

VEHBFA  
Commitment to Efficient Provision of Legal Services

*Cost Identification and Containment:*

1. Upon receipt of Term Sheet, if the transaction is a proposed direct placement, or a proposed public offering, Sidley Austin LLP (“Sidley”), as bond counsel, will develop a fee quote based on proposed scope of work and, if available, borrower billing history (if borrower billing history is unavailable, Sidley will attempt to identify a comparable transaction). The fee quote will be delivered to the Agency and the borrower.
  - a. In developing the fee quote, Sidley will attempt to identify potentially complex bond or tax law challenges, the resolution of which might require an adjustment to the fee quote, as contemplated below.
  - b. At the outset of the transaction, the Agency and Sidley should try to determine if the closing will take place in-person or by mail. In-person closings add substantial cost and, except in extraordinary circumstances, in-person closings will be attended by only one Sidley lawyer.
  - c. Along similar lines and to minimize costs, except in the case of extraordinary circumstances, only one Sidley lawyer will attend board meetings and only one Sidley bond lawyer and one Sidley tax lawyer will participate in telephone conferences.
  - d. Sidley will endeavor to provide the Agency with at least weekly updates, with caveats, as appropriate, as to our current billable time on a matter.
2. If Sidley or another member of the working group identifies a significant issue that represents a change in the scope of work that was used to develop the initial fee quote, Sidley will provide the Agency and the borrower with a revised fee quote. Sidley lawyers will be available to discuss the basis for the revised fee quote.
3. If Sidley determines that, on the basis of billable time spent by Sidley lawyers on the transaction, that it either has or will soon reach the fee quote or the revised fee quote, Sidley lawyers will inform the Agency and the borrower. At that time, based on communication among Sidley lawyers, the Agency staff and the borrower (including the borrower’s financial advisor, if any), either a revised fee quote will be prepared or Sidley will determine, in its own discretion, to cap the fee at the fee quote or the revised fee quote, as applicable.
4. At the closing of the transaction, Sidley will prepare and provide to the Agency and the Borrower a full accounting of cost, including, if applicable, the courtesy discount, which Sidley may provide in its discretion.