

AGREEMENT FOR LEGAL SERVICES

COMMUNITY FACILITIES DISTRICT NO. 2006-1 (MORAGA OF MERCED) REFUNDING

THIS AGREEMENT, made and entered into this ____ day of _____, 2019, by and between the CITY OF MERCED, on behalf of the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (herein called the "City"), and NORTON ROSE FULBRIGHT US LLP, Los Angeles, California, a member of Norton Rose Fulbright (herein called "Attorneys");

WITNESSETH:

WHEREAS, the Community Facilities District No. 2006-1 (Moraga of Merced) of the City of Merced (the "CFD") in December 2006 issued its 2006 Special Tax Bonds in the original principal amount of \$5,840,000 (the "2006 Bonds"); and

WHEREAS, the City on behalf of the CFD intends refinance the 2006 Bonds (the "Refunding") to achieve interest rate savings by issuing refunding bonds (collectively, the "Bonds"); and

WHEREAS, the City has determined that Attorneys are experienced in providing services as bond and disclosure counsel in proceedings for the issuance of municipal securities, such as the Bonds, and Attorneys are willing to provide such services to the City;

NOW, THEREFORE, the City engages Attorneys and Attorneys accept such engagement upon the following terms and conditions:

ARTICLE I

DUTIES OF ATTORNEYS

Section 1.01. Bond Counsel. Attorneys shall perform and render the following services as Bond Counsel:

(a) Advise City Manager, Finance Director, City Attorney, and other members of the City administrative staff (acting in their respective capacities as staff of the City or other entity or district created by the City), City Attorney, financial consultant, and bond underwriter (collectively, "City Staff and Consultants") with respect to the types of financing mechanisms available to the City.

(b) Consult with City Staff and Consultants to establish a structure for the Refunding and to develop a list of steps required for implementation of the Refunding when established.

(c) Coordinate with the City Staff and Consultants to establish the terms, conditions, and legal structure for the Bonds.

(d) Draft and review all documents necessary to the authorization, issuance, sale, and delivery of the Bonds, including enabling resolutions, and coordinate the authorization and execution of necessary documents.

(e) Render necessary legal opinions on the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for income tax purposes.

(f) Assist the City in seeking from other governmental authorities any approvals, permissions, or exemptions necessary or appropriate in connection with the authorization, issuance, sale, or delivery of the Bonds.

(g) Assist the City in presenting information relating to legal issues affecting the Bonds to bond rating organizations or credit enhancement providers.

(h) Prepare a loose-leaf transcript of the Bond proceedings and delivery documents.

(i) Provide any other services reasonably requested of bond counsel and not set forth above.

Section 1.02. Disclosure Counsel. Attorneys shall perform and render the following services as Disclosure Counsel:

(a) Confer and consult with the City Staff and Consultants, as to any matters relating to the disclosure of the CFD or the issuance of the Bonds issued in connection with such financing.

(b) Attend such meetings of the City and any staff or administrative meetings at which any financing proceedings are to be discussed, as Attorneys, in their judgment deem necessary, for the proper disclosure of the bond transaction, or as requested by the City.

(c) Conduct all necessary due diligence review with respect to the Bond transaction.

(d) Draft the notice of sale and bid form or bond purchase agreement, and the preliminary official statement, the final official statement or other disclosure document to be used in connection with the offering of the Bonds.

(e) Draft the continuing disclosure agreements.

(f) Subject to completion of proceedings to its satisfaction, render an opinion as to the adequacy of the disclosure document.

(g) Provide any other services reasonably requested of disclosure counsel and not set forth above.

Section 1.03. Cooperation of City. The City shall assist Attorneys by making readily available all existing data and other records requested by Attorneys that are pertinent to the work to be performed by Attorneys, including data and records relating to future development and the Refunding. The City shall also make its personnel reasonably available to Attorneys to provide information pertinent to such work when requested by Attorneys. The City shall also provide such staff assistance as it has personnel available to provide, and as such staff assistance is reasonably requested by Attorney, including assistance from the City Attorney. The City shall also assist Attorneys in by making readily available all existing data and other records requested by Attorneys that are pertinent to the work to be performed by Attorneys.

ARTICLE II

COMPENSATION

Section 2.01. Compensation for the foregoing bond counsel and disclosure counsel services set forth in Sections 1.01 and 1.02, shall be \$30,000 for bond counsel services and \$27,000 for disclosure counsel services, for a total fee of \$57,000, for Bonds to refinance the 2006 Bonds. Said fees shall be payable solely from the proceeds of sale of the Bonds when issued.

In addition, Attorneys shall be reimbursed for any costs advanced by Attorneys on behalf of the City, including delivery and messenger services, closing costs, duplication costs, printing or posting costs and expenses for travel, not to exceed \$2,500.

The fees set forth herein pertain to the ordinary and customary services rendered in connection with transactions of the types described in Section 1.01 and 1.02. If additional work is requested by the City, Attorneys shall be entitled to be compensated on the basis of its regularly hourly rates or reasonable fees to be agreed upon by the City. "Additional Work" would include, but is not limited to, applications to the Internal Revenue Service for any federal tax rulings, services relating to derivative products, investment agreements and interest rate swap documentation, litigation (including validation actions), bankruptcy preference opinions, "no merit" litigation opinions, and other unexpected matters. No Additional Work at hourly rates would be undertaken without the written direction of the City. Additional Work would not be contingent upon the issuance and delivery of the Bonds.

ARTICLE III

TERMINATION, ABANDONMENT, ASSIGNMENT AND AMENDMENT

Section 3.01. This Agreement may be terminated by either party on reasonable notice to the other. In the event of such termination or abandonment of the Refunding prior to its consummation, the City shall not be under any obligation to Attorneys except as provided in Section 2.01,

Section 3.02. This Agreement may be altered or amended in writing by mutual agreement of the parties at any time. You are advised that Attorneys maintain Professional Errors and Omissions insurance coverage applicable to the services which we would be rendering.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed in its corporate names, by its duly authorized officers and Attorneys have caused it to be executed in its firm name by one of its duly authorized officers, all as of the day and year first above written.

ATTEST:

CITY OF MERCED, on behalf of

Community Facilities District No. 2006-1
(Moraga of Merced) of the City of Merced

By: _____
Assistant City Clerk

By: _____
Title: _____

Approved as to Form:


By: _____
City Attorney

NORTON ROSE FULBRIGHT US LLP, a
member of Norton Rose Fulbright

By _____
Maryann L. Goodkind