

Merrill Lynch Capital Markets

Municipal Securities Division

400 South Hope Street
Suite 2020
Los Angeles, California
90071-2821

Telephone
213-683-4500

December 21, 1984

Mr. John Holmes
City Manager
City of Redlands
P.O. Box 280
Redlands, CA 92373

Dear Mr. Holmes:

We are pleased that the City of Redlands desires to use Merrill Lynch Capital Markets as its managing underwriter/financial consultant in connection with the proposed financings by the City, the proceeds of which will be used to finance the acquisition of such things as city yard improvements, fire station, waste treatment plan and redevelopment project.

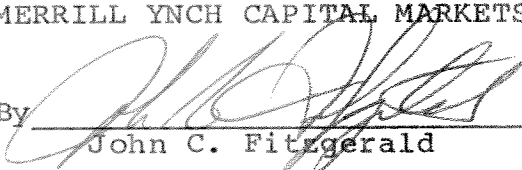
We will work closely with officials of the City and bond counsel to determine the legal and financial feasibility of the proposed financings. Toward this end the full professional resources of Merrill Lynch will be available to assist the City in this matter. The City agrees that if the legal and financial feasibility of the financing is established to our mutual satisfaction, the City will use Merrill Lynch as either its managing underwriter or financial consultant depending on the agreed to financing structure. Terms and provisions of such will be subject to market conditions and the mutual agreement of the City and Merrill Lynch.

If this arrangement is acceptable to the City, please indicate such acceptance in the space indicated below.

Very truly yours,

MERRILL LYNCH CAPITAL MARKETS

By


John C. Fitzgerald

CITY OF REDLANDS

List of projects attached

By


John E. Holmes

9/18
9/18

PROJECTS

1. Reservior Canyon Drain	\$ 4.4 M
2. Phase I - Public Improvements	3.0 M
3. City Yard	3.3 M
4. Fire Station No. 3	.5 M
5. Computer	.26 M
6. Railroad Right-of-Way	1.0 M