
CONSULTING SERVICES AGREEMENT

This CONSULTING SERVICES AGREEMENT (this “Agreement”) is dated as of the latest date set forth on the signature page hereto (the “Effective Date”) and is entered into by and between Isom Advisors, a Division of Urban Futures Inc., a California corporation (“Advisor”), and Novato Unified School District (“District”).

RECITALS

WHEREAS, District wishes to issue certain bonds (the “Bonds”) and desires that Advisor provide to District certain Consulting Services (defined below) with respect to the Bonds; and

WHEREAS, Advisor desires to provide to District certain Consulting Services with respect to the Bonds on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties contained in this Agreement, the parties agree as follows:

AGREEMENT

1. **CONSULTING SERVICES.** District hereby retains Advisor to perform (i) the financial planning services set forth on Exhibit A hereto (“the Financial Planning Services”); and (ii) the Financial Advisory services set forth on Exhibit B hereto (the “Financial Advisory Services”); and Advisor hereby agrees to perform the Consulting Services pursuant to the terms and conditions of this Agreement.

2. **EFFECTIVE DATE, TERM AND CONDITIONS.** This Agreement shall be effective as of the Effective Date and shall remain in effect (i) until the date of issuance of the final series of Bonds, including any subsequent refinancings of Bonds or (ii) the later 5-year (five-year) anniversary of the Effective Date (the “Term”). The parties may extend the Term for successive 1-year (one-year) periods upon mutual agreement, or otherwise as the parties may agree.

3. **COMPENSATION.** Compensation for the Consulting Services provided to District pursuant to this Agreement shall be as set forth in this Section 3. All fees and expenses are contingent on the success of the Bond and sale of Bonds. Fees for Financial Planning Services shall be paid from the District’s general fund or other allowable sources. Fees for Financial Advisory Services shall be paid solely out of proceeds received by the District resulting from the sale of Bonds.

a. Fees.

i. For Financial Planning Services, District shall pay to Advisor a one-time fee of Fifteen Thousand Dollars (\$15,000) payable upon the closing of the first series of Bonds from District's general fund or other allowable sources.

ii. For Financial Advisory Services, District shall pay to Advisor a fee of Sixty-Five Thousand Dollars (\$65,000) for each series of Bonds sold, payable upon the closing of each series of Bonds (including, without limitation, the first).

b. Expenses.

i. District shall reimburse Advisor for out-of-pocket expenses incurred by Advisor in the course of performance of Consulting Services at the actual cost of such expenses, not to exceed \$500. Payment for any expenses pursuant to this Section 3(b) shall be made at the next following due date for payment of a fee pursuant to Section 3(a).

4. **COVENANTS.**

a. District.

i. Access to Personnel. District will cooperate with Advisor by providing opportunities to consult with District personnel as Advisor deems reasonably necessary to perform the Consulting Services.

ii. Information. District agrees to provide on a timely, diligent and accurate basis, and to the best extent possible, all necessary information reasonably requested by Advisor for the purpose of performing the Consulting Services.

iii. Additional Professional Services. District agrees to provide or authorize additional professional services (e.g., legal counsel, paying agent) as Advisor deems reasonably necessary to complete the Consulting Services and the Bond issuance. However, the District retains the sole discretion to hire any further consultants.

iv. Further Assurances. District agrees to take such further actions as may be reasonably necessary or appropriate to effectuate, carry out and comply with all of the terms of this Agreement and the transactions contemplated hereby.

b. Advisor.

i. Compliance with Laws. Advisor shall, at all times, comply with all laws, rules and regulations related to the subject matter of this Agreement and to which Advisor is subject.

5. **TERMINATION.**

a. This Agreement may be terminated prior to the conclusion of the Term as follows:

i. By either party upon the other party's material breach of any of its representations, warranties or obligations under this Agreement, provided that such breach is not cured within thirty (30) days of receipt of notice specifying the breach.

ii. At any time upon mutual written consent of the Parties.

6. **LIMITATION OF LIABILITY.**

a. Advisor Liability. The parties agree that Advisor's officers, directors, agents and employees shall not be personally liable to District for any damages in connection with this Agreement.

b. Limitation of Advisor Liability. Except to the extent finally determined to have resulted from the gross negligence, fraud or willful misconduct of Advisor, Advisor's liability to pay damages for any losses or claims incurred by District, regardless of the theory of liability asserted, is limited to no more than an amount equal to the total amount of the insurance required under this Agreement. In addition, Advisor shall not be liable in any event for lost profits, revenue or goodwill, or any other consequential, indirect, or incidental, damages.

c. District Liability. The parties agree that District's officers, directors, agents, and employees shall not be personally liable to Advisor for any damages in connection with this Agreement.

d. Limitation of District Liability. Except to the extent finally determined to have resulted from the gross negligence, fraud or willful misconduct of District, District's liability to pay damages for any damages, losses and claims incurred by Advisor, regardless of the theory of liability asserted, is limited to no more than an amount equal to the total amount of insurance required under this Agreement. In addition, District will not be liable in any event for lost profits, revenue or goodwill, or any other consequential, indirect, or incidental, damages.

e. Survival of Liability. The provisions of this Section 6 shall survive the expiration or termination of this agreement.

7. **CONFIDENTIALITY OF INFORMATION.** It is mutually agreed that Advisor shall regard all information received during the performance of services pursuant to this Agreement ("Confidential Information") as confidential and shall not disclose Confidential Information to any other person without prior written consent of District. Confidential

Information shall not include information that: (i) is, as of the time of its disclosure, or thereafter becomes, part of the public domain through a source other than Advisor; (ii) was known to Advisor as of the time of its disclosure; (iii) is independently developed by Advisor; or (iv) is subsequently learned from a third party not under a confidentiality obligation to District. In addition, Advisor shall be entitled to disclose Confidential Information to the extent such disclosure is required by the order of a court of competent jurisdiction, administrative agency, or other governmental body, provided that Advisor shall provide prompt, advance written notice thereof to enable District to seek a protective order or otherwise prevent such disclosure. The confidentiality obligations of Advisor shall survive the expiration or termination of this Agreement.

8. **ADDITIONAL MATTERS.**

a. Governing Law; Jurisdiction. It is expressly understood and agreed that this Agreement and all questions arising hereunder shall be construed according to the laws of the State of California, without giving effect to conflicts of law principles. All actions or proceedings arising directly or indirectly from this Agreement shall be litigated in the Superior Court located within Marin County, California and no other place. The parties consent to the jurisdiction thereof and the parties further agree not to disturb such choice of forum.

b. Political Contributions: Isom Advisors may choose of its own free will to contribute time, money, or resources to political campaigns associated with the passage of a bond measure. Prior to signing this agreement, Advisor has not made, considered, or discussed a contribution to any campaign connected with the referenced bonds. This agreement does not obligate Advisor to contribute to any particular campaign or election. Advisor has in no way committed to or indicated a willingness to contribute time, money, or resources to any campaign, or to make any other contribution.

c. Successors and Assigns. This Agreement shall not be assignable by either party without the prior express written consent of the other party hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

d. Amendments to Agreement. This Agreement may not be modified, amended or supplemented except by written instrument executed by all parties hereto.

d. Independent Contractor. Advisor shall have no authority to contract on behalf of the District. It is expressly understood and agreed by both parties that Advisor, its officers, agents and employees, while engaged in carrying out and complying with any terms and conditions of this Agreement, is an independent contractor.

e. Insurance. With respect to the performance of work under this Agreement, Advisor shall maintain insurance as described below:

(a) Worker's compensation insurance with statutory limits as required by the Labor Code of the State of California.

(b) Commercial or Comprehensive General Liability insurance covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than \$1,000,000 combined single limit for each occurrence and \$2,000,000 aggregate. Said insurance shall include, but not be limited to: premises and operations liability, independent contractor's liability, and personal injury liability. The District shall be named as an additional insured for the above policy.

(c) Professional Liability (Errors and Omissions) insurance for all activities of the Advisor arising out of or in connection with this Agreement in an amount no less than \$1,000,000 combined single limit for each occurrence.

(d) Documentation. The following documentation shall be submitted to the District:

(1) Properly executed Certificates of Insurance clearly evidencing all coverage, limits, and endorsements required above. Said certificates shall be submitted prior to the performance of any work under this Agreement.

(2) Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted within thirty (30) days of execution of this Agreement.

(3) Upon District's written request, certified copies of insurance policies. Said policy copies shall be submitted within thirty (30) days of District's request.

f. Nondiscrimination. Advisor shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, handicap or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

g. Conflict of Interest. Advisor represents that it presently has no interest which would conflict in any manner or degree with the performance of services contemplated by this Agreement. Advisor further represents that, in the performance of this Agreement, no person having such interest will be employed. Advisor further agrees that it shall at all times act in the best interests of the District when performing work under this Agreement.

h. Ownership of Results. Any interest of the Advisor in studies, reports, memoranda, computation sheets or other documents prepared by Advisor in connection with services to be performed under this Agreement shall become the property of and will be transmitted to the District.

i. Notice. All notices to be given by the parties hereto and other communications hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed telex, electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (iii) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt; or (iv) four days after deposit with a United States Post Office, first class postage prepaid and registered. All communications shall be sent as follows:

To Advisor:

Isom Advisors,
a Division of Urban Futures Inc.
1470 Maria Lane, Ste. 315
Walnut Creek, CA 94596
Attn.: Jonathan Isom, Managing Principal
Telephone: (925) 478-7450
E-mail: jon@isomadvisors.com

To District:

Novato Unified School District
1015 7th Street
Novato, CA 94945
Attn.: Jim Hogeboom, Superintendent
Telephone: (415) 897-4211
E-mail: jhogeboom@nusd.org

j. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

k. Entire Agreement. This Agreement (including the Exhibits attached hereto) contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the parties with respect to such subject matter. The Exhibits attached hereto constitute a part hereof as though set forth in full herein.

l. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the dates set forth below.

ADVISOR:

DISTRICT:

Isom Advisors,
a Division of Urban Futures Inc.

Novato Unified School District

By: _____

By: _____

Name: Jonathan Isom
Title: Managing Principal

Name: Jim Hogeboom
Title: Superintendent

Dated: _____, 2016

Dated: _____, 2016

EXHIBIT A

FINANCIAL PLANNING SERVICES

- Review District project list and assist District in preparing a capital and financing plan
- Analyze the assessed valuation of District, calculate bonding capacity, and perform financial analysis to determine possible bond proceeds
- Create a timeline; coordinate same with bond counsel, District, and County
- Recommend proposed bond amount, issuance schedule, and projects to be funded by bond program
- Assist bond counsel in the preparation of a bond resolution including preparing ballot language and detailed bond project list
- Prepare tax rate statement and estimates of tax rates for bond program
- Assist District, as needed, to assemble bond finance team members including bond counsel and underwriter; negotiate fees for same as needed

EXHIBIT B

FINANCIAL ADVISORY SERVICES

- Analyze the bond market to determine timing, credit enhancement requirements, structure, bond amount, legal documentation requirements, rating requirements, and method of sale
- Assist District, as needed, to assemble bond finance team members including bond counsel, paying agent, trustee, and underwriter
- Prepare timeline, distribution lists, and term sheets to manage financing
- Manage bond issuance process including the coordination with other finance team members (bond counsel, paying agent, trustee, and underwriter, if needed)
- Define the proposed structure including sizing, call provisions, amortization schedule, and phasing of debt service repayment
- Review legal documents including district and county resolutions, bond purchase agreements, Preliminary Official Statement, and Official Statement
- Prepare rating agency and insurer presentation; negotiate with analysts of same
- Assist in preparation and train District members for rating agency meetings
- Analyze tax base and recommend appropriate tax structure
- For competitive sale, review Notice of Sale and Bid Form, distribute bid documents to qualified underwriters and post bid documents, monitor and verify bids on day of sale, and coordinate award of winning bid
- For negotiated sale, discuss structure and tax rate objectives with underwriter, review proposed structure and scale and make recommendations as appropriate, review fees, and review final pricing
- Review closing documents including tax opinion, arbitrage certificate, and continuing disclosure certificate
- Prepare wrap up presentation booklets to summarize bond sale
- Manage pre-closing and closing
- Attend board meetings as needed to explain bond sale, legal documents, and pricing summary