

FORM APPROVED COUNTY COUNSEL
 BY: *[Signature]* 8/11/16
 DATE: GREGORY P. PRIAMOS

**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

387



FROM: Executive Office

SUBMITTAL DATE:
 August 11, 2016

SUBJECT: Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, 2016 Series A and Series A-T (Taxable), All, [\$225,000], Bond Proceeds 100%, **(Vote on Separately)**

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing pursuant to Section 6586.5 of the Government Code on the proposed issuance of bonds, making a finding of significant public benefit in connection with the issuance, and upon the closing of the hearing;
2. Adopt resolution 2016-185 approving the issuance of the \$39.785 million Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds 2016 Series A and Series A-T (Federally Taxable), for the financing of certain public capital projects, approving the execution and delivery of a site lease and a lease agreement, and other matters related thereto, and;
3. Authorize the Executive Office to execute the Agreement with Jones Hall, A Professional Law Corporation, for bond counsel services.

BACKGROUND:
Summary

Continued on pg 2

[Signature]
 Stephanie Persi
 Principal Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 225,000	\$ 0	\$ 225,000	\$ 0	Consent <input type="checkbox"/> Policy X
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Bond Proceeds
 Budget Adjustment: No
 For Fiscal Year: 2016-17

C.E.O. RECOMMENDATION:

APPROVE
 BY: *[Signature]* 8/15/2016
 Ivan M. Chand

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
 Nays: None
 Absent: None
 Date: August 23, 2016
 xc: E.O.

Kecia Harper-Ihem
 Clerk of the Board
 By: *[Signature]*
 Deputy

(Comp. Item 5-1C)

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: 10/21/08 9.1 | District: All | Agenda Number:

9-1

SUBMITTAL TO THE BOARD OF DIRECTORS OF THE RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, 2016 Series A and Series A-T (Taxable), All, [\$225,000], Bond Proceeds 100%, (Vote on Separately)

DATE: August 11, 2016

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

The 2016 Series Bonds are being issued to refund \$40,680,000 in bonds issued by the Riverside County Palm Desert Financing Authority (RCPDFA) in 2008 (the 2008A Bonds) to fund the construction of the Palm Desert Sheriff's Station, acquire the Bermuda Dunes Park site and the North Palm Springs Multi-Service Center. The refunding is an advanced refunding. With the exception of the Bermuda Dunes Park site, the lease assets will remain the same. The refunding will also provide \$11.3 million in new money for County projects. The existing Debt Service Reserve Fund and unspent Project Fund will be applied to the refunding escrow and a like amount re-borrowed as new money. This structure is required by bond counsel. The term of the bonds is being extended to benefit the County Budget. Annual refunding portion of the debt service will be about \$2.8 million through 2031 compared to current annual debt service of \$8.2 million through 2022. The approximate cash flow savings are \$34 million through 2022 and NVP savings are \$1.2 million over the term of the issue, purposely structured to be 3% + of the refunded bonds. This meeting the Board Policy B-24 requirement of at least a 3% savings threshold. This financing is designed to assist the County in managing its shorter term budget priority while also generating minimally required net present value (NPV) savings. The 2016 Series Bonds are secured by County leases of four facilities which include Palm Desert Sheriff Station, North Palm Springs Multi-Service Center, Mecca Library and Sheriff Station and the Rubidoux Family Care Center.

The Riverside County Palm Desert Financing Authority (PDFFA) was established in the 1990's to capture tax increment pass through revenues for the benefit of the desert communities that would have otherwise gone to the County General Fund. The PDFFA is a joint powers authority comprised of the County and the now dissolved Palm Desert Redevelopment Agency. The underlying lease payment schedules were crafted to reflect the expected pass through revenue that would otherwise flow directly to the County. Since the passage of the Governors' Redevelopment bill (AB1X 26), the County now receives the pass through revenue directly, which is used to pay the bonds. Utilizing the RCPDFA is not necessary and no longer beneficial. Therefore, the County has deemed its own Infrastructure Financing Authority as the most appropriate issuing entity.

This item has been approved by the Debt Advisory Committee.

Impact on Citizens and Businesses

The savings achieved by the refunding will help to reduce the debt obligation of the County and therefore allow for resources to be redirected to services for the citizens.

SUPPLEMENTAL:

Additional Fiscal Information

The savings will be realized by the general fund, which pays the current debt service on these bond issues.

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3 **RESOLUTION NO. 2016 – 185**

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5 **A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE**
6 **APPROVING THE ISSUANCE BY THE RIVERSIDE COUNTY INFRASTRUCTURE**
7 **FINANCING AUTHORITY OF NOT TO EXCEED \$45,000,000 AGGREGATE PRINCIPAL**
8 **AMOUNT OF LEASE REVENUE REFUNDING BONDS 2016 SERIES, APPROVING THE**
9 **EXECUTION AND DELIVERY OF A SITE LEASE AND A LEASE AGREEMENT, AND OTHER**
10 **MATTERS RELATED THERETO**

11
12 **WHEREAS**, the Riverside County Infrastructure Financing Authority (the "Authority") is a
13 joint exercise of powers authority, duly organized and existing under and pursuant to that certain
14 Joint Exercise of Powers Agreement, dated as of September 15, 2015 (the "Joint Powers
15 Agreement"), by and between the County of Riverside (the "County") and the Riverside County
16 Flood Control and Water Conservation District, and under the provisions of Articles 1 through 4
17 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of
18 the State of California (the "Act") and is authorized and empowered pursuant to Article 4
19 (commencing with Section 6584) of the Act to issue bonds for the purposes of financing and
refinancing public capital improvements;

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21 **WHEREAS**, the County desires to provide for the (i) refinancing of certain public
22 improvements (the "2008 Project") previously acquired, constructed and installed pursuant to
23 the provisions of a Sublease, dated as of November 1, 2008, by and between the County and
24 the Riverside County Palm Desert Financing Authority (the "Desert Financing Authority") and (ii)
25 financing of public capital improvements for the County consisting of the following (collectively,
26 the "2016 Project"): (a) the rehabilitation, including but not limited to seismic retrofitting, of the
27 County-owned building located at 4075 Main Street in the City of Riverside for use by the
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FORM APPROVED COUNTY COUNSEL
BY: *Debra A. Gardner*
DATE: 8/19/16
DATE AGARDNER

1 County's Law Offices of the Public Defender and (b) any other public improvements selected by
2 the County;

3 **WHEREAS**, in order to provide the funds necessary to refinance the 2008 Project and
4 finance the 2016 Project, the County and the Authority will enter into a Site Lease (the "Site
5 Lease"), whereby the County will lease to the Authority all or a portion of the real property, and
6 the improvements located thereon, listed at Exhibit A hereto (collectively, the "Leased
7 Property"), and the County and the Authority will enter into a Lease Agreement (the "Lease"),
8 whereby the County will sublease from the Authority the Leased Property;

9 **WHEREAS**, pursuant to an assignment agreement, the Authority will transfer certain of
10 its rights, title and interests in and to the Site Lease and the Lease, including its right to receive
11 lease payments due under the Lease, to U.S. Bank National Association, a national banking
12 association duly organized and existing under and by virtue of the laws of the United States of
13 America (the "Trustee");

14 **WHEREAS**, pursuant to an Indenture of Trust between the Authority and the Trustee, the
15 Authority will issue and deliver its Riverside County Infrastructure Financing Authority Lease
16 Revenue Refunding Bonds, 2016 Series A (the "Series A Bonds"), and its Riverside County
17 Infrastructure Financing Authority Lease Revenue Refunding Bonds, 2016 Series A-T (Federally
18 Taxable) (the "Taxable Series A-T Bonds" and, together with the Series A Bonds, the "Bonds"), in a
19 combined aggregate principal amount of not to exceed \$45,000,000, the proceeds of which will
20 be used to (i) refinance the 2008 Project through the refunding of the outstanding Riverside
21 County Palm Desert Financing Authority Lease Revenue Bonds (County Facilities Projects)
22 2008 Series A (the "Prior Bonds") and (ii) finance the 2016 Project;

23 **WHEREAS**, the Bonds will be secured by, among other things, the lease payments made
24 by the County under the Lease;

25 **WHEREAS**, in connection with the issuance and delivery of the Bonds, the County also
26 desires to approve the form of Escrow Deposit and Trust Agreement (the "Escrow Agreement")
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1 among the County, the Desert Financing Authority and Wells Fargo Bank, National Association,
2 serving as trustee in connection with the Prior Bonds;

3 **WHEREAS**, in connection with the issuance and delivery of the Bonds, the County also
4 desires to approve the form and distribution of a preliminary official statement (the "Preliminary
5 Official Statement") and the form of a purchase contract (the "Purchase Contract");

6 **WHEREAS**, to fulfill the requirements of Rule 15c2-12 under the Securities Exchange Act
7 of 1934, as amended (the "Rule"), the County and the Trustee will enter into a Continuing
8 Disclosure Agreement (the "Continuing Disclosure Agreement"), whereby the County will agree
9 to provide certain continuing disclosure reports;

10 **WHEREAS**, the County, in consideration of the Authority's determination to assist with
11 the refinancing of the 2008 Project as described above and financing the 2016 Project, has
12 agreed to indemnify and hold harmless the Authority in connection with entering into the Site
13 Lease and the Lease, as more particularly set forth in the Lease;

14 **WHEREAS**, there have been presented to this meeting proposed forms of the following
15 documents:

- 16 1. Indenture;
- 17 2. Site Lease;
- 18 3. Lease;
- 19 4. Agreement;
- 20 5. Purchase Contract;
- 21 6. Preliminary Official Statement, and
- 22 7. Continuing Disclosure Agreement;

23 **WHEREAS**, as a condition precedent to the issuance of the Bonds, Section 6586.5 of the
24 Act requires that the County approve the proposed lease financing by the Authority and that the
25 County make certain findings with respect to such financing, as hereinafter set forth, and
26 Section 6586.5 of the Act further requires that such approval be given and findings be made
27 only after a noticed public hearing thereon; and

28

1 **WHEREAS**, the County held a duly noticed public hearing on the date hereof for the
2 purpose of complying with the requirements of Section 6586.5 of the Act;

3 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE**
4 **COUNTY BOARD OF SUPERVISORS AS FOLLOWS:**

5 SECTION 1. Finding of Significant Public Benefits. Pursuant to the Act, the Board of
6 Supervisors hereby finds and determines that the issuance of the Bonds and the transactions
7 related thereto will result in significant public benefits within the contemplation of Section 6586
8 of the Act.

9 SECTION 2. Approval of Issuance of Bonds by the Authority. The issuance of the
10 Bonds by the Authority on the terms and conditions set forth in, and subject to the limitations
11 specified in, the Indenture and this Resolution, is hereby approved; provided, however, that (i)
12 the aggregate principal amount of Bonds shall not exceed \$45,000,000, (ii) the maturity of the
13 Bonds shall not exceed November 1, 2036 and (iii) the true interest cost with respect to the
14 Bonds shall not exceed 3.25% per annum. It is the intention of the County that the Taxable
15 Series A-T Bonds be subject to all applicable federal income taxation pursuant to Section 5900
16 et seq. of the Government Code of the State of California.

17 SECTION 3. Approval of Site Lease. The form of Site Lease presented at this
18 meeting is hereby approved and the County Executive Officer, the Assistant County Executive
19 Officer and the County Finance Director, or his or her designee (each, an "Authorized Officer"),
20 are hereby authorized and directed, for and in the name of and on behalf of the County, to
21 execute, acknowledge and deliver the Site Lease in substantially the form presented at this
22 meeting with such changes therein as the Authorized Officers executing the same may approve,
23 such approval to be conclusively evidenced by the execution and delivery thereof.

24 SECTION 4. Approval of Lease. The form of Lease presented at this meeting is
25 hereby approved and the Authorized Officers are hereby authorized and directed, for and in the
26 name of and on behalf of the County, to execute, acknowledge and deliver the Lease in
27 substantially the form presented at this meeting with such changes therein as the Authorized
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1 Officers executing the same may approve, such approval to be conclusively evidenced by the
2 execution and delivery thereof.

3 SECTION 5. Approval of Escrow Agreement. The form of Escrow Agreement
4 presented at this meeting is hereby approved and the Authorized Officers are hereby authorized
5 and directed, for and in the name of and on behalf of the County, to execute, acknowledge and
6 deliver the Escrow Agreement in substantially the form presented at this meeting with such
7 changes therein as the Authorized Officers executing the same may approve, such approval to
8 be conclusively evidenced by the execution and delivery thereof.

9 SECTION 6. Approval of Purchase Contract. Each Authorized Officer is hereby
10 severally authorized and directed to execute and deliver the Purchase Contract in the form
11 presented to this meeting, with Raymond James & Associates, Inc., as underwriter of the Bonds
12 (the "Underwriter"), with such changes therein as such Authorized Officer shall approve as
13 evidenced by the execution thereof; *provided, however,* that the underwriting fee payable
14 pursuant to the Purchase Contract shall not exceed 0.50% of the aggregate principal amount of
15 the Bonds and the maturity date, the principal amount of the Bonds and the interest rates
16 thereon shall be limited as specified in Section 2 hereof.

17 SECTION 7. Approval of Professional Services Agreement. Each Authorized Officer
18 is hereby severally authorized and directed to execute and deliver the Agreement with Jones
19 Hall, A Professional Law Corporation, for Professional Services in the form presented to this
20 meeting, with Jones Hall, A Professional Law Corporation, with such changes therein as such
21 Authorized Officer shall approve as evidenced by the execution thereof.

22 SECTION 8. Approval of Official Statement. The Preliminary Official Statement is
23 hereby approved and the same may be used and is hereby authorized to be used and
24 distributed in the market by the Underwriter incident to the marketing of the Bonds. Each
25 Authorized Officer is hereby authorized to (a) make such changes in such form of the
26 Preliminary Official Statement as such Authorized Officer, in consultation with County Counsel
27 and the Underwriter, shall determine to be appropriate, and (b) on behalf of the County, to deem
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1 such Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities
2 Exchange Act of 1934, as amended (the "Rule"). Each Authorized Officer is authorized and
3 directed to prepare a final Official Statement, with such additional information as may be
4 permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, which
5 final Official Statement shall be executed and delivered in the name and on behalf of the County
6 by an Authorized Officer, and such Authorized Officer is authorized and directed to prepare,
7 execute and deliver in the name and on behalf of the County any supplemental filings related to
8 such final Official Statement.

9 SECTION 9. Approval of Continuing Disclosure Agreement. The form of Continuing
10 Disclosure Agreement presented at this meeting is hereby approved and each Authorized
11 Officer is hereby authorized and directed, for and in the name of and on behalf of the County, to
12 execute, acknowledge and deliver the Continuing Disclosure Agreement in substantially the
13 form presented at this meeting with such changes therein as the Authorized Officer executing
14 the same may approve, such approval to be conclusively evidenced by the execution and
15 delivery thereof.

16 SECTION 10. Municipal Bond Insurance. The Authorized Officers, each acting alone,
17 are hereby authorized and directed to take all actions necessary to obtain a municipal bond
18 insurance policy for the Bonds from a municipal bond insurance company if it is determined,
19 upon consultation with C.M. de Crinis & Co., Inc. (the County's financial advisor) and the
20 Underwriter, that such municipal bond insurance policy will reduce the true interest costs with
21 respect to the Bonds.

22 SECTION 11. Other Acts. The officers and staff of the County are hereby authorized
23 and directed, jointly and severally, to do any and all things, to execute and deliver any and all
24 documents, which in consultation with Counsel to the County or with Jones Hall, A Professional
25 Law Corporation, the County's and Authority's bond counsel, they may deem necessary or
26 advisable in order to effectuate the purposes of this Resolution, and any and all such actions
27 previously taken by such officers or staff members are hereby ratified and confirmed.

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1 SECTION 12. Effective Date. This Resolution shall take effect upon adoption.
2 PASSED and ADOPTED this August 23, 2016.
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6 ROLL CALL:

7 Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
8 Nays: None
9 Absent: None

10 The foregoing is certified to be a true copy of a resolution duly
11 adopted by said Board of Supervisors on the date therein set forth.

12 KECIA HARPER-IHEM, Clerk of said Board

13 By  _____

14 Deputy
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EXHIBIT A

Leased Property

- (i) County library branch and sheriff office site on 66th Avenue in Mecca;
- (ii) Multi-service center site at 19531 McLane Street in North Palm Springs;
- (iii) Sheriff station site at 73705 Gerald Ford Drive in Palm Desert; and
- (iv) Health clinic/family care center site at 5256 Mission Boulevard in Rubidoux.

AGREEMENT WITH JONES HALL, A PROFESSIONAL LAW CORPORATION,
FOR PROFESSIONAL SERVICES

THIS AGREEMENT, dated as of August 1, 2016, is made by and between the COUNTY OF RIVERSIDE (hereinafter referred to as "COUNTY") and JONES HALL, A Professional Law Corporation (hereinafter referred to as "ATTORNEYS").

RECITALS

WHEREAS, the COUNTY desires to contract with ATTORNEYS to provide Bond Counsel professional legal services with regard to the proposed issuance of the 2016 Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds (the "Bonds"); and

WHEREAS, ATTORNEYS provide Bond Counsel professional legal services and are particularly well-qualified to perform the required services due to their legal competence and expertise; and

NOW THEREFORE, COUNTY and ATTORNEYS agree as follows:

1. Term. The term of this AGREEMENT shall begin immediately and shall continue until completion of the work described herein, unless sooner terminated.

2. Termination. Services performed under this AGREEMENT may be terminated in whole or in part at any time COUNTY deems to be in its best interest, as determined by COUNTY. COUNTY shall terminate services by delivering to ATTORNEYS a written Termination Notice executed by COUNTY and specifying the extent to which services are terminated and the effective termination date.

3. Effect of Termination. After receiving a Termination Notice and unless otherwise directed by COUNTY, ATTORNEYS shall: (1) take all steps necessary to stop services on the date and to the extent specified in the Termination Notice; (2) complete services not terminated by the Termination Notice; (3) submit any final billing for terminated services within thirty (30) days from the effective termination date; and (4) promptly submit a brief closing report advising COUNTY of the status of the matters being handled and give COUNTY copies or originals, as appropriate, of all files and attorney work product for all matters on which it has been working. This includes any computerized index, computer programs and document retrieval system created or used for these matters.

4. Professional Conflict of Interest. ATTORNEYS represent and warrant that no COUNTY employee whose position in COUNTY enables him/her to influence the award of this AGREEMENT or any competing agreement, and no spouse or economic dependent of such employee is or shall be employed in any capacity by ATTORNEYS, or shall have any direct or indirect financial interest in this AGREEMENT.

Anyone who is a former employee of COUNTY at the time of execution of this AGREEMENT or who subsequently becomes affiliated with ATTORNEYS in any capacity (employee, associate or partner) shall not (i) participate in the services provided by ATTORNEYS to COUNTY; or (ii) become a partner, shareholder or otherwise share in the profits of ATTORNEYS for a period of one year from the date the former COUNTY employee left COUNTY employment.

It is possible that some of the ATTORNEYS' present or future clients will have disputes with COUNTY during the time that ATTORNEYS are representing the COUNTY. COUNTY and

ATTORNEYS agree that should the situation arise where a new or existing client engages ATTORNEYS in any matter in a position adverse to COUNTY or in which COUNTY'S interest may be adversely affected, that ATTORNEYS will so advise COUNTY and upon receipt of such notice COUNTY may determine that the conflict may be waived or may determine that it is in the COUNTY'S best interest to terminate the services of ATTORNEYS. Should COUNTY determine that it is best to terminate the services of ATTORNEYS, COUNTY will notify ATTORNEYS of such decision. ATTORNEYS may then submit any outstanding invoices for payment up to the date of termination as determined by the notice from COUNTY.

5. ATTORNEYS' Services and Responsibilities. Upon appointment, ATTORNEYS shall provide COUNTY with the names of other professionals (partners, associates, law clerks, paralegal, etc.) who will assist in the provision of services under this AGREEMENT and the functions to be performed by each professional shall also be provided. ATTORNEYS' Supervising Attorney will be fully responsible for the quality of the work product. Within a law firm, research and minor work should be performed by the lowest level of personnel (e.g. junior attorneys, paralegal) capable of performing a given task. Responsibility for the quality of work product remains with ATTORNEYS' Supervising Attorney. The COUNTY retains the right to approve or disapprove any and all attorney assignments.

(a) Key ATTORNEYS Personnel.

- (1) ATTORNEYS' Supervising Attorney for this engagement shall be Steve Melikian. Any change in ATTORNEYS' Supervising Attorney shall be first authorized in writing by COUNTY. ATTORNEYS' Supervising Attorney shall have full authority to act for ATTORNEYS on all daily operational matters under this AGREEMENT.
- (2) Support attorneys and paralegals shall be designated by ATTORNEYS' Supervising Attorney and other attorneys or support staff may work on this matter as agreed upon on an as-needed basis.

Any change in staffing shall be made only upon telephonic or written notice, and consent by COUNTY, which consent shall not be unreasonably withheld.

6. Legal Representation. ATTORNEYS shall serve as Bond Counsel to the County and the Riverside County Infrastructure Financing Authority (the "Authority") as it relates to the proposed issuance of the Bonds and perform the usual and customary legal services of Bond Counsel to a California public entity issuer. To that end, ATTORNEYS shall provide COUNTY and the Authority with the necessary representation by staff qualified to perform the required legal tasks at the least costly billing category. ATTORNEYS' legal representation shall include, but not be limited to:

- (a) Reviewing and approving all aspects of the legality of the issuance of the Bonds and all related legal issues, including drafting, reviewing, and approving financing legal documents, and issuing appropriate legal opinions concerning the federal and state tax-exempt status of the issuance and other related matters.
- (b) Reviewing and approving other Bond related documents.
- (c) Providing legal research as necessary.

(d) Providing additional services as requested by the County and agreed to by ATTORNEYS related to the Bonds, the continued tax-exempt status of the Bonds, the substitution and release of leased properties, and other financing issues which may arise from time to time and for which ATTORNEYS shall be paid additional compensation by the County as agreed by the County, through the County Chief Executive Officer, and ATTORNEYS from time to time, but in any event at a rate no greater than ATTORNEYS' then-current hourly billing rates.

7. Initial Compensation Amount. The initial total payable under this AGREEMENT for Bond Counsel services rated to the initial issuance of the Bonds (and excluding any additional services that may be provided after the initial issuance of the Bonds) shall not exceed the amount set forth in the algorithm attached at Exhibit A.

8. Supervision of Agreement. This AGREEMENT shall be supervised on behalf of the COUNTY by Deputy County Executive Officer Ivan Chand.

9. Expenses. As it relates to additional compensation for Additional Services, COUNTY shall reimburse ATTORNEYS for their actual out-of-pocket expenses but without any additional costs for having advanced the funds or for expenses generally considered as overhead.

Reimbursable ordinary expenses shall include, but not be limited to: (i) Postage; (ii) Messenger service; (iii) Document reproduction by outside vendor; and (iv) In-house document reproduction, provided, however, that if amount charged in any one month exceeds \$500.00, prior approval of COUNTY shall be obtained.

Reimbursable extraordinary expenses shall include charges of which ATTORNEYS have obtained prior approval of COUNTY. Such expenses shall include, but not be limited to: (i) consultants; (ii) travel outside the State of California; (iii) investigative services and (iv) any expense item exceeding Five Hundred Dollars (\$500.00).

Non-reimbursable expenses shall include, but not be limited to: (i) staff time or overtime for performing secretarial, clerical, or word processing functions; (ii) charges for time spent to provide necessary information for COUNTY audits or billing inquiries; (iii) charges for work performed which had not been authorized by COUNTY, which work shall be a gratuitous effort by ATTORNEYS; and (iv) mileage or travel expenses from the regular office of ATTORNEYS to the County of Riverside offices.

10. Billings and Payments. As it relates to the initial issuance of the Bonds, ATTORNEYS shall submit its invoice for Bond Counsel services prior to the time of the closing and as directed by the County. As it relates to any Additional Services, ATTORNEYS shall submit its billing statement at least quarterly, but no more frequently than monthly, in arrears, no later than the last day of the month following the month(s) for which services were rendered, unless otherwise instructed by County in writing. The original billing statement(s) and one copy shall be submitted to:

Lani Sioson, Principal Management Analyst
4080 Lemon Street, 4th Floor
Riverside, CA 92501

The original of each billing statement shall have the declaration of ATTORNEYS' Supervising Attorney and shall be identified by a unique number and shall be itemized to include: (i) staffing level(s), hourly rates and specific activities for each attorney and/or paralegal; (ii) listing of each activity as a line Agreement between County & Jones Hall

item in a time reporting format acceptable to COUNTY with a detailed description of specific activities for each attorney and/or paralegal; (iii) total current period fees and total cumulative fees billed for each staffing level; and (iv) current period expenses and total cumulative expenses billed in itemized categories, including all invoices for disbursements paid to others.

It is the expectation of COUNTY that it will not be billed for ordinary overhead expenses, including (i) ordinary word processing; (ii) time to prepare and review billings; and (iii) local travel. Reimbursable charges would include (i) telephone calls; (ii) express mail when deemed necessary; (iii) fax charges; (iv) photocopy charges (within industry standards); and (v) travel time and expenses at prudent levels for travel out of the southern California area, with prior authorization of COUNTY.

ATTORNEYS shall have and maintain all backup documentation to support all entries included in the billing statement. Such documentation shall be in a form subject to audit and in accordance with generally accepted accounting principles. ATTORNEYS shall make such documentation available to auditors upon request and at such reasonable times and locations as may be agreed to between COUNTY and ATTORNEYS.

COUNTY shall make payment for Bond Counsel services related to the initial issuance of the Bonds from the Cost of Issuance Account under the respective indenture at the time of closing and upon successful issuance of the Bonds. Compensation for Bond Counsel services related to the initial issuance of the Bonds is conditional and contingent on the successful issuance, sale and closing of the Bonds.

COUNTY shall make payment(s) for Additional Services rendered under this Agreement monthly in arrears based on the itemized billing statement(s) ATTORNEYS submit to the COUNTY. The COUNTY shall review all billing statements in accordance with COUNTY policy and standards. COUNTY shall make its best effort to process payments promptly after receiving ATTORNEYS' monthly billing statement. COUNTY shall not pay interest or finance charges on any outstanding balance(s).

11. Confidentiality. ATTORNEYS shall maintain the confidentiality of all information which it may acquire arising out of or connected with activities under this AGREEMENT in accordance with all applicable federal, State and County laws, regulations, ordinances and directives relating to confidentiality, including the Code of Professional Responsibility. ATTORNEYS shall inform all of its principals, employees and agents providing services hereunder of the confidentiality provisions of this AGREEMENT. These confidentiality obligations shall survive the termination or expiration of this AGREEMENT.

12. Communications with COUNTY. ATTORNEYS recognize that their relationship with COUNTY and its agents, employees, officers and/or representatives is subject to the attorney-client privilege and that any information acquired during the term of this AGREEMENT from or through COUNTY is confidential and privileged. ATTORNEYS warrant that they shall not disclose or use in any manner whatsoever any of the information from COUNTY and its officers, employees and agents in connection with said relationships or proceedings. ATTORNEYS understand that the County Counsel is the empowered legal representative of COUNTY and its officers and employees and ATTORNEYS shall not without specific direction from the County Counsel communicate with, advise or represent the COUNTY legislative body.

13. Insurance. ATTORNEYS shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement.

- (a) Workers' Compensation: If the ATTORNEYS have employees as defined by the State of California, the ATTORNEYS shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.
- (b) Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of ATTORNEYS' performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this AGREEMENT or be no less than two (2) times the occurrence limit.
- (c) Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then ATTORNEYS shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.
- (d) Professional Liability: ATTORNEYS shall maintain Professional Liability Insurance providing coverage for performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If ATTORNEYS' Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement. Upon termination of this Agreement or the expiration or cancellation of the claims made insurance policy ATTORNEYS shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or, 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or, 3) demonstrate through Certificates of Insurance that ATTORNEY has maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this Agreement.
- (e) General Insurance Provisions - All lines:
- (1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk

Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

- (2) ATTORNEYS' insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager, ATTORNEYS' carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- (3) ATTORNEYS shall cause ATTORNEYS' insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *ATTORNEYS shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*
- (4) It is understood and agreed to by the parties hereto that ATTORNEYS' insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
- (5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5) years the COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required

herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by ATTORNEYS has become inadequate.

- (6) ATTORNEYS shall pass down the insurance obligations contained herein to all tiers of authorized subcontractors working under this AGREEMENT.
- (7) The insurance requirements contained in this AGREEMENT may be met with a program(s) of self-insurance acceptable to the COUNTY.
- (8) ATTORNEYS agree to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

14. Notices. All notices and required reports shall be written and hand-delivered or mailed by first class, postage prepaid, addressed to COUNTY or ATTORNEYS at the addresses below, or at any other address COUNTY or ATTORNEYS shall provide in writing to each other:

If to COUNTY: County Executive Officer
4080 Lemon Street, 4th Floor Annex
Riverside, CA 92501

If to ATTORNEYS: Steve Melikian, Esq.
475 Sansome St., Ste. 1700
San Francisco, CA 94111

15. Assignment. No part of this AGREEMENT or any right or obligation arising from it is assignable without the written consent of COUNTY. Any attempt by ATTORNEYS to assign or subcontract services relating to this AGREEMENT without the consent of COUNTY shall constitute a material breach of this AGREEMENT. However, ATTORNEYS may retain consultants and experts as ATTORNEYS deem appropriate after receiving the written approval of COUNTY.

16. Complete Agreement. This AGREEMENT shall constitute the complete and exclusive statement of understanding between COUNTY and ATTORNEYS which supersedes all previous written or oral agreements, and all prior communications between COUNTY and ATTORNEYS relating to the subject matter of this AGREEMENT.

Dated: 7/25/16

COUNTY OF RIVERSIDE

By: 

Dated: 7/20/16

JONES HALL, a Professional Law Corp.

By: 

EXHIBIT A

BOND COUNSEL COMPENSATION FOR INITIAL ISSUANCE OF THE BONDS

As compensation for the initial issuance of the Bonds, contingent upon the successful issuance, sale, and closing of the Bonds, ATTORNEYS shall be paid from the Cost of Issuance Account under the indenture for the Bonds the amount of \$70,000.

Notwithstanding the above, ATTORNEYS shall be entitled to additional compensation for Additional Services as set forth in this Agreement upon mutual consent of COUNTY and ATTORNEYS.