

PROFESSIONAL SERVICES AGREEMENT

BETWEEN

NORTON ROSE FULBRIGHT US LLP,

and

SAN MATEO COUNTY, CALIFORNIA

THIS AGREEMENT is made and entered into effective as of October 23, 2018, between Norton Rose Fulbright US LLP, a limited liability partnership (hereinafter, the “Firm”), the County of San Mateo (the “County”) and the San Mateo County Joint Powers Financing Authority (the “Authority,” and together with the County, the “Issuers”).

WHEREAS, the Issuers desire 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 of various lease revenue bonds or other obligations (“bonds”) by the Issuers or other financing authorities controlled by the County (hereinafter, the Issuers and such other financing authorities controlled by the County may be referenced herein as “County financing parties”) issued to finance capital improvements of the County; 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 Issuers employ the Firm to provide the following legal services, as required, with respect to the issuance of the bonds:

- a. Assist in preparing Official Statements relating to the issuance of bonds from information and source material provided to the Firm;
- b. Provide the County financing parties 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;
- d. Prepare and advise on the negotiation of continuing disclosure agreements relating to bond issuances;
- e. Provide curbside advice to the County financing parties on matters relating to compliance with federal securities laws, including annual disclosure, material event disclosure and voluntary disclosure; and

f. 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 bonds 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 bonds, 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 bonds following the closing.

4. Compensation. The Firm agrees that, subject to the qualifications and assumptions set forth herein, the Firm's fee for the attorney and paralegal services rendered hereunder will be based upon a "blended rate" of \$675 for attorneys and \$300 for paralegals for 2018. These blended rates will be subject to annual adjustment at the blended rates to \$695 and \$310, commencing on January 1, 2019. In connection with any bond issuance or any other engagement under this Agreement, the Firm will provide to the County a budget estimate or a fixed price for the issuance or engagement, which will be evidenced by a letter supplementing this Agreement (a "fee letter supplement"). Upon execution of such fee letter supplement by the County Counsel, each such fee letter supplement shall constitute a part of this Agreement.

In addition to the hourly rates, the County agrees to reimburse the Firm for its 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 may be made contingent upon the delivery of bonds, as provided in any fee letter supplement.

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

Notice to the Firm shall be addressed to:

Eric D. Tashman, Esq.
Norton Rose Fulbright US 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 or any other County financing party.

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 financing parties. 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. Dave Sanchez, senior counsel, will provide day-to-day support. These attorneys will consult with and be assisted by such other associates and/or employees as he deems necessary, but 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, as of the day and year first above written.

COUNTY OF SAN MATEO

By: _____
John Beiers, County Counsel

**SAN MATEO COUNTY JOINT POWERS
FINANCING AUTHORITY**

By: _____
Paul Scannell, President

NORTON ROSE FULBRIGHT US LLP

By: _____
Eric D. Tashman



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Suite 3300
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October 18, 2018

John C. Beiers
County Counsel
County of San Mateo
400 County Center – 6th Floor
Redwood City, CA 94063

Dear John:

Reference is made to the Professional Services Agreement (the “Agreement”), by and among the County of San Mateo (the “County”), the San Mateo County Joint Powers Financing Authority (the “Authority”) and Norton Rose Fulbright US LLP (the “Firm”) to be presented to the Board of Supervisors on October 23, 2018.

This letter will serve to memorialize our retention as disclosure counsel in connection with the issuance of (i) the Lease Revenue Bonds, (Capital Projects), 2018 Series A, and the Lease Revenue Bonds, (Forward Refunding) 2019 Series A (the “2019A Bonds”) of the Authority (collectively, the “2018 and 2019 Bonds”) and (ii) with respect to disclosure counsel services provided in connection with certain voluntary disclosure of the County with respect to sea level rise. Services provided by the Firm to the County will be subject to the terms of the Agreement.

Our fees will be based upon the following budget components:

- Disclosure Counsel services (including drafting of the Official Statement, drafting required supplements to the Official Statement for the 2019A Bonds, drafting continuing disclosure agreements for the bonds and delivery of our standard disclosure counsel opinion with respect to the 2018 and 2019 Bonds).

Total Budget: \$145,000

- Disclosure Counsel services provided in connection with certain voluntary disclosure of the County with respect to sea level rise.

Total Budget: \$35,000

Total Overall Budget: \$180,000

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP, Norton Rose Fulbright South Africa (incorporated as Deneys Reitz, Inc.), each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at nortonrosefulbright.com. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

Fee Letter (San Mateo) - CCO Cmts.doc

Among other assumptions, the budget assumes that the 2018 and 2019 Bonds will be issued on or about November 15, 2018 and October 2019 respectively. A separate fee letter supplement will be developed concerning any potential additional issuances of lease revenue bonds for capital improvements in or about 2019.

Any payment exceeding this budget would be subject to the discretion of County Counsel and appropriate documentation by counsel. If the County should materially alter its financing plan, we will provide a revised budget. We will also promptly inform the County if unanticipated events occur which would cause the budget to change. In the event that the County elects not to proceed with the issuance the 2018 and 2019 Bonds due to a change in interest rate (market) conditions, we would request that the County pay us a breakage fee (representing a discounted value of our services) to be negotiated in good faith. Such negotiations would be based upon an assumed "blended rate" for attorneys as provided in the Agreement. Our out-of-pocket expenses, including transcript costs, travel, federal express and similar costs consistent with the County's policies will be added to this budget but the aggregate of any such expenses together with our actual fees cannot exceed the maximum payment amount in the Agreement.

If this arrangement is satisfactory to you, please return to us a copy of this letter executed by an authorized officer of the City.

Respectfully submitted,

Norton Rose Fulbright US LLP

By: Eric D. Tashman, Partner

Accepted and Agreed this 23rd day of October, 2018.

COUNTY OF SAN MATEO

By:

Name: John C. Beiers
Title: County Counsel