



Orrick, Herrington & Sutcliffe LLP

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March 23, 2018

City of Carson
701 Carson Street
Carson, CA 90745

Carson Reclamation Authority
701 Carson Street
Carson, CA 90745

Re: Carson Fashion Outlets of Los Angeles

Dear Sirs and Madams:

On behalf of Orrick, Herrington & Sutcliffe LLP (“Orrick”), I would like to express our appreciation for your choice of our firm to serve as counsel to the City of Carson (the “City”) and the Carson Reclamation Authority (the “Authority” and, together with the City, the “Carson Entities”) in connection with the proposed execution and delivery of one or more agreements (the “Transaction Agreements”) between the City and the Authority to finance certain site work required for the construction of the Carson Fashion Outlets of Los Angeles project (the “Project”). The purpose of this engagement letter and the attached Standard Terms of Engagement (collectively, the “Agreement”) is to confirm the terms and conditions upon which Orrick will be providing legal services to the Carson Entities. We believe that a mutual understanding of these terms and conditions at the outset is fundamental to establishing a good working relationship.

Orrick’s services as counsel to the Carson Entities in this transaction will consist of:

1. Consultation with representatives of the Authority, the Authority’s general counsel, the City, the City Attorney, CAM-Carson LLC, a Delaware limited liability company (the “Developer”), and its counsel, and others, respecting the terms of the Transaction Agreements.
2. Review of the Transaction Agreements.
3. Legal research respecting the question of whether the proposed payment obligation of the City under the Transaction Agreements is contrary to the prohibition of Article XVI, Section 18 of the California Constitution; and



4. Participation in such meetings of the Carson Entities and working group meetings or conference calls as the Carson Entities may request.

Orrick's services shall not include representation in any litigation or administrative action. Except as set forth below, Orrick's services shall not include the delivery of any legal opinions.

In consideration of the services set forth above, the Carson Entities shall cause the Developer to pay, and by execution the acknowledgment page attached hereto the Developer agrees to pay, Orrick a fee based on the amount of time expended by Orrick's attorneys and non-attorney professionals from date on which services relating to the Transaction Agreements were first performed at their hourly rates from time to time in effect. The current billing rates for the principal Orrick attorneys who will provide services under the Agreement are:

Stephen Spitz	\$ 895/hour
Roger Davis	\$1,150/hour
Philip Morgan	\$ 795/hour
Parsa Ansari	\$ 480/hour

In addition, if the Carson Entities or the Developer shall request that Orrick provide any legal opinion with respect to the Transaction Agreements and Orrick shall agree to provide such opinion, Orrick shall be paid an additional fee, for the risk and value of the opinion, in such amount as shall be agreed among Orrick, the Carson Entities and the Developer.

In addition to the fees provided above, Carson Entities will cause the Developer pay Orrick for costs and expenses (direct and indirect) incurred in connection with the services, as provided in the Standard Terms of Engagement.

Orrick understands and agrees that Orrick's fees and expenses shall be paid by the Developer and the Carson Entities shall have no obligation to pay such fees. Orrick shall submit invoices to the Developer for payment and shall not submit invoices to the City or the Authority.

Although, Orrick's fees and expenses will be paid by the Developer, in providing services under the Agreement, Orrick will represent the City and the Authority and take direction from the City and the Authority, and will not represent or have any attorney client relationship with the Developer.

The Agreement represents the entire understanding and agreement between the Carson Entities and Orrick with respect to the subject matter referred to herein. The Carson Entities acknowledge that the Agreement has been carefully reviewed and its content understood and that the Carson Entities agree to be bound by all of its terms and conditions and represents that the persons signing below has been authorized to do so on behalf of the Authority and the City, respectively.



Orrick's representation with respect to the Transaction Agreements shall be limited to representation of the Carson Entities and Orrick shall have no attorney-client relationship with the Developer. Nothing in the Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than the Carson Entities and Orrick any legal or equitable right or claim under or in respect of the Agreement or with respect to services contemplated hereby, and the Agreement shall inure to the sole and exclusive benefit of the Carson Entities and Orrick.

The provisions of this engagement letter may only be amended in writing and signed by both parties.

The Agreement will take effect upon execution of this engagement letter, but its effective date will be retroactive to the date Orrick first performed services. This engagement letter may be executed in counterparts, and an electronically transmitted signature shall be deemed to be the legal equivalent of an original signature.



If you have any questions, please feel free to contact the undersigned. If the foregoing, together with the attached Standard Terms of Engagement, is satisfactory, please sign and return a copy of this letter to me. We look forward to working with you and to a successful completion of this transaction.

ORRICK, HERRINGTON & SUTCLIFFE LLP

By _____

ACKNOWLEDGED AND AGREED TO:

CARSON RECLAMATION AUTHORITY

By _____

CITY OF CARSON

By _____



The undersigned, CAM-Carson LLC (the “Developer”), agrees that all fees and expenses of Orrick for the legal services to the Carson Entities described in this Agreement shall be paid by the Developer. The Carson Entities shall have no responsibility for the payment of fees and expenses.

In performing the services described in this Agreement, Orrick will act as counsel to the Carson Entities with respect to the execution and delivery of the Transaction Agreements. It is not the role or responsibility of Orrick to assure that the interests of any parties other than the Carson Entities are addressed or that any conditions to closing the transaction, other than as necessary in Orrick’s judgment to render any opinion rendered by Orrick have been satisfied or addressed. Although Developer has agreed to pay and will pay Orrick’s fees and costs, ORRICK, HERRINGTON & SUTCLIFFE LLP WILL HAVE NO ATTORNEY-CLIENT RELATIONSHIP WITH, OR FIDUCIARY OR SIMILAR DUTY OF ANY KIND TO THE DEVELOPER OR TO ANY PARTY OTHER THAN THE CARSON ENTITIES IN CONNECTION WITH THE MATTERS COVERED BY THIS AGREEMENT.

ACKNOWLEDGED AND AGREED:

CAM-CARSON LLC, a Delaware limited liability company

By _____
Anne C. Menard,
Executive Vice President,
Chief Legal Officer
and Secretary

STANDARD TERMS OF ENGAGEMENT

Except as modified in writing by the engagement letter accompanying these Standard Terms of Engagement (the "Engagement Letter") or in another agreement signed by the City and the Authority (as defined in the Engagement Letter) and Orrick, Herrington & Sutcliffe LLP ("Orrick") the following provisions shall apply to the relationship between Orrick and the Carson Entities.

1. Authority

Orrick's engagement is only on behalf of the Carson Entities. In performing the services set forth in the Engagement Letter, Orrick will act as counsel to the Carson Entities with respect to the Transaction Agreements; Orrick will assist the Authority's counsel and the City Attorney in representing the Authority and the City, respectively, with respect to the Transaction Agreements in a manner consistent with Orrick's role set forth in the Engagement Letter. Orrick's representation of the Carson Entities does not encompass any governing board member, officer or employee of either of the Carson Entities; any agency, department or office part of or affiliated with either of the Carson Entities; or any other person or entity affiliated with either of the Carson Entities. If any of these persons or entities require the services of counsel in connection with the Transaction Agreements, Orrick would be pleased to discuss whether Orrick might be able to represent any of them, but any such representation would need its own engagement letter, and would depend on Orrick's review and disclosure to all concerned of any conflicts of interest that may arise in connection with any such concurrent representation, and on appropriate consents being obtained from the Carson Entities and from those seeking such additional representation.

2. Scope of Engagement

The scope of Orrick's representation of the Carson Entities is limited to the specific services identified in the Engagement Letter and such additional matters as the Carson Entities and Orrick may in their mutual discretion agree to in writing from time to time. In each case, Orrick's agreement to any expansion of the scope of its representation of the Carson Entities will be subject, among other things, to such additional conflict checks, waivers, approvals and other arrangements as Orrick may in its professional judgment deem necessary or appropriate in the circumstances and may be conditioned upon such fee adjustments or retainers as Orrick may require. Except as otherwise expressly provided in any written engagement letter (or a written amendment of a prior engagement letter) between Orrick and Carson Entities entered into in connection with such expansion of the scope of Orrick's representation, the agreement reflected in these Standard Terms of Engagement and in the Engagement Letter applies to Orrick's current representation of the Carson Entities and, to the fullest extent practicable, to any subsequent matters that Orrick agrees to undertake on the Carson Entities' behalf. Orrick's services will not extend to other business or legal affairs of the Carson Entities or to any other aspect of the Carson Entities' activities. Orrick's receipt or use of confidential or other information from the Carson Entities or others in the course of the representation described in the Engagement Letter

does not mean that Orrick will render any advice or services other than those described in the Engagement Letter.

The parties agree that Orrick is not acting in a staff capacity or otherwise assuming the responsibilities for any public official currently designated in the Authority's and the City's respective conflict of interest codes. The parties also agree that Orrick is not being retained to, has no duty to, and will not, advise the City or the Authority as to (a) whether it should enter into the Transaction Agreements, (b) whether the City or the Authority should enter into any contracts related to the Transaction Agreements, or (c) the financial terms to be included in the Transaction Agreements and/or any such contracts (collectively, the "Governmental Decisions"). The parties also agree that Orrick is not being retained, and has no duty, to provide financial advice of any kind to the City or the Authority in connection with the foregoing. The City and the Authority, through their respective governing board, staff and independent legal counsel, will be exercising its independent judgment regarding the Governmental Decisions. The City and the Authority acknowledge that Orrick has not been involved with the preliminary discussions, reasoning, planning, drawing of plans and specifications and solicitation of proposals related to the Project.

Orrick's services are limited to those specifically set forth above. For example, Bond Counsel services do not include representation of the Carson Entities or any other party in any litigation or other legal or administrative proceeding, audit or investigation involving the Agreement or any use or investment of the proceeds thereof, or any related matter. Orrick's services also do not include any responsibility for compliance with any federal or state securities laws, environmental, land use, procurement, real estate, construction, insurance or tax laws or for title to, recording, filing or perfection or continuation of any liens or security interests in real or personal property. It is not Orrick's role or responsibility to assure that the interests of any parties other than the Carson Entities are addressed or that any conditions to closing the transaction, other than as necessary in Orrick's judgment to render any legal opinions delivered by Orrick, have been satisfied or addressed. Orrick's services are limited to legal advice and do not include any financial advice or analysis, including advice concerning whether or not to enter into the Transaction Agreements, or adopt any Transaction Agreement or Project related resolutions or enter into any related agreements. Any involvement by Orrick in any of the matters referred to in this paragraph shall not constitute a waiver of any of the foregoing limitations on Orrick's responsibilities unless otherwise agreed to in writing.

3. Waiver of Conflicts of Interest

Orrick's agreement to represent the Carson Entities is conditioned upon the understanding that Orrick is free to represent any clients (including entities that may be adverse to the City or the Authority) and to take positions adverse to either the City or the Authority or

an affiliate in any matters (whether involving the same substantive area(s) of law for which the City or the Authority has retained Orrick or some other unrelated area(s), and whether involving business transactions, counseling, litigation or otherwise). Orrick agrees, however, to not represent any party other than the Carson Entities in connection with the Transaction Agreements prior to the date of termination determined in accordance with Paragraph 7 hereof without the consent of the Carson Entities. In this connection, the Carson Entities should be aware that Orrick regularly provides legal services for many private and public entities in connection with a wide variety of matters. (A summary of Orrick's current practice areas and the principal industries in which Orrick represents clients can be found on Orrick's web site at www.orrick.com.) For example, Orrick has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, borrowers, developers, contractors, suppliers, financial and other consultants/advisors, accountants, investment and swap providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the financing or the Project or that may be involved with or adverse to Carson Entities. In addition, Orrick's wholly-owned subsidiary BLX Group LLC may provide financial advisory services, including arbitrage rebate compliance and other post-issuance compliance services, to other parties involved in the financing and Orrick may provide legal advice to such other parties in connection with such BLX Group LLC services. Orrick will, of course, hold in confidence the Carson Entities' secrets and confidences. Similarly, the Carson Entities understand that while Orrick may obtain confidential information from other clients that may be of interest to the Carson Entities, Orrick cannot share such information with the Carson Entities. The Carson Entities acknowledge that it has had the opportunity to consult with its counsel about the consequences of the waiver set forth in this paragraph. The Carson Entities consent to these other representations, agrees that it will not seek to disqualify Orrick from any such present or future representations, and waives any actual or potential conflict of interest that might arise or be deemed to arise, now or in the future, from this engagement Orrick and any past, current or future representations.

4. Internal Communications

The occasion might arise for the Orrick attorneys providing service to the Carson Entities to consult regarding Orrick's engagement for the Carson Entities with Orrick's own counsel (e.g., Orrick's Chief Legal Officer, other firm lawyers working with Orrick's Chief Legal Officer who do not perform work for the Carson Entities with respect to the Agreement, or Orrick's own outside counsel). To the extent that Orrick is addressing Orrick's own rights or responsibilities, a conflict of interest might be deemed to exist between Orrick and the Carson Entities as to such consultation or resulting communications, particularly if a dispute were ever to arise between Orrick and the Authority regarding the Transaction Agreements or the Project or matters relating to of the Transaction Agreements or the Project. The Carson Entities hereby consent to such

consultation occurring, and waives any claim of conflict of interest based on such consultation or resulting communications that could otherwise disqualify Orrick from continuing to represent the Carson Entities or from acting in Orrick's own behalf, even if such consultation or communications might be deemed adverse to the interests of the Carson Entities. The Carson Entities acknowledge and agrees that any such consulting and communications are protected by Orrick's own attorney-client privilege from disclosure to the Carson Entities.

5. Responsibilities of Orrick and the Carson Entities

The Carson Entities shall have and will rely on the Carson Entities' respective elected, appointed or retained chief legal officer or on outside counsel (other than Orrick) ("Carson Entities' Counsel") to render day-to-day and ongoing general legal services. Orrick shall circulate documents to and coordinate its services with Carson Entities Counsel to the extent requested by Carson Entities or Carson Entities' Counsel. Orrick shall be entitled to assume that Carson Entities Counsel has reviewed all documents and matters submitted to Carson Entities for adoption or approval or to officers of the Carson Entities for execution prior to such adoption, approval or execution.

In rendering opinions and performing legal services, Orrick shall be entitled to rely on the accuracy and completeness of information provided and certifications made by, and opinions provided by counsel to, the Carson Entities and other parties, counsel and consultants, without independent investigation or verification. Knowledge of attorneys and non-attorneys at Orrick not working directly on the financing will not be imputed to Orrick nor shall there be any duty on Orrick's part to make any inquiry of such other attorneys or non-attorneys.

Orrick will provide to the Carson Entities legal counsel and assistance in accordance with the accompanying engagement letter and this Standard Terms of Engagement. The Carson Entities will not look to or rely upon Orrick for any investment, accounting, financial or other non-legal advice, including without limitation any advice regarding the character or credit of any person with whom the Carson Entities may be dealing. Although Orrick will at times communicate with the Carson Entities by e-mail, letter, or other written form, Orrick may provide much of its counsel and assistance in telephone conversations and meetings with the Carson Entities. In addition, Orrick shall have the right, subject to applicable rules of professional responsibility, to discard any files or other materials relating to the Transaction Agreements either before or after termination of Orrick's representation of the Carson Entities.

For Orrick to represent the Carson Entities effectively, Orrick needs the Carson Entities to provide Orrick with complete and candid information regarding matters relating to the financing and the Project, to keep Orrick informed of relevant developments, to make decisions necessary for Orrick to fulfill its responsibilities with respect to the Transaction Agreements and otherwise to provide to Orrick the Carson Entities' reasonable assistance and cooperation.

Orrick shall maintain errors and omissions insurance coverage applicable to the services to be rendered pursuant to the Engagement Letter.

The Engagement Letter and these Standard Terms and Conditions shall not be the basis of any breach of contract claim that would have the effect of extending any statute of limitations pertaining to legal malpractice to the statute of limitations pertaining to breach of contract.

Orrick will not be responsible for any services performed by, or acts or omissions of, any co-counsel or other transaction participant.

6. Client Files (Cloud Storage, Retention and Disposition)

Orrick recognizes that cloud computing services offer valuable tools to Orrick's clients and has entered into arrangements with certain providers of those services to host, process, and analyze data, including client data. Like online services or platforms, cloud computing services are not immune from security compromises. While Orrick maintains a cyber security vendor risk management program, Orrick cannot guarantee the security of any cloud computing service, including third-party cloud computing services utilized by Orrick. If the Carson Entities do not wish to have its information and data stored with third party cloud service providers, the Carson Entities must advise Orrick not to do so. Orrick will not be responsible for security or confidentiality breaches that occur with respect to any cloud computing service.

Unless otherwise required by specific Carson Entity instruction, Orrick will retain all hardcopy and electronic records for a period of years consistent with Orrick's internal record retention policy. When that time expires, Orrick's policy is to destroy all records related to the Agreement in a manner that preserves confidentiality. The Carson Entities understands and agrees that records related to the Agreement will be destroyed in the absence of such alternate instruction. For these purposes "records" includes paper files as well as information in other mediums of storage including voicemail, email, printer files, electronic document files, facsimiles, dictation recordings, video files, and other formats.

Orrick reserves the right to make, at Orrick's expense, certain copies of all documents generated or received by Orrick in the course of Orrick's representation of the Carson Entities. Orrick will maintain the confidentiality of all documents throughout this process.

Orrick's own files pertaining to the Transaction Agreements and the Project will be retained by the firm (as opposed to being sent to the Carson Entities) or destroyed. These firm files may include internal communications, firm administrative records, time and expense reports, personnel and staffing materials, and credit and account records. Orrick reserves the right to destroy or otherwise dispose of any of Orrick's own files within a reasonable time after the engagement has concluded.

7. Termination

The Carson Entities may terminate Orrick's representation of the Carson Entities at any time, with or without cause. Orrick may terminate its representation of the Carson Entities at any time, with or without cause, subject to applicable rules of professional responsibility, including if, among other things, the Carson Entities fail to cooperate or follow Orrick's advice on a material matter, or any fact or circumstance arises that, in Orrick's view, renders Orrick's continuing representation unlawful or unethical. Orrick may terminate or suspend its representation of the Carson Entities, subject to applicable rules of professional responsibility, if the Carson Entities fail to make timely payment on any invoice. In the event of termination by either the Carson Entities or Orrick, the Carson Entities shall cause the Developer to pay Orrick fees and costs for work performed prior to termination and Orrick will have no responsibility or liability whatsoever for any subsequent use of documents prepared or advice provided by Orrick prior to termination. The Carson Entities acknowledge that they have had an opportunity to consult with their respective counsel about the consequences of Orrick's disclaimer of responsibility and liability herein.

8. Date of Termination

Orrick's representation of the Carson Entities with respect to the matters covered by the Engagement Letter will be considered terminated at the earliest of (i) the Carson Entities' termination of the representation or (ii) Orrick's termination of the representation. Sections 3, 4, and 6 of this Standard Terms of Engagement shall survive termination of the representation.