

**AMENDMENT NO. 2 TO COUNTY OF SANTA BARBARA
AGREEMENT FOR SPECIAL COUNSEL SERVICES**

THIS AMENDMENT NO. 2 TO AGREEMENT is made and entered into as of this ____ day of _____, 2016, by and between the **COUNTY OF SANTA BARBARA**, a political subdivision of the State of California (the "County"), and **ORRICK, HERRINGTON & SUTCLIFFE LLP**, San Francisco, California ("Counsel").

R E C I T A L S

WHEREAS, this Amendment No. 2 amends the Agreement for Special Counsel Services (Resource Recovery Project) dated November 4, 2014 (the "Agreement"), between the County and Counsel, pursuant to which Counsel provided certain preliminary legal services (the "Phase I Services") incident to the development, financing and operation of a potential Resource Recovery Project (the "Project");

WHEREAS, the Agreement was amended by Amendment No. 1 to extend the term of the Agreement to November 3, 2016;

WHEREAS, the County and Counsel desire to amend the Agreement to include Phase II legal services;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, County and Counsel hereby amend the Agreement as follows:

Section 1 of the Agreement is hereby amended to read in full as follows:

Section 1. AGREEMENT FOR PHASE II SERVICES. Counsel shall render legal services as special counsel incident to a County financing for the Project using Certificates of Participation (COPs) as follows:

(a) Preparation of all resolutions, agreements (other than the COP purchase agreement, continuing disclosure agreement and credit or construction agreements), certificates, form of COPs and other papers and documents required in the relevant proceedings.

(b) Review of the COP purchase agreement and official statement and assistance with the sale of the COPs by negotiation.

(c) The preparation of documents for the delivery of the COPs and coordination of the closing.

(d) The rendering of Counsel's usual and customary legal opinion with respect to the COPs and the tax status thereof.

(e) Preparation of a transcript of the legal proceedings for the use of the County.

The services of Counsel under this agreement shall not include the following:

(a) While Counsel will review agreements related to the credit of the enterprise or construction of the Project, Counsel will not have primary responsibility for negotiating and drafting such agreements.

(b) Legal services in connection with litigation.

(c) Services relating to compliance with environmental laws.

(d) Rendering an opinion with respect to the official statement.

(e) Services relating to continuing disclosure and rebate.

Barring any conflict not otherwise waived or waivable, Counsel would be willing to perform such excluded services on such terms as might be mutually agreed to at the time. The performance by Counsel of services excluded by this paragraph, if required by the County, shall be under separate written agreement.

Section 2 of the Agreement is hereby amended to read in full as follows:

Section 2. *LEGAL FEES AND EXPENSES.* The County agrees to pay Counsel fees and expenses with respect to the issuance of tax-exempt/taxable COPs as follows:

- (i) Fixed fees and expenses for bond counsel services of \$65,000; plus
- (ii) An hourly rate of \$751.50/hour (standard hourly rate with a 10% discount) for tax counsel services performed by Rich Moore, not to exceed \$50,000.

The parties acknowledge that the financing structure is subject to change, and the foregoing assumes (1) an issuance of COPs not later than March 1, 2017 and (ii) a single closing of publically offered fixed rate revenue installment sale COPs in a negotiated sale. In the event that these assumptions are not correct, the parties agree to discuss an increase in fees that is mutually satisfactory.

Fees and expenses shall be paid as soon as practicable on or after the date of delivery of the COPs. If COPs are not issued, no amount shall be paid by the County to Counsel.

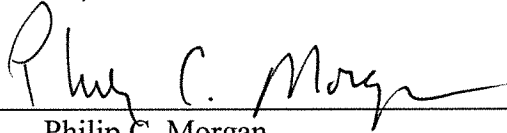
Section 3. *TERM.* The term of the Agreement shall continue through the date of issuance of the COPs.

Section 4. *ENTIRE AGREEMENT.* Except as amended hereby, all other terms and provisions of the Agreement shall remain in full force and effect.

Section 5. *EXECUTION IN SEVERAL COUNTERPARTS.* This Amendment No. 2 to 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 Counsel shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereof have executed this Amendment as of the date and year first above written.

ORRICK, HERRINGTON & SUTCLIFFE LLP

By 
Philip C. Morgan

COUNTY OF SANTA BARBARA

By _____
Chair of the Board of Supervisors

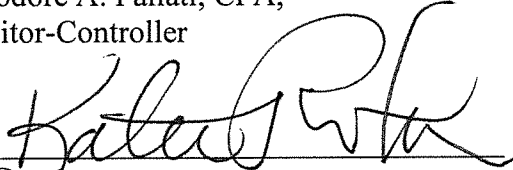
ATTEST:

Mona Miyasato,
Clerk of the Board of Supervisors

By _____
Deputy

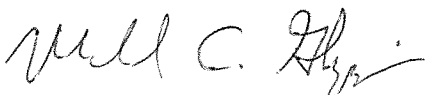
**APPROVED AS TO ACCOUNTING
FORM**

Theodore A. Fallati, CPA,
Auditor-Controller

By 
Deputy

**RECOMMENDED FOR APPROVAL
AND APPROVED AS TO FORM:**

Michael C. Ghizzoni,
County Counsel

By 
Deputy County Counsel

APPROVED AS TO FORM:

Ray Aromatorio,
Risk Manager

By 