



April 15, 2020

Gary Hallen
Director of Community Development and Housing
County of San Bernardino
Economic Development Agency
San Bernardino, CA 92415

Re: Underwriter Engagement Relating to Potential Municipal Securities Transaction for the Refunding of the Redevelopment Agency of the County of San Bernardino (San Sevaine Redevelopment Project) Tax Allocation Bonds, 2010 Series A (Taxable) and 2010 Series B (Taxable Recovery Zone Economic Development Bonds) and the Redevelopment Agency of the County of San Bernardino (Cedar Glen Disaster Recovery Project Area) Tax Allocation Bonds, Series 2010

Dear Mr. Hallen:

The Successor Agency to the Redevelopment Agency to the County of San Bernardino (the "Issuer") and Stifel, Nicolaus & Company, Incorporated ("Stifel") are entering into this engagement letter to confirm that they are engaged in discussions related to potential issues of municipal securities (the "Issues") to refinance the Redevelopment Agency of the County of San Bernardino (San Sevaine Redevelopment Project) Tax Allocation Bonds, 2010 Series A (Taxable) and 2010 Series B (Taxable Recovery Zone Economic Development Bonds) and the Redevelopment Agency of the County of San Bernardino (Cedar Glen Disaster Recovery Project Area) Tax Allocation Bonds, Series 2010 and to formalize Stifel's role as underwriter with respect to the Issues.

Engagement as Underwriter

The Issuer is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission ("SEC") and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter for a particular issuance of municipal securities. The Issuer hereby designates Stifel as an underwriter for the Issues. The Issuer expects that Stifel will provide advice to the Issuer on the structure, timing, terms and other matters concerning the Issues.

Limitation of Engagement

It is the Issuer's intent that Stifel serve as an underwriter for the Issues, subject to satisfying applicable procurement laws or policies, formal approval by the Successor Agency Board, finalizing the structure of the Issues and executing bond purchase agreements. While the Issuer presently engages Stifel as the underwriter for the Issues, **this engagement letter is preliminary, nonbinding and may be terminated at any time by the Issuer, without penalty or liability for any costs incurred by Stifel.** Furthermore, this engagement letter does not restrict the Issuer from entering into the Issues with any other underwriters or selecting an underwriting syndicate that does not include Stifel.

Disclosures Required by MSRB Rule G-17 Concerning the Role of the Underwriter

The Issuer hereby confirms and acknowledges each of the following concerning the role that Stifel would have as an underwriter:

- (1) Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- (2) the underwriter’s primary role is to purchase securities with a view to distribution in an arm’s-length commercial transaction with the issuer and it has financial and other interests that differ from those of the issuer;
- (3) unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests;
- (4) the underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- (5) the underwriter will review the official statement for the Issuer’s securities, in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Disclosures Concerning the Underwriter’s Compensation

The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreements to be negotiated and entered into in connection with the Issues. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Issues. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest Disclosures

Stifel has not identified any additional potential or actual material conflicts that require disclosure.

Disclosures Relating to Complex Municipal Securities Financing

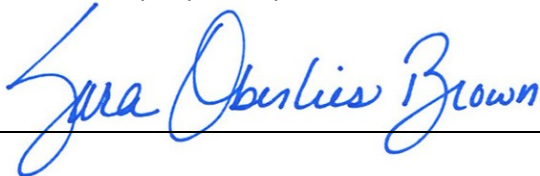
Since Stifel has not recommended a “complex municipal securities financing” to the Issuer, additional disclosures regarding the financing structure for the Issues are not required under MSRB Rule G-17. However, if Stifel recommends, or if the Issues are ultimately structured in a manner considered a “complex municipal securities financing” to the Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and are reasonably foreseeable at that time.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please let us know as soon as possible.

On behalf of Stifel, thank you for the opportunity to be a part of this financing.

Sincerely,

Stifel, Nicolaus & Company, Incorporated

By: 

Name: Sara Oberlies Brown

Title: Managing Director

Date: 4/15/2020

Issuer accepts and acknowledges the foregoing.

Accepted and Executed:

By: _____

Name: Gary Hallen

Title: Director of Community Development and
Housing

Date: