

AMENDMENT #1 TO AGREEMENT BY AND BETWEEN COUNTY OF MONTEREY & KNN Public Finance, LCC

THIS AMENDMENT #1 is made to the AGREEMENT for the provision of on call municipal advisory and transactional services by and between **KNN Public Finance, LCC**, hereinafter “CONTRACTOR”, and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as “County”.

WHEREAS, the County executed the original AGREEMENT on March 11, 2019; and

WHEREAS, the County and CONTRACTOR wish to amend the AGREEMENT to reflect the County’s exercise of the option to extend for two (2) additional years.

NOW THEREFORE, the County and CONTRACTOR hereby agree to amend the AGREEMENT in the following manner:

1. **Section 3.0, TERM OF AGREEMENT, shall be amended by removing** “The term of this Agreement is from **3/11/2019 to 3/10/2022**, unless sooner terminated pursuant to the terms of this Agreement”, **and replacing it with** “The term of this Agreement is from **3/11/2019 to 3/10/2024**, unless sooner terminated pursuant to the terms of this Agreement”.
2. **Section 4.0, SCOPE OF SERVICES AND ADDITIONAL PROVISIONS, shall be amended to the following:** *The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:*
Exhibit A-1: Revised Scope of Work
Exhibit B-1: Revised Fee Schedule
3. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT #1 and shall continue in full force and effect as set forth in the AGREEMENT.
4. A copy of this AMENDMENT #1 shall be attached to the original AGREEMENT that was effective March 11, 2019.
5. This Amendment #1 shall be effective when both parties have signed.

*This space left blank intentionally
~ Signature Page to Follow ~*

IN WITNESS WHEREOF, the parties have executed this AMENDMENT on the day and year written below.

MONTEREY COUNTY

DocuSigned by:
Debra R. Wilson

78721937AA0D41B...
Contracts/Purchasing Officer

Dated: 2/18/2022 | 10:45 AM PST

Approved as to Fiscal Provisions:

DocuSigned by:
Joey Nolasco

F60C442FL05B437...
Deputy Auditor/Controller

Dated: 2/18/2022 | 8:09 AM PST

Approved as to Liability Provisions:

DocuSigned by:
[Signature]

2EF8DC76EE5547F...
Risk Management

Dated: 2/17/2022 | 1:27 PM PST

Approved as to Form:

DocuSigned by:
[Signature]

2EF8DC76EE5547F...
County Counsel

Dated: 2/17/2022 | 1:27 PM PST

CONTRACTOR

DocuSigned by:
David Leifer

By: E641F6A9662C4B1...
Signature of Chair, President, or
Vice-President

David Leifer Manager

Printed Name and Title

Dated: 2/9/2022 | 4:59 PM PST

DocuSigned by:
David Leifer

By: E641F6A9662C4B1...
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)*

David Leifer Manager

Printed Name and Title

Dated: 2/9/2022 | 4:59 PM PST

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

EXHIBIT A - 1

Scope of Services for Municipal Advisory Services

I. On Call Municipal Advisory Scope of Services

- a. Serve as an Independent Registered Municipal Advisor (IRMA) to the COUNTY
- b. CONTRACTOR will review third-party recommendations submitted to CONTRACTOR in writing by the COUNTY if acting in the capacity of an IRMA with regard to the IRMA exemption of the SEC Rule
- c. Prepare Debt Affordability Model and analysis
- d. Conduct general financial analysis
- e. Prepare preliminary financing plans and debt service schedules for proposed financings
- f. Evaluate impact of potential new debt on COUNTY debt ratios and other credit metrics
- g. Develop financing plan for capital improvement needs
- h. Prepare cash flow analysis for revenue bonds and capital financing plans (i.e., Water Resources)
- i. Identify and evaluate funding alternatives and financing options for General Fund, Water Resources, or other department capital needs – i.e., lease financings (Certificate of Participation or Lease Revenue bond), GO bonds, revenue bonds, special assessments, internal loans
- j. Rating agency outreach and surveillance
- k. Investor outreach and relations programs
- l. Assist in developing COUNTY debt and other policies
- m. Monitor refunding opportunities
- n. Cash flow analysis (TRANSs, Revenue Bonds, Capital Financing Plans)
- o. Pension and OPEB financing analysis
- p. Assist preparation of Board agenda transmittals
- q. Provide municipal finance educational workshops for staff and Board
- r. Establish "Best Practices" for disclosure and continuing disclosure compliance
- s. Continuing disclosure filings and compliance
- t. Other Municipal Advisory services, as needed

II. Transaction Scope of Services for Financings

- a. Create and manage the Financing Schedule and Distribution List
- b. Assist in developing or refining plan of finance – i.e., projects to be financed, assets to be pledged, financing term, interest rate mode, etc.
- c. Prepare debt service numbers under different financing and market scenarios
- d. Assist in determining method of sale (i.e., competitive, negotiated, direct purchase)
- e. Conduct request for proposal process for counsel, underwriter(s), trustee, and/or other financing team members, as necessary
- f. Participate in review of legal documents and preliminary official statement. Attend due diligence, working group and Board of Supervisors meetings, as necessary
- g. Assist determination of key parameters for Board Resolution
- h. Assist COUNTY in securing rating(s) for the financing. Prepare rating agency presentation materials and accompany COUNTY staff to meetings, as necessary
- i. Assess the viability of bond insurance and surety bond policies, and if necessary, manage the process of obtaining and negotiating commitments
- j. Monitor tax-exempt and taxable market conditions
- k. Coordinate timing of sale for the financing
- l. For competitive sale, review Official Notice Inviting Bids, Official Notice of Sale, conduct pre-pricing market-update call, take lead in marketing of transaction to competitive underwriters, coordinate timing and logistics of competitive bid, including confirmation of bids on day of sale
- m. For negotiated sale, conduct underwriter RFP solicitation process, negotiate takedown and marketing plan, coordinate pricing activities including pricing comparables, secondary market trades, and make recommendations to COUNTY staff regarding scale adjustments
- n. Coordinate closing activities, including drafting Closing Wiring Instructions Memorandum
- o. Provide post-closing report

EXHIBIT B-1 - Fee Schedule

A. For CONTRACTOR services to be rendered under this Agreement, CONTRACTOR shall be paid a total contract amount, including cost reimbursements for a total maximum contract amount not to exceed \$100,000 consisting of:

I. Hourly Fee Schedule

For the On-Call Municipal Advisory Services set forth in **EXHIBIT A-1**, CONTRACTOR would be paid based on the following hourly rates, subject to annual increases not to exceed 3% per year:

<u>Title</u>	<u>Hourly Rate</u>
Senior Managing Director	\$375
Director	\$355
Vice President	\$325
Assistant Vice President	\$285
Associate	\$245
Analyst	\$215

II. Transaction Fee Schedule for Certificate of Participation and Other Financings

For the transaction services set forth in **EXHIBIT A-1**, CONTRACTOR will be paid a fixed transaction fee. Transaction fees generally are contingent on the successful closing of the financing and can be funded, along with other customary costs of issuance (i.e., bond counsel, disclosure counsel, trustee, rating fees, underwriting fees, etc.), through the bond issue, if desired. See **EXHIBIT C** for disclosure about contingent compensation.

CONTRACTOR typically negotiates transaction fees at the time the plan of finance for the debt offering is known. The fee is based on factors that impact complexity and time commitments, such as bond structure, number of series or projects financed, nature of pledged assets, credit structure, interest rate mode, the method of sale and the frequency with which the issuer has recently accessed the market. CONTRACTOR will provide fee comparables from other similar transactions that CONTRACTOR has served as municipal advisor.

For transactions that may occur during the term of the Agreement between the County and CONTRACTOR, the basis of compensation be set forth in an Amendment to the Agreement, in advance of the transaction.

III. Reimbursable Expenses

CONTRACTOR would seek reimbursement for actual out-of-pocket travel expenses and other costs associated with on-call advisory and transaction engagements, including color copying, outside printing and copying, conference calls, and outside sources of data. Included in these expenses is \$550 data charge for access to Bloomberg, TM3, and DBC subscription services, when utilized. CONTRACTOR shall obtain prior written authorization from the Assistant County Administrative Officer, or designee.

B. Billing Procedures

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

Disallowed Costs: Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

For the referenced On-Call Municipal Advisory Services, CONTRACTOR will invoice the County no more frequently than a monthly basis, and only after the County has issued a written authorization for specific "on call" services. CONTRACTOR will send an invoice to the County within thirty (30) days after the end of each month that "on call" services are provided, and the County shall pay within thirty (30) days following the receipt of the approved invoice.