

PROFESSIONAL SERVICES AGREEMENT

AMONG

SIDLEY AUSTIN LLP,

and

SAN MATEO COUNTY, CALIFORNIA

THIS AGREEMENT is made and entered effective as of June 1, 2013, among Sidley Austin LLP, a limited liability partnership (hereinafter, the "Firm"), and San Mateo County (the "County").

WHEREAS, the County desires to retain the Firm as "disclosure counsel" to provide legal assistance, hereinafter outlined, upon the terms and conditions hereinafter set forth, relating to the issuance by the County of its proposed 2013 Lease Revenue Bonds (the "2013 Lease Revenue Bonds") for the purpose of refunding the County's 1997, 1999 and 2001 Lease Revenue Bonds and possibly the funding of "new money" for several fire houses; and

WHEREAS, the Firm represents that it is a law firm that specializes in municipal finance law and that it is ready, willing and able to perform said work and possesses expertise in the field of such bond financing; and

NOW THEREFORE, in consideration of the promises and of the mutual covenants, terms and conditions hereinafter contained, the parties agree as follows:

1. Scope of Services. The County employs the Firm to provide the following legal services, as required, with respect to the issuance of the certificates:

- a. Assist in preparing the Official Statement relating to the certificates from information and source material provided to the Firm;
- b. Provide the County and the underwriters or purchasers with a "10(b)-5" opinion, in customary form, with respect to the Official Statement;
- c. Review documents and attend phone conferences at which the financing documents are discussed; and
- d. Provide such other legal services as may be incidental to the foregoing.

2. Assignment of Duties. The County reserves the right to assign duties as between the Firm and any other attorneys representing the County in matters arising under this contract. In all services, the Firm shall be deemed to be representing the County.

3. Excluded Services. The services of the Firm provided for herein will not include representation of the County (a) in any legal action challenging the validity of the sale of the

certificates or the other transactions contemplated hereby, or (b) in connection with any inquiry or proceeding made or initiated by the Internal Revenue Service concerning the tax-exempt status of the certificates, or any rebate required to be paid by the County with respect thereto; or (c) in connection with any proceeding challenging the tax-exempt status of the County under State law; or (d) in connection with the investment of the proceeds of the certificates following the closing.

4. Compensation. The Firm agrees that, subject to the qualifications and assumptions set forth herein, the Firm's fee for the services will be based upon a "blended rate" of \$595 for attorneys and \$295 for paralegals. It is estimated that the fee for the services to be provided hereunder will be no greater than \$65,000.

The fees amount for services shall include the Firm's out-of-pocket expenses, which include: long distance telephone call charges; secretarial overtime; reproduction costs or document costs incurred on the Firm's word processing equipment used to prepare documents, filing fees, printing charges and like expenditures. No travel by the firm personnel will be required.

Payment of the Firm's fee will be contingent upon the delivery of the 2013 Lease Revenue Bonds. If the bonds are not sold and delivered no payment will be owed to Sidley Austin LLP.

5. Waiver. The Firm agrees that waiver by the County of any one or more of the conditions of performance under this Agreement shall not be construed as waiver of any other condition of performance under this Agreement.

6. Notice to Parties. In all cases where written notice is to be given under this Agreement, service shall be deemed sufficient if said notice is deposited in the United States mail, postage paid. When so given, such notice shall be effective from the date of mailing of the same. For the purpose hereof, unless otherwise provided by notice in writing from the respective parties, notice to the County shall be addressed to:

John Beiers, Esq.
County Counsel
San Mateo County
400 County Center, 6th Floor
Redwood City, CA 94063-1662

Notice to the Firm shall be addressed to:

Eric D. Tashman, Esq.
Sidley Austin LLP
555 California Street, Suite 2000
San Francisco, California 94104

Nothing herein contained shall preclude or render inoperative service or such notice in the manner provided by law.

7. Independent Contractor. It is understood and agreed by and between the parties hereto that the Firm, in the performance of this Agreement, shall act as, and be an independent contractor and not an agent or employee of the County.

All acts of the Firm, its agents, officers and employees and all other actions on behalf of the Firm relating to the performance of this Agreement, shall be performed as independent contractors not as agents, officers, or employees of the County. The Firm, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of the County. It should be understood by the Firm and the County that this Agreement shall not, under any circumstances, be construed or considered to create an employer-employee relationship or joint venture. It is further understood and agreed that the Firm must issue W-2 Forms or other forms as required by law for income and employment tax purposes for all of the Firm's assigned personnel under the terms and conditions of this Agreement.

8. Personnel. Eric D. Tashman will be the partner-in-charge and will be charged with overall supervision and/or performance of duties under this contract. Gisele Rainer, a counsel, will provide day-to-day supervision and advice. They will consult with and be assisted by such other associates and/or employees as he deems necessary, but he shall remain committed to this contract unless the County consents to a substitution, which consent shall be at the County's sole discretion.

9. Discrimination Prohibited. In performing the services required hereunder, the Firm shall not discriminate against any person on the basis of race, color, religion, sex, national origin or ancestry, age or physical handicap.

10. Reports and Information. At such times and in such forms as the County may require, there shall be furnished to the County such statements, records, reports, data and information as such parties may request pertaining to matters covered by this Agreement.

11. Compliance with Laws. In performing the services required hereunder, the Firm shall comply with all applicable laws, ordinances and codes of the federal, state and local governments.

12. Changes. The County may, from time to time, request changes in the services to be performed hereunder. Such changes, including any increase or decrease in the amount of the Firm's compensation, which are mutually agreed upon by the County and the Firm shall be incorporated in written amendments to this Agreement, signed by such parties.

13. Nonexclusivity. The County may employ other counsel from time to time, as required.

14. Term. This Agreement shall remain in effect until terminated by either the Firm or the County upon 30 days' written notice by any such party, or until terminated for cause as provided in Section 15.

15. Termination for Cause. The County shall have the right at any time to terminate this Agreement for cause effective immediately upon notification of termination by any reasonable means. In such event, all finished or unfinished documents, data, maps, studies,

surveys, drawings, models, photographs and reports prepared by the Firm under this Agreement shall become the County's property, as appropriate. The Firm will be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder, as reasonably determined by the County.

16. Entire Agreement. This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. This Agreement may not be amended except pursuant to a written instrument signed by both parties.

17. Construction and Severability. If any part of this Agreement is held to be invalid or unenforceable, such holding will not affect the validity or enforceability of any other part of this Agreement so long as the remainder of the Agreement is reasonably capable of completion.

18. Enforcement. The non-prevailing party in any action or proceeding brought to enforce the rights or remedies of either party in connection with this Agreement shall pay costs and expenses of such action or proceeding, including reasonable attorneys fees, as awarded by the court.

19. Insurance Requirements. The Firm shall provide at its own expense and maintain at all times the following insurance with insurance companies licensed in the State of California and shall provide evidence of such insurance as may be required by the County: Professional liability insurance from and after the execution of this Agreement and until termination of this Agreement in an amount not less than \$25 million.

20. Waiver of Conflict; General Conflict Provisions. The County hereby acknowledges, consents to and agrees to the representation by the Firm, and waives any right to object to or raise any defense or claim against the Firm for such representation.

The Firm shall immediately notify the County if any services to be performed under this Agreement involve an actual or potential conflict of interest, financial or otherwise under the California Rules of Professional Conduct. The Firm shall not engage in any activity under this Agreement that involves any actual or potential conflict of interest under such Rules unless the Firm first makes a full and complete disclosure of all relevant facts and obtains a written waiver of such conflict in advance from the County. The County has been advised that the Firm represents numerous other clients including other public entities in the state of California and that many of these clients rely on the Firm for general representation. It may develop in the future that an adverse relationship may develop between the County and one of the Firm's other clients. If the Firm is not representing the County in that matter and the matter in which the County and the other client have adverse interests is not substantially related to the Firm's representation of the County under this Agreement, the County agrees that the Firm may represent the other client. With respect to any other conflict or potential conflict situation that the Firm may bring to the attention of the County under this paragraph, the County agrees that it will give practical and reasonable consideration to any request from the Firm for consent to the Firm's handling of the other matter giving rise to the conflict or potential conflict, but nothing

herein shall require the County to provide consent to a conflict that, under the California Rules of Professional Conduct, is one to which a client may choose not to consent.

21. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California, and all other applicable laws, rules, regulations and/or ordinances.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for disclosure counsel services to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, effective as of the day and year first above written.

COUNTY OF SAN MATEO

By: _____
President, Board of Supervisors

ATTEST:

By: _____
Clerk of Said Board

SIDLEY AUSTIN LLP

By: _____
Eric D. Tashman