

HOLLAND & KNIGHT LLP

50 California Street, Suite 2800
San Francisco, California 94111-4726
415-743-6900
415-743-6910 Fax
TELEX 4932246
www.hklaw.com

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June 4, 2004

STEPHEN L. TABER
(415) 743-6965

Internet Address::
staber@hklaw.com

Mr. Stephen A. Strawn
Treasurer-Tax Collector
County of Humboldt, California
825 Fifth Street, Room 125
Eureka, CA 95501-1100

Re: Engagement as Counsel

Dear Stephen:

Thank you for retaining us to represent the County of Humboldt, California to act as bond counsel in connection with the lease certificate of participation financing of an animal control facility.

Since this is the first project for the County of Humboldt since my move to Holland & Knight LLP, I am sending you this letter to confirm our engagement as counsel and to provide you with information concerning our fees, billing and collection policies, and other terms that will govern our relationship. Although I do not want to be overly formal, I believe it is a helpful practice on an initial project to confirm the nature and terms of our representation. Accordingly, attached to this letter is our firm's standard terms of engagement. Please review these and let me know if you have any questions concerning our policies.

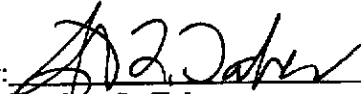
If the terms described in the attached terms of engagement are satisfactory, please so indicate by signing and returning the enclosed copy of this letter. If you have any comments, questions or reservations about any of those terms, please call me so we can discuss them.

Mr. Stephen A. Strawn
June 4, 2004
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We look forward to working with you on this matter and on other matters in the future.

Very truly yours,

HOLLAND & KNIGHT LLP

By: 
Stephen L. Taber

SLT:wp
Enclosure

APPROVED THIS ____ DAY OF
_____, 2004

COUNTY OF HUMBOLDT, CALIFORNIA

By: _____

TERMS OF ENGAGEMENT

We appreciate your decision to retain Holland & Knight LLP as your legal counsel. This document explains how we work, our obligations to you, your obligations to us, what we will do on your behalf, and how our charges will be determined and billed. Experience has shown that an understanding of these matters will contribute to a better relationship between us, and that in turn makes our efforts more productive.

Our engagement and the services that we will provide to you are limited to the matter identified in the accompanying letter. Any changes in the scope of our representation as described in the letter must be approved in writing. We will provide services of a strictly legal nature related to the matters described in that letter. You will provide us with the factual information and materials we require to perform the services identified in the letter, and you will make such business or technical decisions and determinations as are appropriate. You will not rely on us for business, investment, or accounting decisions, or expect us to investigate the character or credit of persons or entities with whom you may be dealing, unless otherwise specified in the letter.

Confidentiality and Related Matters

Regarding the ethics of our profession that will govern our representation, several points deserve emphasis. As a matter of professional responsibility, we are required to preserve the confidences and secrets of our clients. This professional obligation and the legal privilege for attorney-client communications exist to encourage candid and complete communication between a client and his lawyer. We can perform truly beneficial services for a client only if we are aware of all information that might be relevant to our representation. Consequently, we trust that our attorney-client relationship with you will be based on mutual confidence and unrestrained communication that will facilitate our proper representation of you. Additionally, you should be aware that, in instances in which we represent a corporation or other entity, our client relationship is with the entity and not with its individual executives, shareholders, directors, partners, or persons in similar positions, or with its parent, subsidiaries, or other affiliates. In those cases, our professional responsibilities are owed only to that entity, alone, and no conflict of interest will be asserted by you because we represent persons with respect to interests that are adverse to individual persons or business organizations who have a relationship with you. Of course, we can also represent individual executives, shareholders, partners, and other persons related to the entity in matters that do not conflict with the interests of the entity, but any such representation will be the subject of a separate engagement letter. Similarly, when we represent a party on an insured claim, we represent the insured, not the insurer, even though we may be approved, selected, or paid by the insurer.

Billing Practices and Fees

Fees. Our fees for this engagement will be based upon the standard hourly rates of the attorneys who provide services and the number of hours required to complete the

project. The hourly rate for Mr. Taber is \$425. The rates of other attorneys who may provide assistance range from \$180 to \$280 per hour (corporate and litigation associates), \$360 to \$440 per hour (litigation partners) to \$350 to \$550 per hour (bankruptcy partners). Notwithstanding the foregoing, our fee for this engagement will not exceed \$45,000.

Out-of-Pocket Expenses. In addition to legal fees, our statements will include out-of-pocket expenses that we have advanced on your behalf and our internal charges (which may exceed direct costs and allocated overhead expenses) for certain support activities. Advanced expenses generally will include such items as travel, postage, filing, recording, certification, and registration fees charged by governmental bodies. Our internal charges typically include such items as toll calls, facsimile transmissions (50¢ per page), overnight courier services, certain charges for terminal time for computer research and complex document production, and charges for photocopying materials (10¢ per page) sent to the client or third parties or required for our use. We may request an advance cost deposit (in addition to the advance fee deposit) when we expect that we will be required to incur substantial costs on behalf of the client.

Billing. Our statements for this matter will be rendered monthly and will contain a concise summary of the legal services rendered and fee charged. If our statements are not paid in a timely manner, we reserve the right to discontinue services. We are entitled to attorneys' fees and expenses if collection activities are necessary.

Questions About Our Bills. We invite you to discuss freely with us any questions that you have concerning a fee charged for any matter. We want our clients to be satisfied with both the quality of our services and the reasonableness of the fees that we charge for those services. We will attempt to provide as much billing information as you require and in such customary form that you desire, and are willing to discuss with you any of the various billing formats we have available that best suits your needs.

Relationships with Other Clients

Because we are a large, full-service law firm with offices located in Atlanta, Boston, Chicago, Los Angeles, New York, Portland, San Francisco, Seattle, Washington, D.C., Sao Paulo, Rio de Janeiro, Mexico City and throughout Florida, we may be (and often are) asked to represent a client with respect to interests that are adverse to those of another client who is represented by the firm in connection with another matter. Due to our substantial aviation finance and leasing practice, we typically represent a number of lessors, lenders, airlines and manufacturers on an ongoing basis. Just as you would not wish to be prevented in an appropriate situation from retaining a law firm that competes with Holland & Knight LLP, our firm wishes to be able to consider the representation of other persons who may be competitors in your industry or who may have interests that are potentially adverse to yours, but with respect to matters that are unrelated in any way to our representation of you. The ethics that govern us permit us to accept such multiple representations, assuming certain requirements are met.

During the term of this engagement, we agree that we will not accept representation of another client to pursue interests that are directly adverse to your interests unless and until we make full disclosure to you of all the relevant facts, circumstances, and implications of our undertaking the two representations, and confirm to you in good faith that we have done so and that the following criteria are met: (i) there is no substantial relationship between any matter in which we are representing or have represented you and the matter for the other client; (ii) any confidential information that we have received from you will not be available to the lawyers and other Holland & Knight LLP personnel involved in the representation of the other client; (iii) our effective representation of you and the discharge of our professional responsibilities to you will not be prejudiced by our representation of the other client; and (iv) the other client has also consented in writing based on our full disclosure of the relevant facts, circumstances, and implications of our undertaking the two representations. If the foregoing conditions are satisfied, you agree that we may undertake the adverse representation and that all conflict issues will be deemed to have been resolved or waived by you.

By making this agreement, we are establishing the criteria that will govern the exercise of your right under applicable ethical rules to object to our representation of another client whose interests are adverse to yours. If you contest in good faith the facts underlying our confirmation to you that the specified criteria have been met, then we will have the burden of reasonably supporting those facts.

Nuclear Free Humboldt County Ordinance Compliance

Holland & Knight LLP certifies by its signature below that Holland & Knight LLP is not a Nuclear Weapons Contractor, in that Holland & Knight LLP is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. Holland & Knight LLP agrees to notify the County immediately if it becomes a nuclear weapons contractor, as defined above. The County may immediately terminate this agreement if it determines that the forgoing certification is false or if Holland & Knight LLP becomes a nuclear weapons contractor.

Termination

Upon completion of the matter to which this representation applies, or upon earlier termination of our relationship, the attorney-client relationship will end unless you and we have expressly agreed to a continuation with respect to other matters. We hope, of course, that such a continuation will be the case. The representation is terminable at will by either of us. The termination of the representation will not terminate your obligation to pay fees and expenses incurred prior to the termination.

* * * * *

Your agreement to this engagement constitutes your acceptance of the foregoing terms and conditions. If any of them is unacceptable to you, please advise us now so that we can resolve any differences and proceed with a clear, complete, and consistent understanding of our relationship.

HOLLAND & KNIGHT LLP

By _____
Stephen L. Taber

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