

**PERSONAL SERVICES CONTRACT**

County of Nevada, California

This Personal Services Contract is made between the COUNTY OF NEVADA (herein "County"), and

**KNN Public Finance, LLC**

(herein "Contractor"), wherein County desires to retain a person or entity to provide the following services, materials and products generally described as follows:

(§1) **Financial Advisory and Transaction Services**

**SUMMARY OF MATERIAL TERMS**

(§2) **Maximum Contract Price:** \$77,500.00

(§3) **Contract Beginning Date:** 4/26/2016 **Contract Termination Date:** 06/30/2017

(§4) **Liquidated Damages:** NA

**INSURANCE POLICIES**

Designate all required policies:

		Req'd	Not Req'd
(§6)	<b>Commercial General Liability</b> (\$1,000,000)	<u>X</u>	<u>      </u>
(§7)	<b>Automobile Liability</b> (\$ 300,000) Personal Auto	<u>      </u>	<u>X</u>
	(\$1,000,000) Business Rated	<u>X</u>	<u>      </u>
	(\$1,000,000) Commercial Policy	<u>      </u>	<u>X</u>
(§8)	<b>Worker's Compensation</b>	<u>X</u>	<u>      </u>
(§9)	<b>Errors and Omissions</b> (\$1,000,000)	<u>X</u>	<u>      </u>

**LICENSES**

Designate all required licenses:

(§14) n/a

**NOTICE & IDENTIFICATION**

(§26) **Contractor: KNN Public Finance, LLC**  
1300 Clay Street, Suite 1000  
Oakland, CA,94612

**County of Nevada**  
950 Maidu Avenue  
Nevada City, California 95959

Contact Person: David Leifer  
(510) 208-8264  
e-mail: dleifer@knninc.com  
:

Contact Person: Martin Polt  
(530) 265-7040  
e-mail: Martin.Polt@co.nevada.ca.us  
Fund: '0101 - 10214- 272 – 1000 / 521500

**Contractor is a:** (check all that apply)

Corporation:	<u>      </u> Calif.,	<u>X</u> Other,	<u>      </u> LLC,	<u>      </u> Non-profit
Partnership:	<u>      </u> Calif.,	<u>      </u> Other,	<u>      </u> LLP,	<u>      </u> Limited
Person:	<u>      </u> Indiv.,	<u>      </u> Dba,	<u>      </u> Ass'n	<u>      </u> Other

**EDD:** Independent Contractor Worksheet Required:        Yes X No

**HIPAA:** Schedule of Required Provisions (Exhibit D):        Yes X No

**ATTACHMENTS**

Designate all required attachments:

	Req'd	Not Req'd
<b>Exhibit A: Schedule of Services</b> (Provided by Contractor)	<u>X</u>	<u>      </u>
<b>Exhibit B: Schedule of Charges and Payments</b> (Paid by County)	<u>X</u>	<u>      </u>
<b>Exhibit C: Schedule of Changes</b> (Additions, Deletions & Amendments)	<u>      </u>	<u>X</u>
<b>Exhibit D: Schedule of HIPAA Provisions</b> (Protected Health Information)	<u>      </u>	<u>X</u>

### Terms

Each term of this Contract below specifically incorporates the information set forth in the Summary at page one (1) above as to each respective section (§) therein, as the case may be.

### Services

**1. Scope of Services:**

Contractor shall provide all of the services, materials and products (herein "Services") generally described in **Exhibit "A"**, according to a performance schedule, if applicable, as set forth in said exhibit (herein "Performance Schedule"). If requested, Contractor agrees to serve as an expert witness for County in any third party action or proceeding arising out of this Contract.

### Payment

**2. Charges and Payments:**

The charges (herein "Charges") for furnishing the aforesaid Services under this Contract are set forth in **Exhibit "B"**, including, if applicable, hourly rates, unit pricing, and expense, mileage and cost limits. Said Charges shall be presented monthly by invoice, and shall be due within thirty (30) days of receipt unless payment is otherwise set forth in said **Exhibit "B"**, and shall remain in effect for the entire term of this Contract, and any extension hereof. In no event will the cost to County for Services to be provided under this Contract, including direct non-salary expenses, exceed the **Maximum Contract Price** set forth at §2, page one (1), above.

### Time for Performance

**3. Contract Term:**

This Contract shall commence on the **Contract Beginning Date** set forth at §3, page one (1), above. All Services required to be provided by this Contract shall be completed and ready for acceptance no later than the **Contract Termination Date** set forth at §3, page one (1), above.

**4. Liquidated Damages:**

County and Contractor agree that damages to County due to delays in timely providing Services in accordance with the aforesaid Performance Schedule and Contract Termination Date are impractical and difficult to ascertain. Therefore, if §4 at page one (1) hereof shall indicate a daily amount as **Liquidated Damages**, County shall have the right to assess said daily sum, not as a penalty, but as and for damages to County due to delays in providing Services not in accordance with the said Performance Schedule, or later than the Contract Termination Date (herein "Delay"). Liquidated Damages shall be offset against amounts owing to Contractor, including retention sums.

To the extent that any Delay is a result of matters or circumstances wholly beyond the control of Contractor, County may excuse said Liquidated Damages; provided however, that County may condition such excuse upon Contractor having given prompt notice to County of such delay immediately by telephone and thereafter by written explanation within a reasonable time. The time for Contractor's performance shall be extended by the period of delay, or such other period as County may elect.

**5. Time of the Essence:**

Time is of the essence with respect to Contractor's performance under this Contract. Delay in meeting the time commitments contemplated herein will result in the assessment of liquidated damages, if indicated at §4 at page one (1), hereof. If Liquidated Damages are not so indicated, damages shall be as otherwise provided by law.

### Insurance

**6. Commercial General Liability Insurance:** (County Resolution No. 90674)

If §6 at page one (1) hereof shall indicate a **Commercial General Liability** insurance policy is required, Contractor shall promptly provide proof of such insurance evidenced by a certificate of insurance with properly executed endorsements attached, which insurance shall include the following:

- (i) Broad form coverage for liability for death or bodily injury to a person or persons, and for property damage, combined single limit coverage, in the minimum amount indicated at said §6;

- (ii) An endorsement naming County as an additional insured under said policy, with respect to claims or suits arising from the Services provided or the relationships created under this Contract;
- (iii) A provision that said insurance shall be primary and other insurance maintained by the County of Nevada shall be excess only and not contributing with Contractor's insurance;
- (iv) A provision that said insurance shall provide for thirty (30) days written notice to County of any termination or change in coverage protection, or reduction in coverage limits (except ten (10) days notice for non-payment of premium).

**7. Automobile Liability Insurance:** (County Resolution No. 90676)

If §7 at page one (1) hereof shall require either a Business Rated or a Commercial **Automobile Liability** insurance policy, for each vehicle used including non-owned and hired automobiles, Contractor shall promptly provide proof of such insurance evidenced by a certificate of insurance with properly executed endorsements attached, which insurance shall include the following provisions:

- (i) Liability protection for death or bodily injury to a person or persons, property damage, and uninsured and underinsured coverage, combined single limit coverage, in the minimum amount indicated at said §7;
- (ii) An endorsement naming County as an additional insured under said policy, with respect to claims or suits arising from the Services provided or the relationships created under this Contract;
- (iii) A provision that said insurance shall be primary and other insurance maintained by the County of Nevada shall be excess only and not contributing with Contractor's insurance;
- (iv) A provision that said insurance shall provide for thirty (30) days written notice to County of any termination or change in coverage protection, or reduction in coverage limits (except ten (10) days notice for non-payment of premium).

If §7 at page one (1) hereof shall require a Personal Auto policy, for each vehicle used including non-owned and hired automobiles, Contractor shall promptly provide proof of such insurance for a minimum of three hundred thousand dollars, (\$300,000), in combined single limits, and naming the County as additionally insured.

**8. Worker's Compensation:** (County Resolution No. 90674)

If §8 at page one (1) hereof shall indicate a **Worker's Compensation** insurance policy is required, Contractor shall maintain said policy as required by law, and shall promptly provide proof of such insurance evidenced by a certificate of insurance, or other documentation acceptable to County.

Before commencing to utilize employees in providing Services under this Contract, Contractor warrants that it will comply with the provisions of the California Labor Code, requiring Contractor to be insured for worker's compensation liability or to undertake a program of self-insurance therefor.

**9. Errors and Omissions:**

If §9 at page one (1) hereof shall indicate **Errors and Omissions** insurance is required, Contractor shall maintain either a professional liability or errors & omissions policy in the minimum amount indicated, and shall promptly provide proof of such insurance evidenced by a certificate of insurance, or other documentation acceptable to County.

**10. Miscellaneous Insurance Provisions:** (County Resolution No. 90675)

All policies of insurance required by this Contract shall remain in full force and effect throughout the life of this Contract and shall be payable on a "per occurrence" basis unless County specifically consents to "claims made" coverage. If the County does consent to "claims made" coverage and if Contractor changes insurance carriers during the term of this Contract or any extensions hereof, then Contractor shall carry prior acts coverage.

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by County, its officers, agents and/or employees, shall be excess only and not contributing with insurance required or provided under this agreement.

At all times, Contractor shall keep and maintain in full force and effect throughout the duration of this Contract, policies of insurance required by this Contract which policies shall be issued by companies with a Best's Rating of B+ or higher (B+, B++, A-, A, A+ or A++), or a Best's Financial Performance Rating (FPR) of 6 or higher (6, 7, 8 or 9) according to the current Best's Key Rating Guide, or shall be issued by companies approved by the County Risk Manager. In the event the Best's Rating or Best's FPR shall fall below the rating required by this paragraph, Contractor shall be required to forthwith secure alternate policies which comply with the rating required by this paragraph, or be in material breach of this Contract.

Failure to provide and maintain the insurance policies (including Best's ratings), endorsements, or certificates of insurance required by this Contract shall constitute a material breach of this agreement (herein "Material Breach"); and, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to suspend payments hereunder, or terminate this Contract, or both. (See §13, ¶2, below, as these provisions additionally apply to subcontractors.)

**11. Indemnity:**

Nothing herein shall be construed as a limitation of Contractor's liability, and Contractor shall indemnify, defend and hold harmless the County and its officers, officials, employees, agents and volunteers from any and all liabilities, claims, demands, damages, losses and expenses (including, without limitation, defense costs and attorney fees of litigation) which result from the negligent act, willful misconduct, or error or omission of Contractor, except such loss or damage which was caused by the sole negligence or willful misconduct of County or its officers, officials, employees, agents and volunteers.

**Personal Services**

**12. Contractor as Independent:**

In providing services herein, Contractor, and the agents and employees thereof, shall act in an independent capacity and as an independent contractor and not as agents or employees of County.

**13. Assignment and Subcontracting:**

Except as specifically provided herein, the rights, responsibilities, duties and Services to be performed under this Contract are personal to the Contractor and may not be transferred, subcontracted, or assigned without the prior written consent of County. Contractor shall not substitute nor replace any personnel for those specifically named herein or in its proposal without the prior written consent of County.

Contractor shall cause and require each transferee, subcontractor and assignee to comply with the insurance provisions set forth herein at §§6, 7, 8, 9 and 10, to the extent such insurance provisions are required of Contractor under this Contract. Failure of Contractor to so cause and require such compliance by each transferee, subcontractor and assignee shall constitute a Material Breach of this agreement, and, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to suspend payments hereunder, or terminate this Contract, or both.

**14. Licensing and Permits:**

Contractor warrants (i) Contractor is qualified and competent to provide all Services under this contract; (ii) Contractor and all employees of Contractor hold all necessary and appropriate licenses therefor, including those licenses set forth at §14, page one (1) hereof; and, (iii) Contractor shall obtain, and remain in compliance with, all permits necessary and appropriate to provide said Services. Contractor shall cause said licenses and permits to be maintained throughout the life of this Contract. Failure to do so shall constitute a Material Breach of this agreement, and, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to suspend payments hereunder, or terminate this Contract, or both.

**Public Contracts**

**15. Prevailing Wage and Apprentices:**

To the extent made applicable by law, performance of this contract shall be in conformity with the provisions of California Labor Code, Division 2, Part 7, Chapter 1, commencing with Section 1720 relating to prevailing wages which must be paid to workers employed on a public work as defined in Labor Code §§ 1720, et seq.; and shall be in conformity with Title 8 of the California Code of Regulations §§ 200 et seq., relating to apprenticeship. Contractor shall comply with the provisions thereof at the

commencement of Services to be provided herein, and thereafter during the term of this Contract. A breach of the requirements of this section shall be deemed a material breach of this contract. A copy of the relevant prevailing wage as defined in Labor Code §1770 et seq. is on file with the Department of Transportation, County of Nevada, 950 Maidu Avenue, Nevada City, California 95959. Copies will be provided upon request.

**16. Accessibility (County Resolution No. 00190):**

It is the policy of the County of Nevada that all County services, programs, meetings, activities and facilities shall be accessible to all persons, and shall be in compliance with the provisions of the Americans With Disabilities Act and Title 24, California Code of Regulations. To the extent this Contract shall call for Contractor to provide County contracted services directly to the public, Contractor shall certify that said direct Services are and shall be accessible to all persons.

**17. Nondiscriminatory Employment:**

In providing Services hereunder, Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, political affiliation, ancestry, marital status or disability. This policy does not require the employment of unqualified persons.

**18. Prior Nevada County Employment (County Resolution No. 03-353):**

Effective July 22, 2003, it is the policy of the County of Nevada that former members of the Board of Supervisors, a former CEO, or a former Purchasing Agent, for a period of twelve (12) months following the last day of employment, shall not enter into any relationship wherein that former employee or former Board member receives direct remuneration from a legal entity that, during the last twelve (12) months of said employment or Board member's service, entered into a contract with, or received a grant from the County of Nevada. Provided however, that this prohibition shall not apply to any employee that did not personally approve a contract with or grant to said legal entity during the last twelve (12) months of said employment, and shall not apply when the Board of Supervisors did not approve a contract with or grant to said legal entity during the last twelve (12) months of said Board member's service.

A violation of this policy shall subject Contractor to all of the remedies enumerated in said resolution and as otherwise provided in law, which remedies shall include but not be limited to injunctive relief, cancellation and voiding of this contract by County, a return of grant money, a cause of action for breach of contract, and entitlement to costs and reasonable attorney fees in any action based upon a breach of contract under this provision.

**19. Cost Disclosure:**

In accordance with Government Code Section 7550, should a written report be prepared under or required by the provisions of this Contract, Contractor agrees to state in a separate section of said report the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of said report

**Default and Termination**

**20. Termination:**

A Material Breach of this Contract pursuant to the terms hereof or otherwise, in addition to any other remedy available at law or otherwise, shall serve as a basis upon which County may elect to immediately suspend payments hereunder, or terminate this contract, or both, **without notice**.

If Contractor fails to timely provide in any manner the services materials and products required under this Contract, or otherwise fails to promptly comply with the terms of this Contract, or violates any ordinance, regulation or other law which applies to its performance herein, County may terminate this Contract by giving **five (5) days written notice** to Contractor.

Either party may terminate this Contract for any reason, or without cause, by giving **thirty (30) calendar days written notice** to the other, which notice shall be sent by registered mail in conformity with the notice provisions, below. In the event of termination not the fault of the Contractor, the Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Contract. Contractor shall be excused for failure to perform services herein if such performance is prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.

County, upon giving **sixty (60) calendar days written notice** to Contractor, shall have the right to terminate its obligations under this Contract at the end of any fiscal year if the County or the State of

California, as the case may be, does not appropriate funds sufficient to discharge County's obligations coming due under this contract.

#### **Miscellaneous**

**21. Books of Record and Audit Provision:**

Contractor shall maintain complete records relating to this Contract for a period of five (5) years from the completion of Services hereunder. Said records shall include but not be limited to bids and all supporting documents, original entry books, canceled checks, receipts, invoices, payroll records including subsistence, travel and field expenses, together with a general ledger itemizing all debits and credits

Contractor shall permit County to audit said records as well as such related records of any business entity controlled by Contractor. Said audit may be conducted on Contractor's premises or at a location designated by County, upon fifteen (15) days notice. Contractor shall promptly refund any moneys erroneously charged and shall be liable for the costs of audit if the audit establishes an over-charged of five percent (5%) or more of the Maximum Contract Price.

**22. Intellectual Property:**

All original photographs, diagrams, plans, documents, information, reports, computer code and all recordable media together with all copyright interests thereto (herein "Intellectual Property"), which concern or relate to this Contract and which have been prepared by, for or submitted to Contractor, shall be the property of County, and upon fifteen (15) days demand therefor, shall be promptly delivered to County without exception. Provided however, for personal purposes only and not for commercial, economic or any other purpose, Contractor may retain a copy of Contractor's work product hereunder.

**23. Entire Agreement:**

This Contract represents the entire agreement of the parties, and no representations have been made or relied upon except as set forth herein. This Contract may be amended or modified only by written, fully executed agreement of the parties.

**24. Jurisdiction and Venue:**

This Contract shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Nevada County, California.

**25. Compliance with Applicable Laws:**

The Contractor shall comply with any and all federal, state and local laws, codes, ordinances, rules and regulations which relate to, concern or affect the Services to be provided by this Contract.

**26. Notices:**

This Contract shall be managed and administered on County's behalf by the department and the person set forth at §26, page one (1) of this Contract, and all invoices shall be submitted to and approved by this Department. In addition to personal service, all notices may be given to County and to Contractor by first class mail addressed as set forth at said §26 Said notices shall be deemed received the fifth (5th) day following the date of mailing or the earlier date of personal service, as the case may be.

**27. Authority:**

All individuals executing this Contract on behalf of Contractor represent and warrant that they are authorized to execute and deliver this Contract on behalf of Contractor.

**IN WITNESS WHEREOF**, the parties have executed this Contract effective on the Beginning Date, above.

**CONTRACTOR:**

\_\_\_\_\_  
Name: David Leifer  
Title: Senior Managing Director  
Dated: \_\_\_\_\_

**COUNTY OF NEVADA:**

\_\_\_\_\_  
Honorable Dan Miller  
Chair, Board of Supervisors  
Dated: \_\_\_\_\_

Attest: \_\_\_\_\_  
Julie Patterson Hunter  
Clerk of the Board of Supervisors

## **EXHIBIT "A"**

### **SCHEDULE OF WORK**

#### **County of Nevada Financial Advisory Services – Transaction Services**

The County requires financial advisory services with respect to the potential issuance of bond financing transactions related to the County Energy Conservation and Generation Project. Contractor is qualified to provide such services.

Contractor will:

1. Maintain a fiduciary duty to represent the County's interests, and maintain registry with the SEC as an Independent Registered Municipal Advisor, and with any other regulatory body requiring registration to provide financial advisory services under this agreement.
2. Provide the Following Services as needed for this transaction:
  - a. Develop a financing schedule, manage the completion of tasks, and schedule meetings/conference calls in a timely manner, including taking minutes/notes of those meetings as needed to ensure complete communication among participating parties and ensure that the financing closes on a timely basis.
  - b. Assist in the selection of financing team members as necessary, including counsel, trustee/escrow agent, placement agent, and verification agent.
  - c. Participate in meetings or conference calls with staff and make presentations to staff, the Debt Advisory Committee and the Board of Supervisors, as needed.
  - d. Coordinate the closing of the transaction.
  - e. Prepare Closing Memorandum that summarizes key features of the transaction, including pricing performance comparables.
  - f. Provide borrowing rate and other financing assumptions necessary to evaluate potential savings to be achieved from projects and financing.
  - g. Assist County with review of provisions of vendor agreements that could impact financing.
  - h. Assist the County in structuring a financing secured by the projects to be financed, including provisions regarding transfer of title, progress payments and other issues related to construction risk.
  - i. Assist the County in the review of legal documents, including Site Lease, Facilities Lease and Lease Purchase Agreement.
  - j. Assist the County in preparing a term sheet for the Placement Agent to use in soliciting bids.
  - k. Assist the County in reviewing bids received by the Placement Agent.



- l. Assist the County in negotiating business and financing terms with the selected Bank to best protect the County's interests.
  - m. Assist the County in locking in the interest rate for the financing and the final amortizations for each series.
  - n. Prepare debt service schedules and debt service savings analyses.
  - o. Evaluate alternative financing structures; design debt structure in light of County objectives, outstanding County debt amortization, County debt policy requirements and other relevant considerations.
  - p. Assist in allocating debt service between County and its special district partner, as needed.
  - q. Evaluate and make recommendations about method of sale, including competitive, negotiated, and direct purchase (including Treasury direct purchase) methods of sale.
  - r. Provide other transaction related services generally provided by Financial Advisors, as needed.
3. No provision of this agreement shall be construed to require the County to proceed with the close of the County Energy Conservation and Generation Project transaction. County may choose to proceed or decline to proceed, at its sole discretion, and Contractor acknowledges that County has made no express or implied promise to proceed. In the event that the County declines to proceed with the bond financing transaction, Contractor shall not be entitled to any payment whatsoever from County. Under no circumstances will Contractor or any of its subcontractors be entitled to or compensated for any direct or indirect loss arising from or relating to County's failure to proceed with the bond financing transaction. Such loss includes but is not limited to, loss of expected profits, business overhead, loss of productivity, and loss of opportunity to work on other projects.
4. Key Personnel—David Leifer and Bobby Cheung will be included as key personnel on this project, and shall be assigned the personal responsibility for directing the Contractor's work on behalf of the County hereunder, and shall remain in personal charge of such work for the duration of this Agreement.

## **EXHIBIT "B"**

### **SCHEDULE OF CHARGES**

#### **County of Nevada Financial Advisory Services – Transaction Services**

For the County's Energy Conservation and Generation Project and related bond financing, the County shall pay to Contractor a transaction services fee of \$75,000.00. Payment of the transaction fee is contingent on the successful sale and closing of the bonds. In the event that the County declines to proceed with the Energy Conservation and Generation Project bond transactions, Contractor shall not be entitled to any payment whatsoever from County.

As of the effective date of this agreement, all services provided by Contractor are assumed to be included in this agreement unless there is express written agreement between County and Contractor that a service falls outside of this agreement.

In addition to the transaction fee, Contractor shall be reimbursed for actual out-of-pocket expenses incurred in connection with the services in Schedule A, in an amount not to exceed \$2,500.00. Expenses shall include the following:

- a. Courier and delivery services; postage; laser, coro, photographic or offset printing and reproduction costs; use of company materials and supplies; document production, copying and binding; facsimile transmission; telephone; statistical data; and data processing.
- b. Reasonable travel costs, including meals, the use of personal automobiles, rental vehicles, lodging, and air travel.
- c. Other reasonable expenses directly related to the satisfactory performance of requested work.

Compensation to Contractor does not include bond counsel fees and expenses, rating fees, insurance premiums, trustee charges, title reports, placement agent fees and other costs incurred in connection with the County's financing program which shall be paid by the County.

For out-of-pocket expenses, by the 20<sup>th</sup> day of each month following the month of services, Contractor shall invoice to County for expenses incurred in the prior month. Out-of-pocket expense reimbursement items shall include receipts showing amounts paid. For transaction fee payment, Contractor shall submit an invoice for the flat fee amount to County by the 20<sup>th</sup> day of the month following the successful close of the Energy Conservation and Generation Project financing transactions.

County shall review invoices and notify Contractor within fifteen (15) working days if a cost is being questioned. Payment of approved invoice shall be made within thirty (30) days of receipt of complete, approved invoice.

Invoices shall be sent to: County of Nevada – County Executive Office – Attn: Martin Polt, Eric Rood  
Administrative Center – 950 Maidu Avenue, Suite 220, Nevada City, California 95959.