

Agreement for Legal Services

2012 Montecito Retirement Association Installment Sale Financing

THIS AGREEMENT FOR LEGAL SERVICES is made and entered into this 13th day of March, 2012, by and between the COUNTY OF SANTA BARBARA (the "County"), and QUINT & THIMMIG LLP, San Francisco, California ("Attorneys").

WITNESSETH:

WHEREAS, Montecito Retirement Association (the "Borrower"), a nonprofit, public benefit corporation created and existing under the laws of the State of California, and operating in the County of Santa Barbara, has determined to refinance the acquisition, construction and equipping of retirement facilities located at 300 Hot Springs Road, Montecito, California, which facilities are owned and operated by the Borrower (the "Project") and, therefore, to provide for the redemption of the certificates of participation evidencing proportionate interests of the holders thereof in payments to be paid by the County from payments to be received from the Borrower, originally executed in the principal amount of \$19,310,000, of which \$13,025,000 is currently outstanding (the "2004 Certificates");

WHEREAS, the Borrower has requested the assistance of the County for the refinancing of the Project;

WHEREAS, the County is empowered by the laws of the State of California to acquire real and personal property and to dispose of the same through lease, lease-purchase or installment sale agreements, or otherwise, as may be necessary or convenient for the public purposes of the County;

WHEREAS, the County has agreed to act as conduit issuer for the Borrower to facilitate such financing;

WHEREAS, to refinance the Project and to refund the 2004 Certificates, the County and the Borrower will enter into a first installment sale agreement (the "First Installment Sale Agreement") pursuant to which the Borrower will sell certain facilities (the "Facilities") to the County and the County will agree to make purchase payments therefore;

WHEREAS, to obtain revenues to permit the County to make such payments under the First Installment Sale Agreement, the County will concurrently sell the Facilities back to the Borrower under a second installment sale agreement (the "Second Installment Sale Agreement") and the Borrower will make installment payments to the County;

WHEREAS, the County and the Borrower will each assign its respective right to receive payments under the First Installment Sale Agreement and the Second Installment Sale Agreement to Santa Barbara Bank & Trust, N.A. (the "Lender");

WHEREAS, the Lender will make an upfront payment in exchange for its right to receive the payments under the First Installment Sale Agreement and the Second Installment Sale Agreement and such amounts will be used to refinance the Project and to pay costs of issuance associated with the installment sale financing;

WHEREAS, the County requires the services of bond counsel in connection with the installment sale financing;

WHEREAS, the County has determined that Attorneys are specially trained and experienced to provide services for accomplishing such financing and Attorneys are willing to provide such services; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement for Legal Services.

NOW, THEREFORE, IT IS HEREBY AGREED, as follows:

Section 1. Duties of Attorneys. Attorneys shall provide legal services, as bond counsel, in connection with the authorization, issuance and consummation of the financing proceedings relating to the installment sale financing. Such services shall include the following:

(a) Confer and consult with the officers and administrative staff of the County as to matters relating to the financing proceedings;

(b) Attend all meetings of the County and any administrative meetings at which any proceedings are to be discussed, deemed necessary by Attorneys for the proper planning of the financing proceedings or when specifically requested to attend;

(c) Prepare any required resolutions, agreements, notices and legal documents necessary for the proper conduct of the financing proceedings relating to the installment sale financing;

(d) Review all financial documents for legal sufficiency;

(e) Prepare and provide signature and no-litigation certificates, arbitration certificates and any and all other closing documents required to accompany the installment sale financing;

(f) Prepare and provide complete transcripts of the conduct of the proceedings necessary to accompany the installment sale financing;

(g) Subject to the completion of proceedings to the satisfaction of Attorneys, provide the legal opinions of Attorneys that the interest with respect to the installment sale financing is excludable from gross income for purposes of federal income taxation and is exempt from California personal income taxation;

(h) Subject to the completion of proceedings to the satisfaction of Attorneys, provide the legal opinions of Attorneys approving the legality of the proceedings relating to the installment sale financing; and

(i) Confer and consult with County officials and agents with regard to problems which may arise during the servicing and payment of the installment sale financing.

Section 2. Compensation. For the services set forth under Section 1 above, Attorneys shall be paid a flat fee of \$35,000, inclusive of all out-of-pocket expenses. *Payment of said fees and expenses shall be entirely contingent upon* and shall be due and payable upon the completion of the installment sale financing and shall be payable solely from the proceeds of the installment sale financing or other moneys of the Borrower and from no funds of the County.

Section 3. Responsibilities of the County. The County shall cooperate with Attorneys and shall furnish Attorneys with certified copies of all proceedings taken by the County, or other deemed necessary by Attorneys to render an opinion upon the validity of such proceedings. All costs and expenses incurred incidental to the installment sale financing,

including the cost and expense of preparing certified copies of proceedings required by Attorneys in connection with the installment sale financing and any other expenses incurred in connection with the installment sale financing, shall be paid from the proceeds of the installment sale financing or from contributions by the Borrower.

Section 4. Exceptions. Any services rendered in any litigation involving the County or the proceedings relating to the installment sale financing are excepted from the services to be rendered for the above compensation. On-going advice and preparation of necessary documentation regarding compliance with section 148 of the Internal Revenue Code of 1986 relating to arbitrage limitations and rebate provisions, or related to continuing disclosure under the rules of the Securities and Exchange Commission, are also excepted from the services to be rendered for the above compensation. For such services which Attorneys are directed to render for and on behalf of the County, compensation shall be on the basis of reasonable fees to be agreed upon by the County and Attorneys.

Section 5. Termination of Agreement. This Agreement for Legal Services may be terminated at any time by the County, with or without cause, upon written notice to Attorneys. In the event of such termination, all finished and unfinished documents shall, at the option of the County, become its property and shall be delivered by Attorneys to the County.

Section 6. Entire Agreement. This Agreement is the entire agreement between the parties relating to the matters covered herein.

Section 7. Amendment. Any amendment to this Agreement shall be of no force and effect unless in writing and signed by both parties hereto.

Section 8. Conflict of Interest. Attorneys covenant that Attorneys presently have no employment or interest and shall not acquire any employment or interest, direct or indirect, including any interest in any business, property, or source of income, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Attorneys further covenant that in the performance of this Agreement, no person having any such interest shall be employed by Attorneys. Attorneys have conducted a conflicts evaluation and have discovered no potential conflicts, other than those disclosed to County prior to this Agreement. Attorneys shall inform County immediately of any potential ethical issues or conflicts that may arise in the course of Attorneys' representation of the County in this matter or at any time in the future, as soon as such an issue or conflict becomes known. County retains the right to waive a conflict of interest disclosed by Attorneys if County determines it to be immaterial, and such waiver is only effective if provided by County to Attorneys in writing.

Section 9. Independent Contractor. Attorneys shall perform all of the services hereunder as an independent contractor and not as employees of the County. Attorneys understand they shall not be entitled to any of the benefits of a County employee. It is understood and agreed that Attorneys have the professional skills and expertise necessary to perform the work agreed to be performed hereunder and that the County relies upon the expertise of Attorneys to do and perform their work in a skillful and professional manner, and Attorneys agree to so perform the work hereunder.

Section 10. Assignment. This Agreement shall not be assigned by either party without the prior written approval of the other.

Section 11. Nondiscrimination. The County hereby notifies Attorneys that the County's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement.

Section 12. Indemnification and Insurance. Attorneys agree to defend, indemnify and save harmless the County and to procure and maintain insurance in accordance with the provisions of Exhibit A attached hereto and incorporated herein by reference.

Section 13. Notices. All notices and other communications hereunder shall be sufficiently given and shall be deemed given (i) if hand delivered, when delivered to the appropriate notice address, (ii) if mailed by first class mail, postage prepaid, three business days after deposit in the United States mail addressed to the appropriate notice address or (iii) if delivered by courier providing receipt of delivery, when delivered to the appropriate notice address. The parties listed below may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

As to the County:

County of Santa Barbara
105 East Anapamu Street, Room 109
Santa Barbara, California 93101
Attention: Treasurer-Tax Collector

with a copy to:

Attention: County Counsel

As to Attorneys:

Quint & Thimmig LLP
575 Market St # 3600
San Francisco, CA 94105
Attention: Brian Quint

Section 14. Records, Audit, and Review. Attorneys shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Attorneys' profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. The County shall have the right to audit and review all such documents and records at any time during Attorneys' regular business hours and upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00) Attorneys shall be subject to the examination and audit of the State Auditor General for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7). Attorneys shall participate in any audits and review, whether by the County or the State, at no charge to the County.

Section 15. Standard of Performance. Attorneys represent that they have the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, Attorneys shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which Attorneys are engaged. All products of whatsoever nature, which Attorneys deliver to County pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in Attorneys' profession. Attorneys shall correct or revise any errors or omissions in any of the work performed by Attorneys under this Agreement, at County's request without additional compensation. All required permits and/or licenses required for Attorneys to perform the

services required under this Agreement shall be obtained and maintained by Attorneys without additional compensation.

Section 16. No Publicity or Endorsement. Attorneys shall not use County's name or logo or any variation of such name or logo in any publicity, advertising or promotional materials. Attorneys shall not use County's name or logo in any manner that would give the appearance that the County is endorsing Attorneys. Attorneys shall not in any way contract on behalf of or in the name of County. Attorneys shall not release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning the County or its projects without obtaining the prior written approval of County.

Section 17. California Law and Jurisdiction. This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

Section 18. Successors and Assigns. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

Section 19. Survival. All provisions of this Agreement which by their nature are intended to survive the termination or expiration of this Agreement shall survive such termination or expiration.

Section 20. Severability. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.


Section 21. Execution in Several Counterparts. This Agreement may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the County and Attorneys shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the County and Attorneys have executed this Agreement for Legal Services as of the date first above written.

COUNTY OF SANTA BARBARA

By _____
Chair, Board of Supervisors

QUINT & THIMMIG LLP

By  _____
Brian D. Quint, Partner

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

By: _____
Deputy

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Deputy County Counsel

By: _____
Deputy

APPROVED AS TO FORM:
RAY AROMATORIO,
RISK MANAGER

By: _____
Risk Manager

IN WITNESS WHEREOF, the County and Attorneys have executed this Agreement for Legal Services as of the date first above written.

COUNTY OF SANTA BARBARA

By _____
Chair, Board of Supervisors

QUINT & THIMMIG LLP

By _____
Brian D. Quint, Partner

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

By: _____
Deputy

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

By:  _____
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:
ROBERT W GEIS, CPA
AUDITOR-CONTROLLER

By:  _____
Deputy

APPROVED AS TO FORM:
RAY AROMATORIO,
RISK MANAGER

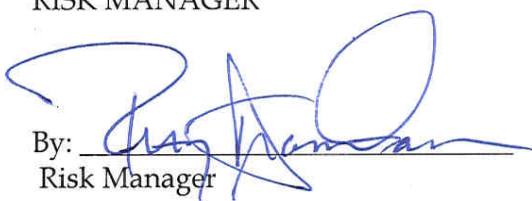
By:  _____
Risk Manager

EXHIBIT A

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS

For purposes of this Exhibit A, Attorneys are referred to as ATTORNEY and County is referred to as COUNTY.

1. Indemnification Pertaining to other than Professional Services – ATTORNEY agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of the performance by ATTORNEY of this Agreement from any cause whatsoever, including the acts, errors or omissions of ATTORNEY and for any costs or expenses (including but not limited to attorneys' fees) incurred by COUNTY on account of any such claim except where such indemnification is prohibited by law. Where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of COUNTY, the indemnity obligation shall be limited to the portion of the loss attributed to the comparative fault of ATTORNEY and shall not apply to the portion of the loss attributed to the comparative fault of COUNTY. ATTORNEY's indemnification obligation applies to COUNTY's "active" as well as "passive" negligence. ATTORNEY shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

Indemnification Pertaining to Professional Services – ATTORNEY shall indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities determined by a court of law to arise out of the negligent performance or negligent attempted performance of the provisions hereof; including any willful or negligent act or omission to act on the part of the ATTORNEY or his agents or employees or other independent contractors directly responsible to ATTORNEY to the fullest extent allowable by law.

These Indemnification provisions shall survive any expiration or termination of this Agreement.

2. Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability and Automobile Liability policies, shall contain endorsements naming COUNTY and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for COUNTY to vicarious liability but shall allow coverage for COUNTY to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

3. Waiver of Subrogation Rights – ATTORNEY shall require the carriers of required coverages to waive all rights of subrogation against COUNTY, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit ATTORNEY and ATTORNEY's employees or agents from waiving the right of subrogation prior to a loss or claim. ATTORNEY hereby waives all rights of subrogation against COUNTY.

4. Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by COUNTY.

5. Severability of Interests – ATTORNEY agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between ATTORNEY and COUNTY or between COUNTY and any other insured or additional insured under the policy.

6. Proof of Coverage – ATTORNEY shall furnish Certificates of Insurance to the COUNTY Department administering the Agreement evidencing the insurance coverage, including endorsements, as required, prior to the effective date of this Agreement, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and ATTORNEY shall maintain such insurance from the time ATTORNEY commences performance of services hereunder until the completion of such services. Immediately upon request of the COUNTY, ATTORNEY shall provide complete certified copies of the insurance policies and endorsements.

7. Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A VII".

8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 (\$75,000 with respect to Professional Liability Insurance) shall be declared to and approved by Risk Management.

9. Failure to Procure Coverage – In the event that any policy of insurance required under this Agreement does not comply with the requirements of this Agreement, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to cancel this Agreement.

10. Insurance Review – Insurance requirements are subject to periodic review by COUNTY. The Risk Manager or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of COUNTY. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against COUNTY, inflation, or any other item reasonably related to COUNTY's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. ATTORNEY agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements of this Agreement will not be deemed as a waiver of any rights on the part of COUNTY.

11. Insurance Specifications – ATTORNEY agrees to provide insurance set forth in accordance with the requirements herein. If ATTORNEY uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, ATTORNEY agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in any way affecting the indemnity herein provided and in addition thereto, ATTORNEY shall secure and maintain throughout the Agreement term the following types of insurance with limits as shown:

A Workers' Compensation/Employers Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with one million dollar (\$1,000,000) limits covering all persons including volunteers providing services on behalf of ATTORNEY and all risks to such persons under this Agreement.

If ATTORNEY has no employees, it may certify or warrant to COUNTY that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Risk Manager.

With respect to ATTORNEYS that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

B. Commercial/General Liability Insurance – ATTORNEY shall carry General Liability Insurance covering all operations performed by or on behalf of ATTORNEY providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000) per occurrence and a two million dollar (\$2,000,000) general aggregate limit.

C. Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If ATTORNEY owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

D. Professional Services Contracts - *(Including architects, engineers, consultants, counselors, medical professionals, hospitals, clinics, attorneys, accountants, and others who work on developing outcomes and make recommendations for strategic planning specific to the department or County)*

In addition to the Basic Requirements/Specifications for all Contracts, professional service contracts shall include the following additional requirements:

Professional Liability Insurance – ATTORNEY shall carry Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim or occurrence and two million (\$2,000,000) aggregate limits

or

Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits

or

Directors and Officers Insurance coverage with limits of not less than one million (\$1,000,000) shall be required for Contracts with charter labor committees or other not-for-profit organizations advising or acting on behalf of the County.

If insurance coverage is provided on a "claims made" policy, the "retroactive date" shall be shown and must be before the date of the start of the contract work. The claims made insurance shall be maintained or "tail" coverage provided for a minimum of five (5) years after contract completion.

D. Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.