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WILLOWS UNIFIED
SCHOOL DISTRICT

January 19, 2012

Dr. Mort Geivett
Superintendent
Willows School District
823 West Laurel Street
Willows, California 95988

Re: Bond Counsel Services for General Obligation Bond Election

Dear Dr. Geivett:

We understand the District wishes to go forward with plans for a general obligation bond election for 2012. We would be delighted to be considered as Bond Counsel to the District on such a bond election, and we submit herewith our proposal for those services.

We understand that you are anticipating an election conducted under Prop 39, permitting approval with at least 55% of the vote. We would like to describe (in general) the legal services we would render on such a matter. While some of our services in a Prop 39 election occasionally overlap those of other parties to a transaction, we focus on the legal aspects of the process, and their impact on the bond issues you eventually hope to produce.

Our services when engaged as Bond Counsel for a general obligation bond election (the "Election") typically include the following: consultation with the District, interested Board members, a needs assessment consultant and your underwriter, on the phrasing and scope of the Bond Measure; insuring that the Bond Measure complies with State and County standards for length and scope; working with staff to develop a Project List in compliance with Prop 39; coordinating the delivery of certified copies of the Resolution to appropriate County officials; legal advice to the District regarding its relationship with the Bond Campaign, including use of facilities and participation by District officials and others (please note we cannot represent the Campaign itself); review and comment on forms of Argument and Rebuttals, if necessary; responses to press, if you choose; oversight of the canvass of votes and assembly of the transcript of Election Proceedings for your permanent files. All fees and charges associated with the foregoing process are fully contingent upon the success of the Election and are only due and payable upon the closing of the first series of Bonds issued. If you like we would also make an in-person presentation to senior staff of the District concerning the legal concerns facing the District during such a campaign.

Following a successful Election, the Firm assists the District and the underwriter to prepare for the first issue of Bonds. In this regard, we again consult with the District and the County to determine their requirements for the issue process. Because we have acted as Bond Counsel on a large number of general obligation bond matters, we are well familiar with these requirements and can respond to any reasonable schedule. We draft the forms of Resolution Authorizing Issuance for the District Board and the County Board of Supervisors, if necessary, to

consider, based on input from the District and your underwriter, and we also typically prepare the offering document, or Official Statement, used by the underwriters in offering your Bonds to the public. We assist in discussions with insurers and the rating agencies, make ourselves available for visits to New York or San Francisco to meet with them, as ordered by the District, and conduct a closing for the District in Los Angeles. Finally, we prepare and distribute the permanent transcripts of the Bond proceedings for your records.


Because the costs associated with our legal support during the Election period are paid with the first series of Bonds, subsequent series based on the same Bond Election incur fees at reduced levels, so long as you remain with Matt Juhl-Darlington & Associates as your Bond Counsel firm. These fees are good for the life of the bond authorization. We have enclosed a proposed Fee Schedule for your consideration, as Exhibit A to this letter.

Matt Juhl-Darlington & Associates represents a wide range of clients engaged in the municipal bond industry. We understand that you agree that this engagement shall not preclude the firm from undertaking the representation of others, including clients who may have business dealings with or interests opposed to those of the District, provided such representation does not violate standards of professional responsibility.

You are advised that the firm maintains Professional Errors and Omissions insurance coverage applicable to the services to be rendered under this engagement.

If you choose to engage us as Bond Counsel, you may do so by executing the enclosed copy of this letter and returning it to us in the envelope provided. We are very appreciative of this opportunity to be associated with the District and we look forward to hearing from you.

Very truly yours,


Matt Juhl-Darlington

Enclosures

APPROVED FOR WILLOWS
UNIFIED SCHOOL DISTRICT:

By: 

Exhibit A

***General Obligation Bond Fee Schedule
2012 Election***

Basic Services. When retained as Bond Counsel for a California school district, the Matt Juhl-Darlington & Associates law firm provides the following standard services on a fixed fee basis, with payment contingent upon the success of an election and the closing of the first bond issue:

Preparation of a Resolution Calling for Election, including review of survey results, if any, and Bond Measure and coordination with the County Registrar of Voters; preparation of a calendar of events in anticipation of the Bond Election; review and comment upon Ballot Arguments and Tax Rate Statement prepared by or on behalf of the District; canvassing results of the Bond Election; preparing materials authorizing the first issue of Bonds, including resolutions for the District and the County; negotiation of terms with the District's underwriter/financial advisor, County officials and rating agencies; publication of notices of sale, if appropriate, or review of Bond purchase agreement, and review of preliminary and final official statements; coordination of a closing in San Francisco or Los Angeles; and preparation and delivery of final transcripts of Bond proceedings. We deliver final approving opinions respecting the tax status and validity of the Bonds, as well as customary supplemental opinions and reliance letters.

Supplemental Services. The Firm does not include in its standard fees services such as the negotiation of interest rate swap agreements, travel to New York or San Francisco to meet with rating agency and bond insurer representatives, validation lawsuits or applications for tax relief before the Internal Revenue Services; however, all such services are available at discounted hourly rates, upon the request of the District. This segmentation permits us to keep our base rates as low as possible.

Disclosure Counsel Services. When retained as Bond Counsel for a general obligation bond matter, the Firm also provides Disclosure Counsel Services to the District, including the preparation of a Preliminary Official Statement and a final Official Statement intended for use by your Underwriter/Financial Advisor in the offering and sale of the bonds. Disclosure work requires "due diligence" to be conducted by the Parties; because we are already performing this "due diligence" in our role as Bond Counsel, we can provide these additional Disclosure Counsel services to the District at a significant savings. If the District did not contract with the Firm, this work would cost as much as 200% of our standard charge, when combined with Bond Counsel Services.

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Fee Schedules. For the Basic Services described above, the Firm proposes the following scheduled fees:

I. Bond Election and First Issue of General Obligation Bonds.

Minimum Fee: \$34,500

Principal Amount of Issue

Aggregate Fees

Up to \$4.0 Million

Minimum Fee

Above \$4.0 million and below
\$10.0 million

Minimum Fee, plus .0012 of
Principal Amount above \$4.0 million

Above \$10.0 million and below
\$20.0 million

Above sum, plus .0008 of
Principal Amount above \$10.0 million

II. Second and Subsequent Series of General Obligation Bonds under Same Authorization.

Above schedule, less 10%.

III. Expenses. Actual expenses incurred in support of the transaction. Expenses on a general obligation bond matter will range from \$1,500 to as much as \$5,000, depending upon the needs of the District, and can be estimated more precisely at the time the District elects to proceed with its first issue.

Fees and expenses are fully contingent but are due and payable in full at closing of the Bond transaction.

IV. Refundings. Current refundings of any outstanding issue of Bonds (on which the Firm has previously acted as Bond Counsel) can be done at the above fees, plus a surcharge of \$4,500 for the tax due diligence and related work; advance refundings are charged at the above fees, plus a surcharge of \$12,500, for the supplemental work involved, including delivery of a defeasance opinion.

V. Disclosure Counsel Services. When serving as Disclosure Counsel in addition to Bond Counsel for the District, the Firm would charge a fixed fee of \$15,000 for preparation of the Preliminary and final Official Statements, and preparation of the Continuing Disclosure Agreement which accompanies the latter.

VI. Supplemental Charges. The following services are available from the Firm as supplemental matters, paid at our regular hourly rates: applications for Private Letter Rulings from the IRS; conduct of audit responses for the District; negotiation of investment contracts, including float forward agreements; documentation of interest rate swap agreements; applications to the State

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Allocation Board for the approval of waivers of assessed valuation; and in-person participation in rating or bond insurance trips to San Francisco or New York. These services are available upon instruction from the District during the course of this contract.