

**AGREEMENT FOR LEGAL SERVICES  
(BOND COUNSEL AND DISCLOSURE COUNSEL SERVICES)**

THIS AGREEMENT FOR LEGAL SERVICES, dated as of August \_\_\_\_, 2025, is by and between the City of Merced, a California municipal corporation and charter city (including its related entities, "CITY"), and Jones Hall LLP ("ATTORNEY").

WITNESSETH:

WHEREAS, CITY from time to time needs attorneys to provide legal services and assistance to the CITY for municipal finance transactions, including to serve as Bond Counsel and/or Disclosure Counsel; and

WHEREAS, ATTORNEY is a firm with expertise serving as Bond Counsel and/or Disclosure Counsel for municipal bond issuances and similar municipal finance transactions, and is willing to provide such representation on such transactions.

NOW, THEREFORE, the parties agree as follows:

1. Scope of Services and Duties. CITY employs and retains ATTORNEY to provide legal services from time to time upon the request of the City Attorney to advise, assist and represent CITY with respect to such transactional matters as may be referred to ATTORNEY by the City Attorney (or other CITY staff, in consultation with the City Attorney), including as more particularly set forth in Exhibit A.

Services shall also include an annual audit letter provided by ATTORNEY at no charge to CITY.

To avoid any Section 1090 conflicts of interest, ATTORNEY's duties do not include participating in discussions or decisions about, or advising the CITY about, the desirability of authorizing, issuing, selling, executing, or delivering any bonds or other financing instruments ("Bonds"); the appropriate principal amount, interest rate, and other critical pricing terms of the Bonds; the desirability of using the Bonds to finance public improvements; or the desirability of the CITY's entering into contracts related to the issuance, sale, execution, or delivery of the Bonds. The City Council, assisted by the City's independent financial advisor, but without advice or assistance from Jones Hall, will decide whether authorizing, issuing, selling, or delivering the Bonds is in the CITY's best interests, what the principal amount, interest rate, and other critical pricing terms of the Bonds should be, and whether the CITY should enter into contracts related to the issuance, sale, execution, or delivery of the Bonds.

2. Specific Work Assignments. ATTORNEY shall receive work assignments from the City Attorney or designated staff. The work assignments shall generally be communicated by written notice from the City Attorney (or other CITY staff, in consultation with the City Attorney) to ATTORNEY. If a work assignment is communicated orally, ATTORNEY shall provide a written confirmation to the City Attorney describing the work assignment.

ATTORNEY shall take reasonable steps to keep City Attorney informed in writing of progress and immediately following any significant developments and/or meetings, and to respond to CITY inquiries.

Work performed for CITY shall be performed by and/or supervised by attorneys who are approved by the City Attorney and experienced in the practice area in which the services are being performed.

3. Attorney-Client Relationship. This Agreement creates an attorney-client relationship between CITY and ATTORNEY. Accordingly, the legal services performed pursuant to this Agreement will be protected by the attorney-client privilege unless the CITY waives the privilege or a court determines that the legal services are not subject to the privilege.

4. Fees for Services. As per industry standard for municipal finance transactions, unless otherwise agreed in writing, ATTORNEY will bill on a flat-fee, 100% contingent basis, with the amount determined and agreed upon on a case-by-case basis based upon the par amount of the financing (which quantifies in part securities risk exposure), and qualitative factors such as the amount of the work and complexity of the financing. Unless otherwise agreed in writing, ATTORNEY shall not track or bill time on an hourly basis, and fees to ATTORNEY shall be payable at the time of closing of each applicable financing out of the proceeds of the financing. The flat fee includes all reasonable post-closing follow-up work done at the request of the CITY.

5. Costs and Expenses. In addition to compensation for fees, CITY shall reimburse ATTORNEY for out-of-pocket costs and expenses incurred by ATTORNEY in connection with the legal services provided by ATTORNEY. Out-of-pocket costs and expenses include, but are not limited to, reasonable travel expenses, costs of serving pleadings, filing fees, other charges assessed by courts, county recorders, and other public agencies or consultants.

Reproduction costs incurred in the normal course of business, postage, long distance phone charges and fax transmission charges shall be considered ATTORNEY overhead and not directly charged to CITY.

6. Statements and Payments. ATTORNEY shall upon closing of each financing provide an invoice to the CITY for all fees and expenses. The invoice shall provide the par amount of the financing and a description of services performed in connection with the financing (i.e., Bond Counsel and/or Disclosure Counsel services).

7. Term; Termination; Amendments. This Agreement shall be effective upon execution thereof, and shall continue in effect until terminated by either party. This Agreement may be terminated by CITY, with or without cause, at any time upon written notice. However, ATTORNEY may terminate this Agreement only upon the consent of CITY or upon sixty (60) calendar days' written notice. Upon termination, ATTORNEY shall turn over all client files to CITY.

There shall be no amendment or modification to this Agreement except by written agreement between the parties.

8. Certifications. ATTORNEY certifies that ATTORNEY accepts this employment because ATTORNEY has the time, energy and ability necessary to perform the duties required in an efficient, trustworthy and business-like manner. ATTORNEY certifies that ATTORNEY will do its utmost to serve CITY effectively and represent CITY's interests vigorously and efficiently. ATTORNEY certifies that neither ATTORNEY nor any of its personnel assigned under this Agreement has personal or financial interest in, nor any connection with, the matter which is the subject of this agreement, or with any of the personnel, officers, agents or employees of the parties to such matter.

9. Independent Contractor. ATTORNEY is and shall be considered an independent contractor with respect to the performance of legal services under this Agreement.

10. Insurance. ATTORNEY agrees to continuously maintain, in full force and effect, the following minimum policies of insurance during the term of this Agreement.

<u>COVERAGE</u>	<u>LIMITS OF LIABILITY</u>
Workers' Compensation	Statutory
Commercial General Liability	\$2,000,000 each occurrence \$4,000,000 aggregate
Automobile Liability	\$1,000,000 combined single limit
Professional Liability	\$1,000,000 per claim

a. Form. ATTORNEY shall submit a certificate evidencing such coverage for the period covered by this Agreement in a form satisfactory to CITY, prior to undertaking any work hereunder.

b. Additional Insureds. Upon request, ATTORNEY shall also provide a separate endorsement form or section of the policy showing CITY, its officers, agents, employees and volunteers as additional insureds for each type of coverage, except for Workers' Compensation. Such insurance shall specifically cover the contractual liability of ATTORNEY. The additional insured coverage under the ATTORNEY's policy shall be primary and noncontributory, as evidenced by a separate endorsement or section of the policy, and shall not seek contribution from CITY's insurance or self-insurance. Any available insurance proceeds in excess of the specified minimum insurance coverage requirements and limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the full coverage and maximum limits of any insurance proceeds available to the named insureds, whichever is greater.

c. Cancellation/Modification. ATTORNEY shall provide ten (10) calendar days' written notice to CITY prior to cancellation or modification of any insurance required by this Agreement.

d. Umbrella/Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and excess insurance. Any excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of CITY (if agreed to in a written contract) before CITY's own insurance shall be called upon to protect it as a named insured.

e. Subconsultants. ATTORNEY shall not use any subconsultants.

f. Self-Insured Retentions. All self-insured retentions ("SIR") must be disclosed to CITY for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or CITY. CITY reserves the right to obtain a full certified copy of any insurance policy and endorsements. The failure to exercise this right shall not constitute a waiver of such right.

g. Waiver of Subrogation. ATTORNEY hereby agrees to waive subrogation which any insurer of ATTORNEY may acquire from ATTORNEY by virtue of the payment of any loss under a Workers Compensation, Commercial General Liability or Automobile Liability policy. All Workers Compensation, Commercial General Liability and Automobile Liability policies shall be endorsed with a waiver of subrogation in favor of CITY, its officers, agents, employees and volunteers for all work performed by ATTORNEY, its employees, agents and subconsultants.

h. Liability/Remedies. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve ATTORNEY of liability in excess of such coverage, nor shall it preclude CITY from taking such other actions as are available to it under any other provisions of this Agreement or law.

11. Indemnification. ATTORNEY shall indemnify and hold harmless CITY from and against any and all losses, claims, demands, damages, liabilities, actions, judgments and awards (collectively, "Claims") sustained by CITY that are determined in a final, binding judgment against ATTORNEY by a court of competent jurisdiction to have proximately resulted from professional negligence of ATTORNEY in connection with its performance of legal services under this Agreement. Nothing in this Section 11 shall obligate ATTORNEY to pay or reimburse CITY for any damages, legal costs or expenses incurred, including attorneys' fees, unless ATTORNEY is adjudicated liable for such damages, legal costs or expenses incurred, including attorneys' fees, in such a final judgment.

12. Notice. All notices, invoices, reports or other communication required by this Agreement shall be properly given if delivered in person, or sent by first class mail, facsimile, or overnight delivery to the following addresses:

CITY:

City of Merced City Attorney's Office  
Attn: Craig J. Cornwell  
678 West 18th Street  
Merced, CA 95340

ATTORNEY:

Jones Hall LLP  
Attn: James A. Wawrzyniak, Jr.  
4 West 4th Ave, Suite 406  
San Mateo, CA 94402

Either party may amend its address for notice by giving notice to the other party.

13. Disclaimer of Guarantee. ATTORNEY has made no promises or guarantees to CITY about the outcome of CITY's matter, and nothing in this Agreement shall be construed as such a promise or guarantee.

14. Assignment. Neither party to this Agreement shall assign any of its rights or obligations under this Agreement, except with the prior written consent of the other party. No assignment of this Agreement shall relieve the assigning party of any of its obligations under this Agreement until such obligations have been assumed by the assignee. Any assignment in violation of this paragraph shall be void.

15. Attorney's Fees; Venue; Governing Law. If either party commences any legal action against the other party arising out of this Agreement or the performance hereof, the prevailing party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

16. Severability. If any of the provisions contained in this Agreement are for any reason held invalid or unenforceable, such holding shall not affect the remaining provisions or the validity and enforceability of the Agreement as a whole.

17. Integrated Agreement. This is an integrated Agreement and contains all of the terms, considerations, understandings and promises of the parties. It shall be read as whole.

[Signature Page Follows]


IN WITNESS WHEREOF, CITY and ATTORNEY have caused this Agreement to be executed.

CITY OF MERCED

JONES HALL LLP

By: \_\_\_\_\_  
D. Scott McBride  
City Manager

By:  \_\_\_\_\_  
James A. Wawrzyniak, Jr.  
Partner

**APPROVED AS TO FORM:**  
  
Craig Cornwell  
City Attorney, City of Merced

**EXHIBIT A**  
**SCOPE OF SERVICES**

**I. Scope of Engagement as Bond Counsel.** ATTORNEY shall perform all of the following services as Bond Counsel in connection with each applicable financing:

- a. Consultation and cooperation with CITY staff and other consultants regarding the issuance of bonds or other financing instruments (herein "Bonds").
- b. Preparation of all legal proceedings for the authorization, issuance and delivery of the Bonds by the CITY, including (a) preparation of a resolution of the City Council authorizing the issuance and sale of the Bonds and approving related documents and actions, (b) preparation of all financing documents, including installment sale agreement, fiscal agent agreement and/or indenture of trust, (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 CITY, from the time ATTORNEY is hired as Bond Counsel until the Bonds are issued, as to compliance with federal tax law as required to ensure that interest on the Bonds intended to be issued as tax-exempt is exempt from California and federal income taxation.
- d. Upon completion of proceedings to ATTORNEY's 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 Bonds (if intended to be tax-exempt) is (a) excluded from gross income for purposes of federal income taxes and (b) exempt from California personal income taxation. The Bond Opinion will be addressed to the CITY, and may also be addressed to the underwriter of the Bonds and other participants in the financing.
- e. 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.
- f. Assist the CITY in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds.

- g. Such other and further services as are normally performed by Bond Counsel in connection with similar financings.

ATTORNEY's Bond Opinion will be delivered by ATTORNEY on the date the Bonds are exchanged for their purchase price (the "Closing"). The Bond 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 ATTORNEY's judgment as to the proper treatment of the Bonds for federal income tax purposes. ATTORNEY's opinion is not binding on the Internal Revenue Service ("IRS") or the courts. ATTORNEY 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. CITY acknowledges that future legislation, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Bonds. ATTORNEY will express no opinion regarding any pending or proposed federal tax legislation.

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

II. Scope of Services as Disclosure Counsel. ATTORNEY shall perform all of the following services as Disclosure Counsel in connection with each applicable financing:

- 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 CITY as to matters relating to the Official Statement.
- c. Attend all meetings of the CITY and any administrative meetings at which the Official Statement is to be discussed, deemed necessary by ATTORNEY for the proper exercise of their due diligence with respect to the Official Statement, or when specifically requested by the CITY to attend.
- d. On behalf of the CITY, prepare the bond purchase contract pursuant to which the Bonds will be sold to the underwriter and a continuing disclosure certificate of the CITY to assist the underwriter with complying with Securities and Exchange Commission Rule 15c2-12.



- e. Subject to the completion of proceedings to the satisfaction of ATTORNEY, provide a letter of ATTORNEY addressed to the CITY and the underwriter that, although ATTORNEY is 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 ATTORNEY have independently verified the accuracy, completeness or fairness of any such statements, no facts have come to ATTORNEY's attention that cause ATTORNEY 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 any bond insurance policy and any bond 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 ATTORNEY 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.

III. Scope of Services as CFD Counsel. ATTORNEY shall perform all of the following services as special counsel for community facilities district (CFD) matters:

- a. Perform all the legal services relating to (1) the establishment by CITY of one or more new CFDs and, as applicable, the annexation of territory to one or more existing CFDs, (2) the negotiation, execution and delivery of one or more acquisition agreements and (3) all other matters necessary to issue bonds secured by special taxes to be levied within any CFD established by CITY.
- b. Confer and consult with the officers and administrative staff of the CITY as to matters pertinent to each CFD.
- c. Without limitation of the foregoing, ATTORNEY shall: (1) Review each application from developer(s) relating to CFD matters, (2) coordinate signatures from the landowner voters required to establish or annex property into a CFD, and (3) draft and coordinate the recordation of Notice(s) of Special Tax Lien with the County Recorder.

IV. Other. ATTORNEY shall perform other legal services to CITY from time-to-time as agreed with the City Attorney, including but not limited to services related to General Obligation Bonds, Enhanced Infrastructure Financing Districts (EIFDs) or other tax increment districts.