourly rates of the attorneys in our firm undertaking the work prior to abandonment, and to be paid or reimbursed to the City by the participating developer.

If this arrangement is satisfactory to you, please return to us a copy of this letter executed by an authorized officer of the City.

Respectfully submitted,



Francis J. Baum of
Best, Best & Krieger

FJB:cs

TERMS OF BOND COUNSEL EMPLOYMENT
APPROVED THIS 16th DAY OF
April, 1985.



Authorized Officer of the
City of Redlands, California