

GOVERNMENT FINANCIAL STRATEGIES MUNICIPAL ADVISORY SERVICES AGREEMENT

THIS AGREEMENT ("Agreement") is made this March 15, 2021, between Government Financial Strategies inc., a municipal advisory firm ("Government Financial Strategies") and Davis Joint Unified School District ("Client") who agree as follows:

1. Scope of Work. Government Financial Strategies shall perform the services described in the scope(s) of work attached hereto as Exhibit A (the "Work"). Modifications, deletions and additions to the Work described in Exhibit A may be made, from time to time, upon the subsequent written agreement by both parties.

2. Payment.

- a. In consideration for the Work to be provided by Government Financial Strategies under this Agreement, Client agrees to pay fees and expenses as set forth in Exhibit A.
- b. For Work performed on a time and materials basis, Government Financial Strategies shall submit invoices to the Client on a monthly basis. For Work performed for a fixed fee, Government Financial Strategies shall submit invoices to the Client upon the completion of the Work or as otherwise identified in Exhibit A.

3. Term.

- a. This Agreement shall terminate upon the later of the completion of the Work or June 30, 2025, unless earlier terminated as provided in subsection (b).
- b. This Agreement may be terminated by either party upon thirty (30) days advance written notice to the other party.
- c. Upon termination of this Agreement by either party, Client shall compensate Government Financial Strategies for all Work performed prior to termination. If the compensation identified in Exhibit A was on a time and materials basis, such compensation shall be based on time and materials incurred prior to termination. If the compensation identified in Exhibit A was on a fixed fee basis, such compensation shall be the greater of: 1) the percentage of services completed through the termination date multiplied by the fixed fee, or 2) the amount based on a time and materials basis, not to exceed the fixed fee. "Payment," "Ownership of Documents," "Indemnification," "Severability," "Governing Law and Venue," and "Entire Agreement" shall survive the termination of this Agreement.



4. Professional Ability and Loyalty. Government Financial Strategies represents that it possesses the skill to competently perform the Work, that it shall perform that Work in a manner equal to or exceeding generally accepted professional practices and standards for firms performing similar work, and that it will act in a manner it believes to be in the best interest of the Client rather than any third party.

5. Ownership of Documents. Every report, study, memo, letter, spreadsheet, worksheet, plan, graph, diagram, map, photograph, computer model, computer software and other document or item prepared by Government Financial Strategies under this Agreement and provided to and paid for by the Client (the "Work Product") shall be the property of Client, and Client shall have the right to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Government Financial Strategies. Government Financial Strategies may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Government Financial Strategies shall not provide any Work Product not previously made available to the public to any third party without Client's prior approval, unless compelled to do so by legal process. If Client reuses or modifies any Work Product for a use or purpose other than that intended by the Work under this Agreement, then Client shall hold Government Financial Strategies harmless against all claims, damages, losses and expenses arising from such reuse or modification.

6. Indemnification. Each party shall indemnify, defend, protect, and hold harmless the other party, including the other party's officers, employees, volunteers and agents, from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to, attorney's fees) directly arising from its negligent act or omission, willful misconduct or violation of law.

7. Insurance.

- a. Government Financial Strategies, at its sole cost and expense, shall procure and maintain for the duration of this Agreement workers compensation insurance in the amount required by statute, comprehensive general liability insurance with coverage of at least one million dollars (\$1,000,000) per occurrence and aggregate and professional errors and omissions insurance with coverage of at least one million dollars (\$1,000,000) per occurrence and aggregate.
- b. Upon request, Government Financial Strategies shall provide to Client the evidence of such insurance.

8. Municipal Advisor Registration. Government Financial Strategies is a municipal advisor registered with the Securities and Exchange Commission (registration number 867-00775) and the Municipal Securities Rulemaking Board (registration number K0127).



9. Conflicts of Interest. Government Financial Strategies is required to provide written disclosure to all municipal advisory clients about actual or potential conflicts of interest as well as certain other information. Exhibit B sets forth the potential conflicts of interest that we have determined presently exist as well as other information we are required to provide to you as a federally registered municipal advisor. Client acknowledges receipt of Exhibit B, and Client has been given the opportunity to discuss such matters with Government Financial Strategies. Except as expressly described in Exhibit B, Government Financial Strategies has no material conflicts of interest that might impair its fiduciary duty to the Client.

10. Independent Contractor. Government Financial Strategies shall be an independent contractor in performing the Work and shall not act as an agent or employee of Client. The employees of Government Financial Strategies and its subcontractors are not employees of Client within the meaning or application of any federal or state unemployment insurance laws, social security law or any worker's compensation, industrial accident law or other industrial or labor law.

11. Non-Discrimination. Government Financial Strategies will not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, sexual orientation, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.

12. Successors and Assigns. This Agreement shall bind and inure to the benefit of the successors and assigns of the parties; however, Government Financial Strategies shall not assign its rights and obligations under this Agreement without the prior written consent of Client, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Government Financial Strategies may subcontract a portion of the Work to its wholly-owned subsidiary, GFS Australia Pty Ltd, and its sole employee, Jonathan Edwards.

13. No Waiver of Rights. Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default.

14. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity, and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired.

15. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California. The county and federal district court where the Client's main office is located shall be venue for any state and federal court litigation concerning the enforcement or construction of this Agreement.

16. Notice. All notices that are required or permitted to be given under this Agreement shall be in writing and sent by either personal delivery, nationally recognized overnight courier service or



prepaid, first class United States postal mail. Notices shall be sent to the addresses listed below, or to such other address as either party may specify in writing:

Government Financial Strategies:

Government Financial Strategies
Attn: Lori Raineri
President
1228 N Street, Suite 13
Sacramento, CA 95814-5609

Davis Joint Unified School District:

Davis Joint Unified School District
Attn: Amari Watkins
Assoc. Superintendent of Bus. Services
526 B Street
Davis, CA 95616

17. Entire Agreement. This Agreement represents the sole, final, complete, exclusive and integrated expression and statement of the terms between the parties concerning the Work, and supersedes all prior oral and/or written negotiations, representations or contracts. This Agreement may be amended only by written agreement by both parties. Government Financial Strategies agrees to promptly amend or supplement this Agreement to reflect any material changes or additions to this Agreement.

IN WITNESS HEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives.

Government Financial Strategies inc.

Davis Joint Unified School District

By: Lori Raineri

Lori Raineri
President

By: Amari Watkins

Amari Watkins
Associate Superintendent of
Business Services



EXHIBIT A

SCOPE(S) OF WORK

Government Financial Strategies will provide general financial planning and advisory services to Client which include but are not limited to the following: a review of facilities needs and costs, a review of short term and long term cash flow schedules, identification and classification of existing and potential revenue sources, assistance with the production of a comprehensive financial plan, municipal advisory services in connection with any debt issues, participation in real estate negotiations, general background information on real estate acquisition and lease agreements, allocation of revenues to expenditures, development of financial strategies, reviews of documents, and presentations to the governing board. Such services will be provided as requested by Client.

In consideration of the services provided, Client will pay Government Financial Strategies hourly fees of \$280¹ for services, plus out-of-pocket expenses (such as mileage, meals, etc.). For travel time, Client will pay Government Financial Strategies hourly fees of \$140¹.

¹ It is contemplated that Government Financial Strategies will adjust its standard hourly rates under this scope of work each year effective July 1, 2022 and each July 1 thereafter unless the Agreement is terminated or this provision is modified in writing.



EXHIBIT B

DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION

Conflicts of Interest

Government Financial Strategies is required to provide written disclosure to all municipal advisory clients about the actual or potential conflicts of interest presented by our representation of Client.

Other Municipal Advisory Clients. Government Financial Strategies serves a wide variety of clients, some of which may have overlapping jurisdictions with Client and/or may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, Government Financial Strategies serves as municipal advisor to other municipal advisory clients and, in such cases, depending on the client, may owe a fiduciary duty to such other clients. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, Government Financial Strategies could potentially face a conflict of interest arising from these competing client interests. However, with respect to this potential conflict, Government Financial Strategies mitigates such conflict through adherence to its fiduciary or similar duty to its municipal advisory clients which requires it to, amongst other things, deal honestly and with good faith with its clients and to act in Client's best interests without regard to the financial or other interests of Government Financial Strategies.

Outside Business Activity – Government Finance Education Institute. The President of Government Financial Strategies, Lori Raineri, serves on the Board of Directors and as the Executive Director of Government Finance Education Institute, a nonprofit public benefit corporation organized for the primary purpose of providing educational information to help public agencies identify practical methods to increase efficiency, reduce costs and be good stewards of public funds. In acting in her role with Government Finance Education Institute, Lori Raineri may from time to time have interests that could have a direct or indirect impact on the interests of Client and could potentially face a conflict of interest. However, with respect to this potential conflict, Government Financial Strategies mitigates such conflict through adherence to its fiduciary or similar duty to its municipal advisory clients which requires it to, amongst other things, deal honestly and with good faith with its clients and to act in Client's best interests without regard to the financial or other interests of Government Financial Strategies.

Primary Residence. The President of Government Financial Strategies, Lori Raineri, and the Chief Operating Officer of Government Financial Strategies, Richard Malone, both own property and maintain their primary residences within the boundaries of the District. As a result, both Lori Raineri and Richard Malone may from time to time have personal interests that could be in conflict with the interests of Client. However, with respect to this potential conflict,



Government Financial Strategies mitigates such conflict through adherence to its fiduciary or similar duty to its municipal advisory clients which requires it to, amongst other things, deal honestly and with good faith with its clients and to act in Client's best interests without regard to the financial or other interests of Government Financial Strategies or its officers or employees.

Employment Relationship. Stephanie Malone, the wife of the Chief Operating Officer of Government Financial Strategies, Richard Malone, is an employee of Client. As a result, Richard Malone may from time to time have personal interests that could be in conflict with the interests of Client. However, with respect to this potential conflict, Government Financial Strategies mitigates such conflict through adherence to its fiduciary or similar duty to its municipal advisory clients which requires it to, amongst other things, deal honestly and with good faith with its clients and to act in Client's best interests without regard to the financial or other interests of Government Financial Strategies or its officers or employees.

Employment Relationship. An employee of Government Financial Strategies, Bruce Colby, is currently a part-time employee of Client and was formerly the Chief Business and Operations Officer of Client. As a part-time employee and former Chief Business and Operations Officer of Client, Bruce Colby may have influence over the decision by Client to retain the services of Government Financial Strategies. However, with respect to this potential conflict, Government Financial Strategies mitigates such conflict through adherence to its fiduciary or similar duty to its municipal advisory clients which requires it to, amongst other things, deal honestly and with good faith with its clients and to act in Client's best interests without regard to the financial or other interests of Government Financial Strategies or its officers or employees.

Government Financial Strategies has determined, after exercising reasonable diligence, that it has no other known material conflicts of interest that would impair its ability to provide advice to the Client in accordance with its fiduciary duty to municipal entity clients such as the Client. To the extent any material conflicts of interest arise after the date of this Agreement, Government Financial Strategies will provide information with respect to such conflicts in the form of a written amendment or supplement to this Agreement in a timely manner.

Municipal Advisor Registration, Legal and Disciplinary Events

Government Financial Strategies is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") (registration number 867-00775) and the Municipal Securities Rulemaking Board ("MSRB") (registration number K0127). As part of this registration Government Financial Strategies is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Government Financial Strategies. Pursuant to MSRB Rule G-42, Government Financial Strategies is required to disclose any legal or disciplinary event that is material to the Client's evaluation of Government Financial Strategies or the integrity of its management or advisory personnel. Government Financial Strategies has determined that no such event exists.



Copies of Government Financial Strategies filings with the United States Securities and Exchange Commission can be found by accessing the SEC's EDGAR system Company Search Page which is available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Government Financial Strategies or for our CIK number which is 0001617177.

There have been no material changes to the legal or disciplinary events that Government Financial Strategies has disclosed to the SEC.

Client Brochure

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

MEMORANDUM

To: Amari Watkins
From: Rich Malone *REM*
Date: March 15, 2021
Re: Scope of Work to Provide Continuing Disclosure Services

Amari, as you know, at the time a school district issues municipal securities such as bonds, certificates of participation, notes or other debt in the public markets, the school district enters into an agreement with the underwriter to continue to provide certain information to the public as long as such debt is outstanding. Federal law prohibits an underwriter from purchasing or selling municipal securities unless the underwriter has reasonably determined that the issuer of municipal securities has undertaken, in a written agreement, to provide certain information to the public. This agreement is typically referred to either as a continuing disclosure agreement or continuing disclosure certificate. In this agreement, the issuer agrees to provide 1) an annual report containing financial reports and other operating information, and 2) notices of significant events (as identified by the Securities and Exchange Commission or SEC) as they occur. The required contents and due date of the annual report, as well as the events requiring notice to the public as they occur, are specified in the agreement.

Below is a scope of work to assist the District with meeting its continuing disclosure obligations with respect to its outstanding publicly-issued debt. Note that the District currently has the following debt with continuing disclosure obligations:

1. Community Facilities District No. 2, 2012 Special Tax Refunding Bonds
2. 2014 Certificates of Participation
3. Community Facilities District No. 2, 2015 Special Tax Refunding Bonds
4. General Obligation Bonds, Election of 2018, Series 2019
5. 2020 General Obligation Refunding Bonds
6. General Obligation Bonds, Election of 2018, Series 2020

Preparation and Filing of Annual Report

We will perform the following services each year to assist the District in satisfying its annual continuing disclosure filing requirements:

- Review the continuing disclosure agreements for the District's outstanding debt.
- Determine the information required to be included in the annual disclosure filing along with the filing due date(s).
- Collect information from the District, the County, and other information sources to meet the annual disclosure requirements.



- Prepare the annual report, as required.
- File the annual report on the EMMA system¹.
- Prepare a memo for your records confirming the filing of the annual report, identifying the contents of the report, and including the receipt(s) proving submission of the report.

Preparation and Filing of Significant Event Notices

As necessary, we will perform the following services to assist the District in satisfying its significant event filing requirements, including but not limited to filings due to credit rating changes:

- Monitor ratings of bond insurers that are insuring the District's debt.
- Prepare significant event notices [whether through your communication with our office or from other sources], with the goal to complete each filing within 10 business days of the occurrence of such event as required under continuing disclosure certificates signed after December 1, 2010.
- File significant event notices on EMMA.
- Prepare a memo for your records confirming the filing of each significant event notice and including the receipt(s) evidencing submission of the notice.

Annual Review

We will conduct due diligence annually to confirm compliance with disclosure requirements during the past year, including complete and accurate significant events disclosure.

District Responsibilities

Even though we will actively monitor for rating changes, in order to provide for timely disclosure to the market, we ask that you please notify us as soon as possible (ideally within five business days) of any of the events listed on the attached Exhibit A.

As always, we will provide District staff with education and support to enable the District to achieve maximum value from this scope of work.

Our fees to provide continuing disclosure services are based on the number of outstanding issues at the beginning of the calendar year. Our current fees are \$2,500 per year for up to two debt issuances, with each additional debt issuance \$600, payable at the beginning of the calendar year. The District currently has six debt issuances outstanding with continuing disclosure obligation; consequently, the fee for continuing disclosure services for calendar year 2021 is \$4,900 plus any out-of-pocket expenses for data provided by third parties (billed at cost as incurred). An invoice for continuing disclosure services for 2021 has previously been provided

¹ As of July 1, 2009, all continuing disclosure filings are required by law to be provided to the public in an electronic format through the Electronic Municipal Market Access system, or "EMMA." EMMA was established to provide free public access to disclosure and increase transparency of information in the market, replacing for-profit vendors that used to resell such information. EMMA is operated by the Municipal Securities Rulemaking Board, or "MSRB". The MSRB regulates municipal securities underwriters and municipal advisors and is subject to oversight by the SEC.

Amari Watkins
Associate Superintendent of Business Services
Davis Joint Unified School District
1111 N. 1st Street, Suite 100
Davis, CA 95618



to the District; invoices will be provided annually in December for services for the following calendar year. This scope of work automatically renews at our then current rates each year unless terminated by either party upon 30 days written notice.

Amari, we strive to achieve our clients' 100% satisfaction, 100% of the time. It is our goal to provide the best financial advisory services in the most economical fashion. We look forward to serving the District.

Accepted By:

Amari Watkins
Associate Superintendent of Business Services
Davis Joint Unified School District

Date: 3/19/2021

REM:skw



Exhibit A - Events Requiring Notification

We ask that you please notify us as soon as possible (ideally within five business days) of the occurrence of any of the events listed in the following table. Note that many of the events listed below are as specified by the Securities and Exchange Commission. While we have provided examples of these events in order to aid in your understanding, the examples are not meant to be comprehensive, and some of the items may not be relevant for the District. If you have any question as to whether an event occurs that may require notification to the public market, we ask that you err on the side of caution and contact us.

| <u>Event</u> | <u>Description / Example</u> |
|--|---|
| There is a principal or interest payment delinquency. | The District does not make a payment on any of the District's outstanding debt when due including any private placement debt such as bank loans, capital leases and lease-purchase financings. |
| Any non-payment related defaults on any outstanding debt (including any event of acceleration, termination event, modification of terms, or other similar event). | The District is not in compliance with a covenant contained in a loan agreement, such as when it abandons the property securing repayment of its certificates of participation. |
| There is an unscheduled draw on a debt service reserve or credit enhancement (such as bond insurance). | The District does not make payment a debt service payment when due on any of the District's debt, and the paying agent or trustee bank notifies the District that a draw is made from the bond insurer or the debt service reserve fund in order for the investors to receive funds in a timely manner. |
| There is a substitution of a credit or liquidity provider, or their failure to perform. | The District replaces the provider of the surety bond used to fund a reserve fund, or the provider of a letter of credit associated with variable rate debt. |
| There is an adverse tax opinion, the issuance by the Internal Revenue Service of Notices of Proposed Issue (IRS Form 5701-TEB) or other notices regarding the tax status of the District's debt. | The District is contacted by the Internal Revenue Service regarding any of the District's debt. |
| The rights of the District's debt holders are modified (usually through an amendment of the financing documents). | The Board is asked to consider a resolution modifying the trust agreement or lease agreement(s) related to its certificates of participation. |
| The property securing the repayment of any of the District's debt is released, substituted, or sold. | The District changes the property used as the basis for lease agreements related to its certificates of participation. |



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|---|---|
| The District considers a State loan due to insolvency or has a fiscal advisor appointed. | The District is in fiscal distress. The District may be evaluating a need for a State loan or has a fiscal advisor appointed by the county office of education. |
| The District appoints a successor or additional trustee, or the name of a trustee changes. | The District changes trustee bank on its outstanding certificates of participation. |
| The District defeases, refinances or completes a tender offer of any of the District's debt. | The District issues bonds to refinance any of its outstanding debt or pays debt prior to its due date with cash on hand. |
| The District incurs any debt obligation, derivatives, or debt guarantee policy (e.g. bond insurance policy), including any private placement debt such as bank loans, capital leases and lease-purchase financings. | . |
| The District's boundaries are changed, or the District sells all or substantially all of its assets. | The boundaries of the entire District are changed (not a change in the determination of which areas attend which schools). |
| The District receives communications from the U.S. Securities and Exchange Commission (SEC). | |
| A rating agency contacts the District for a rating review. | One of the three major rating agencies (Standard & Poor's, Moody's and Fitch) contacts the District for the purpose of updating its rating(s) on the District's debt. |
| The credit rating on any of the District's outstanding debt changes. | One of the three major rating agencies notifies the District of a change in the rating of the District's debt. |
| There is any other event that may be material to investors. | |

MEMORANDUM

To: Amari Watkins
From: Rich Malone *REM*
Date: March 15, 2021
Re: Scope of Work Prepare and File Annual Debt Transparency Report to CDIAC
Pursuant to Government Code Section 8855(k)

Amari, we've prepared a scope of work below to help with the preparation and filing of the annual CDIAC report.

More specifically, pursuant to amendments to Government Code section 8855 effective January 1, 2017, state and local governments are required to submit an annual debt report to the California Debt and Investment Advisory Commission (CDIAC) for any issue of debt for which they have filed a report of final sale on or after January 21, 2017. The deadline for filing the debt report for a given fiscal year is the following January 31. Reports must be submitted each year until the later of the date the debt is no longer outstanding or the proceeds have been fully spent.

The required contents of the annual report are:

1. Debt authorized during the reporting period, which shall include the following:
 - a) Debt authorized at the beginning of the reporting period.
 - b) Debt authorized and issued during the reporting period.
 - c) Debt authorized but not issued at the end of the reporting period.
 - d) Debt authority that has lapsed during the reporting period.
2. Debt outstanding during the reporting period, which shall include the following:
 - a) Principal balance at the beginning of the reporting period.
 - b) Principal paid during the reporting period.
 - c) Principal outstanding at the end of the reporting period.
3. The use of proceeds of issued debt during the reporting period, which shall include the following:
 - a) Debt proceeds available at the beginning of the reporting period.
 - b) Proceeds spent during the reporting period and the purposes for which it was spent.
 - c) Debt proceeds remaining at the end of the reporting period.

Below is a scope of work to assist the District with meeting its annual debt reporting obligations as described above. Our understanding is that the District currently has the following debt requiring annual reports:



1. 2017 Lease (Dell 009)
2. 2018 Lease (Dell 010)
3. General Obligation Bonds, Election of 2018, Series 2019
4. 2019 Lease (Dell 011)
5. 2019 Lease (Dell 012)
6. 2020 General Obligation Refunding Bonds
7. General Obligation Bonds, Election of 2018, Series 2020

Preparation and Filing of Annual Report

We will perform the following services each year to assist the District with satisfying its CDIAC annual debt reporting requirements:

- Coordinate with the District to determine the debt subject to reporting.
- Collect information from the District and other information sources to meet the annual reporting requirements.
- For debt subject to reporting, work with the District to determine the following (as more fully described above):
 - Debt authorized information.
 - Debt outstanding information.
 - Use of debt proceeds information.
- Prepare the annual report.
- File the annual report with CDIAC.
- Provide a memo for your records confirming the filing of the annual report and identifying the contents of the report.

Our fee for each year's report is based on the number of debt issues subject to reporting. Our current fee is \$1,625 for up to four debt issues, with each additional debt issue \$300, invoiced following the provision of the memo to you confirming the filing of the annual report. The District currently has seven debt issues subject to the above described reporting; consequently, the fee for the report for fiscal year 2019-20 (which is due January 31, 2021) is \$2,525. This scope of work automatically renews at our then current rates each year unless terminated by either party on 30 days written notice.

We understand that the District may wish to prepare and file the report itself in the future. If so, we would be happy to provide training to help the District achieve this goal. However, such training is not included in this scope of work.

Amari, our goal for our clients is to achieve 100% satisfaction, 100% of the time by providing the best financial advisory services in the most economical fashion. We look forward to continuing to provide the District with this same high level of service. Please let us know if you have any questions or comments.



Accepted By:



Amari Watkins
Associate Superintendent of Business Services
Davis Joint Unified School District

Date: 3/19/2021

REM:skw