

AGREEMENT OF EMPLOYMENT

THIS AGREEMENT is made this 5th day of February, 1974, by and between the REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS, a public corporation (hereinafter sometimes called the "Agency"), and O'MELVENY & MYERS, a co-partnership, of Los Angeles, California (hereinafter sometimes called the "Attorneys"). The parties mutually agree as follows:

1. In connection with the proposed issuance of tax increment bonds by the Agency to finance the acquisition of land and the construction of public improvements within the Redlands Redevelopment Project area, the Agency hereby employs the Attorneys to furnish legal services consisting of the following:

(a) Drafting the resolution of the Agency providing for the issuance of the bonds, the notice inviting bids and appropriate closing documents;

(b) Advice and instructions regarding the authorization, sale and delivery of the bonds;

(c) Examination of all proceedings (a transcript of which is to be furnished to the Attorneys by the Agency) related to the sale and delivery of the bonds;

(d) Issuance of the Attorneys' customary legal opinion on the bonds to the Agency and to the purchaser of the bonds.

2. For the services rendered under Section 2, the Agency agrees to pay the Attorneys a fee determined by applying the following rates to the total principal amount of the bonds issued and sold:

<u>Amount</u>	<u>Rate</u>
\$150,000 to \$1,000,000	\$1,500 plus \$2.50 per thousand on excess over \$150,000
\$1,000,000 to \$5,000,000	\$3,625 plus \$1.50 per thousand on excess over \$1,000,000

Such fee is payable following the delivery of the bonds to the purchaser thereof and the issuance of the Attorneys' approving opinion thereon. In the event that the Attorneys, at the request of the Agency, commence services and for any reason the bonds are not issued within one year after such commencement, or if the proceedings are abandoned, the Attorneys shall be paid a reasonable fee for any services performed hereunder, the amount of such fee to be suggested by the Attorneys but to be subject to the approval and concurrence of the Agency. In the event the bonds are thereafter issued, the amount of such fee will be credited against the fee due following such issuance computed under the foregoing schedule.

3. In addition to the fee provided in Section 2, the Attorneys shall be paid a reasonable fee based on the time spent in the preparation and filing of any request for revenue rulings with the Commissioner of Internal Revenue, in the event that such services become necessary in order to issue a tax opinion to the Agency and the purchaser of the bonds.

4. The Attorneys shall also be reimbursed by the Agency on periodic statements for any out-of-pocket expenses incurred by them in the course of such employment for long distance telephone calls, telegrams, travel at the Agency's request and similar items.

5. The scope of services to be provided is only to act as Bond Counsel and does not include litigation or the rendering of other services or advice not connected with the issuance and sale of the bonds.

6. It is understood that you have employed or will employ a financial consultant who will prepare the Official Statement in connection with the issuance of the bonds and will give advice concerning those terms of the bond issue and of the sale thereof which, apart from legality, may affect the marketability of the bonds at a favorable interest rate. Bond counsel is to have no duties regarding any such Official Statement except to check it in advance of use as to the description of the bonds and the statements of law pertaining thereto.

7. It is recognized that the Attorneys may have clients which may from time to time have interests adverse to the Agency or to the City of Redlands and that the Attorneys reserve the right to represent such clients in matters not connected with such project or the issuance and sale of said bonds.

8. This contract shall be binding upon and inure to the benefit of said firm of O'Melveny & Myers as presently constituted or as changed hereafter by the death or retirement therefrom of any present partners, or by the admission of new partners, or by the death or retirement of any thereof, provided that the opinion of the successor firm upon municipal bonds, whether under the same name or otherwise, is accepted by bond dealers and bond buyers as readily as the opinion of the firm as presently constituted.

IN WITNESS WHEREOF, as of the date first hereinabove written, the Agency has caused this instrument to be executed on its behalf and in its name by its Chairman and attested by its Secretary, and O'Melveny & Myers has caused this instrument to be executed on its behalf and in its name by a partner.

REDEVELOPMENT AGENCY OF THE
CITY OF REDLANDS

By: _____
Chairman

ATTEST:

Secretary

O'MELVENY & MYERS

By: _____