

AGREEMENT FOR LEGAL SERVICES

BETWEEN CITY OF SANTA ROSA AND JONES HALL, A PROFESSIONAL LAW CORPORATION, FOR BOND COUNSEL AND DISCLOSURE COUNSEL SERVICES IN CONNECTION WITH THE ISSUANCE OF WASTEWATER REVENUE REFUNDING BONDS

This AGREEMENT FOR LEGAL SERVICES is entered into this 1st day of December, 2018, between the CITY OF SANTA ROSA (the "Client") and JONES HALL, A PROFESSIONAL LAW CORPORATION, San Francisco, California ("Attorneys").

BACKGROUND:

1. The Client previously issued its \$67,010,000 initial principal amount City of Santa Rosa Wastewater Revenue Bonds, Series 2007A (the "2007A Bonds").
2. The Client wishes to issue its Wastewater Revenue Refunding Bonds, Series 2018A in the aggregate principal amount of not to exceed \$20,000,000 (the "Bonds") for the purpose of defeasing and redeeming the outstanding 2007A Bonds.
3. In order to achieve a more efficient financing, the City would like to amend the reserve fund insurance policies related to the 2007A Bonds and the \$49,123,379.90 initial principal amount City of Santa Rosa Wastewater Revenue Bonds, Series 2002B (the "2002 Bonds").
4. In order to issue and sell the Bonds, the Client requires the services of nationally recognized bond counsel and disclosure counsel.

AGREEMENT:

In consideration of the foregoing and the mutual covenants contained in this Agreement, the Client and Attorneys agree as follows:

Section 1. Attorney-Client Relationship. Upon execution of this Agreement, the Client will be Attorney's client and an attorney-client relationship will exist between Client and Attorneys. Attorneys assume that all other parties will retain such counsel, as they deem necessary and appropriate to represent their interests in this transaction. Attorneys further assume that all other parties understand that in this transaction Attorneys represent only the Client, Attorneys are not counsel to any other party, and Attorneys are not acting as an intermediary among the parties. Attorneys' services as bond counsel and disclosure counsel are limited to those contracted for in this Agreement; the Client's execution of this Agreement will constitute an acknowledgment of those limitations. Attorneys' representation of the Client will not affect, however, our responsibility to render an objective Bond Opinion.

Section 2. Scope of Engagement as Bond Counsel. Attorneys shall perform all of the following services as bond counsel in connection with the issuance and sale of the Bonds for the purpose of providing financing for the Project:

- a. Consultation and cooperation with Client and Client staff to assist in the formulation of a coordinated financial and legal issuance of the Bonds.
- b. Preparation of all legal proceedings for the authorization, issuance and delivery of the Bonds by the Client; including (a) preparation of a resolution of the governing board of the Client authorizing the issuance and sale of the Bonds and approving related documents and actions, (b) preparation of all financing documents, including a supplemental indenture of trust and escrow deposit and trust agreement, (c) preparation of all documents required for the closing of the issue, (d) supervising the closing, and (e) preparation of all other proceedings incidental to or in connection with the issuance and sale of the Bonds.
- c. Advising the Client, from the time Attorneys are hired as Bond Counsel until the Bonds are issued, as to compliance with state law as required to ensure that interest on the Bonds is exempt from state personal income taxation.
- d. Assist Client with amending the reserve fund insurance policies related to the 2007A Bonds and the 2002B Bonds.
- e. Upon completion of proceedings to Attorneys' satisfaction, providing a legal opinion (the "Bond Opinion") approving the validity and enforceability of the proceedings for the authorization, issuance and delivery of the Bonds, and stating that interest on the Bonds is exempt from California personal income taxation. The Bond Opinion will be addressed to the Client, and may also be addressed to the underwriter of the Bonds and other participants in the financing.
- f. Review those sections of the official statement or other form of offering or disclosure document to be disseminated in connection with the sale of the Bonds involving summary descriptions of the Bonds, the legal proceedings leading to the authorization and sale of the Bonds, the legal documents under which the Bonds will be issued, and federal tax law and securities law provisions applicable to the Bonds, as to completeness and accuracy.
- g. Assist the Client in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds.
- h. Such other and further services as are normally performed by bond counsel in connection with similar financings.

Attorneys' Bond Opinion will be delivered by Attorneys on the date the Bonds are exchanged for their purchase price (the "Closing").

In rendering the Bond Opinion, Attorneys will rely upon the certified proceedings and other certifications of public officials and other persons furnished to Attorneys without undertaking to verify the same by independent investigation, and Attorneys will assume continuing compliance by the Client with applicable laws relating to the Bonds.

Section 3. Scope of Engagement as Disclosure Counsel. Attorneys shall perform all of the following services as disclosure counsel in connection with the issuance and sale of the Bonds for the purpose of providing financing for the Project:

- a. Prepare the Official Statement (both preliminary and final) or other disclosure documents in connection with the offering of the Bonds.
- b. Confer and consult with the officers and administrative staff of the Client as to matters relating to the Official Statement.
- c. Attend all meetings of the Client and any administrative meetings at which the Official Statement is to be discussed, deemed necessary by Attorneys for the proper exercise of their due diligence with respect to the Official Statement, or when specifically requested by the Client to attend.
- d. Subject to the completion of proceedings to the satisfaction of Attorneys, provide a letter of Attorneys addressed to the Client and the underwriter that, although Attorneys are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and make no representation that Attorneys have independently verified the accuracy, completeness or fairness of any such statements, no facts have come to Attorneys' attention that cause Attorneys to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Bond Insurance Policy and the Insurer, and information concerning the Depository Trust Company and the book-entry system for the Bonds, contained or incorporated by reference in the Official Statement and the appendices to the Official Statement, which Attorneys will expressly exclude from the scope of this sentence) as of the date of the Official Statement or the date hereof contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- e. Assist Client and the underwriter of the Bonds with (i) review of historical continuing disclosure compliance (ii) the preparation and filing of any remedial filings.

Section 4. Excluded Services. Our duties in this engagement are limited to those expressly set forth above in Section 2 and Section 3, except as expressly set forth in a written amendment to this Agreement. Among other things, our duties do not include:

- a. Preparing blue sky or investment surveys with respect to the Bonds.
- b. Except as described in paragraph 2(b) above, drafting state constitutional or legislative amendments.
- c. Pursuing test cases or other litigation, such as contested validation proceedings, except as set forth above.
- d. Making an investigation or expressing any view as to the creditworthiness of the Client or the Bonds.

- e. After Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking under Securities and Exchange Commission Rule 15c2-12.
- f. After Closing, unless specifically requested to do so by Client, and agreed to by Attorneys, providing continuing advice to the Client or any other party concerning any actions that need to be taken regarding the Bonds.
- g. Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

Section 5. Conflicts; Prospective Consent. Attorneys represent many political subdivisions, investment banking firms and financial advisory firm, including the underwriter of the Bonds. It is possible that during the time that Attorneys are representing the Client, one or more of Attorneys present or future clients will have transactions with the Client. It is also possible that Attorneys may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bond, including the underwriter of the Bonds. Attorneys do not believe such representation, if it occurs, will adversely affect Attorneys' ability to represent you as provided in this Agreement, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Execution of this Agreement will signify the Client's consent to Attorneys' representation of others consistent with the circumstances described in this paragraph.

Section 6. Compensation. For the bond counsel services performed by Attorneys under Section 2 above, the Client will pay Attorneys a fee equal to \$57,500.

For the Disclosure Counsel services performed by Attorneys under Section 3 above, the Client will pay Attorneys a flat fee of \$45,000.

In addition, in an amount not to exceed \$2,500, the Client shall pay to Attorneys all direct out-of-pocket expenses for travel outside the State of California (if any), messenger and delivery service, photocopying, closing costs, legal publication expenses and other costs and expenses incurred by Attorneys in connection with their services hereunder.

In the event the Bonds are not issued, the Client will pay attorneys a fee for the services described in this Section 6 in an amount determined by the City Manager in his sole discretion to be reasonable in the circumstances.

The fee is not set by law but is negotiable between Attorneys and Client.

Section 7. Responsibilities of the Client. (a) General. The Client will cooperate with Attorneys and furnish Attorneys with certified copies of all proceedings taken by the Client, or otherwise deemed necessary by Attorneys to render an opinion upon the validity of the proceedings. During the course of this engagement, Attorneys will rely on Client to provide Attorneys with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. Attorneys are not responsible for costs and expenses incurred incidental to the actual issuance and delivery of the Bonds, including the cost of preparing certified

copies of proceedings required by Attorneys in connection with the issuance of the Bonds, and printing and publication costs.

Section 8. Independent Contractor. Attorneys will act as an independent contractor in performing the services required under this Agreement, and under no circumstances shall Attorneys be considered an agent, partner, or employee of the Client.

Section 9. Assignment. Attorneys may not assign their rights or delegate their obligations under this Agreement, in whole or in part, except with the prior written consent of the Client.

Section 10. Termination of Agreement.

(a) Termination by Client. This Agreement may be terminated at any time by the Client with or without cause upon written notice to Attorneys.

(b) Termination by Attorneys. This Agreement may be terminated by Attorneys upon 15 days' written notice to Client if Client fails to follow written legal advice given by Attorneys.

(c) Termination Upon Issuance of Bonds. This Agreement shall terminate upon the issuance of the Bonds.

(d) Consequences of Termination. In the event of termination, all finished and unfinished documents shall at the option of the Client become its property and shall be delivered to the Client by Attorneys.

IN WITNESS WHEREOF, the Client and Attorneys have executed this Agreement as of the date first above written.

CITY OF SANTA ROSA

By: _____

Title: _____

JONES HALL, A PROFESSIONAL LAW CORPORATION

Christopher K. Lynch,
Vice President