

AGREEMENT FOR LEGAL SERVICES

BETWEEN SAN BENITO COUNTY AND JONES HALL, A PROFESSIONAL LAW CORPORATION, FOR BOND COUNSEL SERVICES IN CONNECTION WITH GENERAL FUND LEASE CERTIFICATES OF PARTICIPATION

This AGREEMENT FOR LEGAL SERVICES is entered into this Tuesday day of January 15, 2019, between the COUNTY OF SAN BENITO (the "Client") and JONES HALL, A PROFESSIONAL LAW CORPORATION, San Francisco, California ("Attorneys").

BACKGROUND:

1. The Client is proceeding to finance the construction of a new jail facility (the "Project") through the execution and delivery of certificates of participation (the "Certificates") secured by lease payments to be made by Client under a lease-leaseback arrangement.
2. In order to enter into the lease agreements and cause the execution and delivery of the Certificates, the Client requires the services of nationally-recognized bond 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 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 Final Opinion.

Section 2. Scope of Engagement as Bond Counsel. Attorneys shall perform all of the following services as bond counsel in connection with the execution and delivery of the Certificates for the purpose of financing the Project:

- a. Consultation and cooperation with Client and Client staff to assist in the formulation of a coordinated financial and legal execution and delivery of the Certificates.
- b. Preparation of all legal proceedings for the authorization, execution and delivery of the lease agreements and the Certificates, including (a) preparation of a resolution of the Board of Supervisors of the Client and the Client's financing corporation authorizing the execution and delivery of the lease agreements and the Certificates, and approving related

documents and actions, (b) preparation of all financing documents, including the lease agreements and related documents, (c) preparation of all documents required for the closing of the financing, (d) supervising the closing, and (e) preparation of all other proceedings incidental to or in connection with the execution and delivery of the lease agreements and the Certificates.

- c. Advising the Client, from the time Attorneys are hired as Bond Counsel until the Certificates are executed and delivered, as to compliance with federal tax law as required to ensure that the interest payable with respect to Certificates and received by the investors is exempt from federal taxation.
- d. Upon completion of proceedings to Attorneys' satisfaction, providing a legal opinion (the "Final Opinion") approving the validity and enforceability of the proceedings for the authorization, execution and delivery of the lease agreements and the Certificates, and stating that the interest payable with respect to Certificates and received by the investor is exempt from federal taxation. The Final Opinion will be addressed to the Client.
- e. Such other and further services as are normally performed by bond counsel in connection with similar financings.

Attorneys' Final Opinion will be delivered by Attorneys on the date the Certificates are executed and delivered.

The Final Opinion will be based on facts and law existing as of its date, will cover certain matters not directly addressed by such authorities, and will represent Attorneys' judgment as to the proper treatment of the Certificates for federal income tax purposes. Attorneys' opinion is not binding on the Internal Revenue Service ("IRS") or the courts. Attorneys cannot and will not give any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986 (the "Code"), the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. Client acknowledges that future legislation, if enacted into law, or clarification of the Code may cause interest with respect to the Certificates to be subject, directly or indirectly, to federal income taxation, or otherwise prevent investors from realizing the full current benefit of the tax status of such interest. Attorneys will express no opinion regarding any pending or proposed federal tax legislation.

In rendering the Final 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 Certificates.

Section 3. Scope of Engagement as Disclosure Counsel. Attorneys shall perform all of the following services as disclosure counsel in connection with the execution and delivery of the Certificates:

- a. Prepare the Official Statement (both preliminary and final) or other disclosure documents in connection with the offering of the Certificates.

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 and teleconferences of the Client 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. On behalf of the Client, prepare the sale notices or purchase contract pursuant to which the Certificates will be sold to the underwriter.

e. On behalf of the Client, prepare a continuing disclosure certificate of the Client to assist the underwriter with complying with its obligations under Securities and Exchange Commission Rule 15c2-12.

f. 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 any bond insurer and its policy, and information concerning the Depository Trust Company and the book-entry system for the Certificates, 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.

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 any written amendment to this Agreement. Among other things, our duties do not include:

- a. Preparing requests for tax rulings from the Internal Revenue Service, or "no-action" letters from the Securities and Exchange Commission.
- b. Drafting state constitutional or legislative amendments.
- c. Representing the Client in any litigation involving the Client or relating to the Certificates.
- d. Making an investigation or expressing any view as to the creditworthiness of the Client or the Certificates.
- e. Representing the Client in Internal Revenue Service examinations, audits or inquiries, or Securities and Exchange Commission investigations, unless the Client and Attorneys agree on the terms of such representation and compensation for such representation.

- f. Reviewing or opining on the business terms of, validity, or federal tax consequences of any investment agreement that the Client may choose as an investment vehicle for the proceeds of the Certificates, unless the Client and Attorneys agree on the terms of such review and compensation for such review.
- g. Reviewing or opining on the business terms of, validity, or federal tax consequences of any derivative financial products, such as an interest rate swap agreement, that the Client may choose to enter into in connection with the execution and delivery of the Certificates, unless the Client and Attorneys agree on the terms of such review and compensation for such review.
- h. Addressing any other matter not specifically set forth above that is not required to render our Final Opinion.

Section 5. Conflicts; Prospective Consent. Attorneys represent many political subdivisions and investment banking firms. 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 execution and delivery of the Certificates. 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 execution and delivery of the Certificates 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 execution and delivery of the Certificates. 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 and disclosure counsel services performed by Attorneys under Section 2 and Section 3 above, the Client will pay Attorneys a fee equal to \$60,000.

In addition, the Client shall pay to Attorneys all direct out-of-pocket expenses for messenger and delivery service, photocopying, closing costs, legal publication expenses and other costs and expenses incurred by Attorneys in connection with their services hereunder, but in an amount not to exceed \$2,000.

Payment of Attorneys' fees and expenses is entirely contingent on the successful execution and delivery of the Certificates, will be due and payable upon the execution and delivery of the Certificates and will be payable solely from the proceeds of the Certificates and from no other funds of the 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 the Final Opinion. 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 Certificates and their security. Attorneys are not responsible for costs and expenses incurred incidental to the actual execution and delivery of the Certificates, including the cost of preparing certified copies of proceedings required by Attorneys in connection with the execution and delivery of the Certificates, and printing and publication costs.

(b) Federal Tax Law-Related Responsibilities. The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Certificates. As a condition of Attorneys issuing their opinion, you will be required to make certain representations and covenants to comply with certain restrictions designed to insure that interest with respect to the Certificates will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest with respect to the Certificates being included in gross income for federal income tax purposes, possibly from the date of original execution and delivery of the Certificates. Attorneys' opinion will assume the accuracy of these representations and compliance with these covenants. Attorneys will not undertake to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of execution and delivery of the Certificates may adversely affect the value of, or the tax status of interest with respect to, the Certificates. In this regard, Client agrees to familiarize itself with the relevant requirements and restrictions necessary for the Certificates to qualify for exemption from federal income taxation and to exercise due diligence both before and after execution and delivery of the Certificates in complying with these requirements.

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 Closing. This Agreement shall terminate upon the execution and delivery of the Certificates.

(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.

COUNTY OF SAN BENITO

Name:

Title:

**JONES HALL, A PROFESSIONAL LAW
CORPORATION**

Scott R. Ferguson,
Chief Operating Officer