

**AGREEMENT FOR MUNICIPAL ADVISOR SERVICES**  
(COUNTY OF HUMBOLDT – KNN PUBLIC FINANCE, LLC)

THIS AGREEMENT, made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California (the "County") and KNN PUBLIC FINANCE, LLC with its principal place of business located at 2001 Addison Street, Suite 100, Berkeley, California 94704 (the "Consultant"), for municipal advisor services,

RECITALS

The County requires municipal finance advisory services from time to time with respect to a variety of municipal financing issues as to which Consultant is well qualified to provide and desires to retain the service of the Consultant to assist the County.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the parties hereto agree as follows:

A. Consultant's Services. During the term of this Agreement, the Consultant shall provide the municipal finance services related to the County's municipal finance program from time to time as requested by County staff contained in **Exhibit A** (General Municipal Advisory and Pre-Transaction Scope of Services) and **Exhibit B** (Transaction Scope of Services) of this Agreement. For purposes of requesting services to be performed under this Agreement, County staff shall be the Treasurer Tax Collector, or their designees.

B. Compensation

For services specified in **Exhibit A** (General Municipal Advisory), Consultant shall be paid based on its normal hourly rates as in effect from time to time, and as shown in **Exhibit C** attached hereto, not to exceed twenty-five thousand dollars (\$25,000) per fiscal year. For services rendered in connection with **Exhibit B** of this document (Transaction Scope of Services), KNN will be compensated based upon fixed transaction fees to be set forth in an amendment to this Agreement, which will not include any of the tasks provided, and paid for, pursuant to **Exhibit A**.

1. Consultant shall submit written invoices identifying the service provided, the number of hours and the hourly rate per employee, and the expenses incurred as provided for in paragraph B.2 below.

2. The fee referred to in paragraph B.1 above does not include, and Consultant shall be reimbursed for, out-of-pocket expenses, including but not limited to travel expenses, data fees, conference call telephone charges, telecommunication expenses, reproduction and distribution of documents.

C. Consultant's Authority

1. It is understood that neither Consultant nor any individual representing Consultant possesses any authority with respect to any decision of the County Board of Supervisors or any County officials beyond the rendition of information and advice.

2. It is understood and agreed that Consultant, in the performance of the duties set forth in this Agreement, shall act as and be an independent contractor and not an agent or employee of the County. Consultant has and shall retain the right to exercise full control and supervision of the services and full control over the employment, direction, compensation and discharge of all persons assisting Consultant in the performance of the services hereunder. Consultant shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security, withholding, and all other regulations governing such matters.

3. Consultant shall not disclose or permit disclosure of any information designated by County as confidential, except to its employees and other consultants who need such information in order to properly execute the services of this Agreement.

D. Notices All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be deemed to be delivered five (5) days after being deposited with the U.S. Postal Service, postage prepaid and addressed as follows:

To the County:  
Amy Christensen  
County of Humboldt  
825 5<sup>th</sup> Street, St. #125  
Eureka, CA 95501

To the Consultant:  
Bobby Cheung, Managing Director  
KNN Public Finance, LLC  
2001 Addison Street, Suite 100  
Berkeley, CA 94704

E. Term. The term of the Agreement shall be from December 1, 2025, through December 31, 2028. The County may extend the Agreement for Three (3) consecutive one-year terms. At any time and without cause, this Agreement may be canceled by either party by giving forty five (45) days written notice to the other.

F. Annual Appropriation. This Agreement is subject to the County's annual appropriation process. In the event that funds representing Consultant's compensation and reimbursement for expenses for the services provided pursuant to this Agreement are not appropriated within the approved County budget in any fiscal year, this Agreement shall be deemed terminated and shall be of no further force and effect as of the date of the County's budget is approved. County will provide Consultant with notice of any such action.

G. Equal Employment Opportunity. The Consultant shall not discriminate in its employment practice against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, age, or physical handicap. Any subcontract entered into by the Consultant pursuant to, or in furtherance of,

this Agreement shall contain a similar provision requiring the Consultant's subcontractor to not discriminate in its employment and hiring practices.

H. Conflict of Interest. The parties to this Agreement have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of the County relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the County may immediately terminate this Agreement by giving written notice thereof. The Consultant shall comply with the requirements of Government Code section 87100 et seq. during the term of this Agreement.

I. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. Consultant shall hold harmless, defend and indemnify County and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages and liabilities of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, Consultant's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of County.
- B. Effect of Insurance. Acceptance of the insurance required by this Agreement shall not relieve Consultant from liability under this provision. This provision shall apply to all claims for damages related to Consultant's performance hereunder, regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided hereunder.

J. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by County, and Consultant is not entitled to any rights hereunder, unless certificates of insurance, or other proof that the following provisions have been complied with, are received by the Humboldt County Risk Manager or a designee thereof.

- A. General Insurance Requirements. Without limiting Consultant's indemnification obligations set forth herein, Consultant, and its subcontractors hereunder, shall take out and maintain, throughout the entire term of this Agreement, and any extensions thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property

damage which may arise from, or in connection with, the activities of Consultant or its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000.00) per occurrence for any one (1) incident, including, without limitation, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all hired and non-owned vehicles, and be at least as broad as Insurance Service Offices Form Code 1 (any auto).
3. Workers' Compensation Insurance, as required by the California Labor Code, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against County and its agents, officers, officials, employees and volunteers.
4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Two Million Dollars (\$2,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which Consultant may be exposed to liability regarding the services provided pursuant to the terms and conditions of this Agreement. Consultant shall require that such coverage be incorporated into its professional services agreements with any other entities.

B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1. The Comprehensive or Commercial General Liability Policy shall provide that County, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, Consultant. The coverage shall contain no special limitations on the scope of protection afforded to County or its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
  - a. Includes contractual liability.
  - b. Does not contain exclusions as to property damage caused by explosion or collapse of structures or underground damage, commonly referred to as "XCU Hazards."

- c. Is the primary insurance with regard to County.
  - d. Does not contain a pro-rata, excess only and/or escape clause.
  - e. Contains a cross liability, severability of interest or separation of insureds clause.
2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to County in accordance with the notice requirements set forth herein. It is further understood that Consultant shall not terminate such coverage until County receives adequate proof that equal or better insurance has been secured.
  3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.
  4. For claims related to this Agreement, Consultant's insurance is the primary coverage to County, and any insurance or self-insurance programs maintained thereby are excess to Consultant's insurance and will not be used to contribute therewith.
  5. Any failure to comply with the terms and conditions of this Agreement shall not affect the coverage provided to County or its agents, officers, officials, employees and volunteers.
  6. Consultant shall furnish County with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, County. If Consultant does not keep all required policies in full force and effect, County may, in addition to any other available remedies, take out the necessary insurance and deduct the cost of said insurance from the monies owed to Consultant under this Agreement.
  7. County is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and Consultant shall be required to purchase additional coverage to meet the above-referenced aggregate limits.
- C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms and conditions of this Agreement shall be sent to the addresses set forth below in accordance with the notice requirements contained herein.

COUNTY: County of Humboldt  
Attention: Risk Management  
825 Fifth Street, Room 131  
Eureka, California 95501

CONSULTANT: KNN Public Finance, LLC  
Attention: Bobby Cheung, Managing Director  
2001 Addison Street, Suite 100  
Berkeley, CA 94704  
Email: [production@knninc.com](mailto:production@knninc.com)

K. Assignments and Modification. Consultant shall not assign or transfer any rights or duties under this Agreement to a third party without the prior written consent of the County. This Agreement may only be modified by written agreement executed by County and Consultant.

L. Required Disclosures. Pursuant to MSRB Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of KNN and its associated persons. Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include how to receive a copy of the MSRB Municipal Advisory client brochure.

We have included disclosures regarding MSRB Rule G-42 and MSRB Rule G-10 in **Exhibit D** of this Agreement.

M. Complete Agreement. This Agreement, including all exhibits, attachments and other documents incorporated herein or cited by reference, constitutes the complete and exclusive statement of the terms and conditions of the Agreement between County and Consultant and it supersedes all prior representations, understandings and communications with respect to the subject matter hereof. County's failure to insist in any one or more instances upon Consultant's performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of County's right to such performance by Consultant or to future performances of such term(s) or condition(s) and Consultant's obligation in respect thereto shall continue in full force and effect.

IN WITNESS WHEREOF, as of the date first hereinabove written, the County has caused this Agreement to be executed on its behalf and in its name by the Amy Christensen, Treasurer Tax Collector, and Consultant has caused this Agreement to be executed on its behalf and in its name by Bobby Cheung, Managing Director.

RECOMMENDED FOR APPROVAL:  
COUNTY OF HUMBOLDT

By \_\_\_\_\_  
Amy Christensen  
Treasurer Tax Collector

“COUNTY”

Date: \_\_\_\_\_

By  \_\_\_\_\_  
Bobby Cheung  
Managing Director  
KNN Public Finance, LLC

“CONSULTANT”

## EXHIBIT A

### General Municipal Advisory and Pre-Transaction Scope of Services

KNN shall provide the County with on-call General Municipal Advisory and pre-transaction scope of services, including the following:

1. Serve as the County's Independent Registered Municipal Advisor (IRMA). In that capacity, evaluate unsolicited financial proposals received by the County from underwriters or other market participants. Provide a written analysis of such proposals, as requested.
2. Monitor outstanding County debt for refunding opportunities.
3. Prepare preliminary debt service analyses and plans of finance in connection with County capital planning or other financing needs.
4. Assist County staff in evaluation of asset pledge for lease transactions.
5. Assist County with procurement of other municipal finance professionals, including bond counsel, disclosure counsel, trustee, etc., as needed.
6. Develop a County Debt Affordability Model to evaluate the impact of new debt on key County debt and financial metrics, as needed.
7. Assist with the development and refinement of debt, disclosure and operating reserve policies, as needed.
8. Provide public finance educational workshops for staff and Board of Supervisors, as requested.
9. Review rating agency methodologies and criteria and support calls and meetings relating to rating surveillance.
10. Present financing opportunities related to contemplated projects and specific areas of interest to the County.
11. Prepare and maintain projected debt service, debt outstanding and other schedules related to the County's debt programs for use in the County budgeting processes.
12. Participate in meetings of the County Debt Advisory Committee (if applicable) and Board of Supervisors, or other meetings, as needed.
13. Assist County in the review of conduit financing proposals under consideration by the County.
14. Other advisory services, as requested.

## EXHIBIT B

### Transaction Scope of Services

KNN shall provide the County with the following transaction scope of services, including the following:

- Prepare a financing schedule and distribution list and coordinate activities of financing team members and representatives of the borrower.
- Assist borrower in selection of financing team members (i.e., bond counsel, disclosure counsel, trustee, financial printer, etc.), as necessary.
- Analyze bond structures that will be most attractive to bond market participants and will result in the best bond pricing for the borrower.
- Prepare debt service analysis under alternative market, term and structure scenarios.
- Provide staff with training and/or regular updates on key issues relating to the proposed bond structure.
- Assist in review of all financing, legal, and disclosure documents.
- Develop good faith estimates for approving Resolution.
- Develop rating agency strategy and approach. Prepare rating agency presentation and accompany staff to rating agency meeting.
- Provide bond insurance and surety bond economic analysis, as needed.
- Assist staff in presenting the financing to the Board, as requested.
- Monitor tax-exempt municipal bond market conditions; make recommendations regarding timing of pricing.
- For lease transaction, assist in the evaluation and determination of asset pledge.
- For a public competitive sale, review Official Notice Inviting Bids, Official Notice of Sale, conduct pre-pricing market update call, obtain CUSIP numbers, take lead in marketing of transaction to bidding underwriting firms, coordinate timing and logistics of competitive bid, including confirmation of bids on day of sale. Prepare closing wire memorandum.
- For a public negotiated sale, conduct underwriter selection process, assist with negotiation of underwriting fees, prepare pricing comparables worksheet, and negotiate pricing on the day of sale on behalf of the borrower.
- For a direct purchase transaction, conduct lender solicitation process. Negotiate key terms and conditions with selected lender.
- Prepare a post-sale closing memorandum.
- Provide advice regarding post issuance compliance requirements (i.e., arbitrage rebate, continuing disclosure, reporting to State Treasurer's Office, etc.).

## EXHIBIT C

### KNN Public Finance Hourly Rates for Municipal Financial Advisory Services to County of Humboldt

For services rendered in connection with **Exhibit A** of this document, (General Municipal Advisory and Pre-Transactional Scope of Services), KNN will be compensated based upon the following schedule:

#### 2026 Hourly Rates

<b>Title</b>	<b>Hourly Rate</b>
Senior Managing Director	\$400.00
Managing Director	\$375.00
Director	\$355.00
Vice President	\$335.00
Assistant Vice President	\$310.00
Associate	\$275.00
Analyst	\$245.00

The Consultant's hourly compensation rate may be increased by up to an amount not to exceed 3.0% for any Agreement year following the initial Agreement Year, with written approval from the County.

KNN also shall be reimbursed for reasonably incurred out of pocket expenses, including travel, conference calls, printing, data services, and other reimbursable expenses upon submission of applicable receipts, or such other documentation as may be reasonably requested by the County.

## EXHIBIT D

### MSRB Disclosures

#### **Part A - Conflicts of Interest and Other Matters Requiring Disclosures**

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients, which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of KNN Public Finance, LLC (KNN) and its associated persons.

The following are potential conflicts of interest to be considered.

#### **Conflicts of Interest Disclosures (Compensation)**

- KNN represents that in connection with the issuance of municipal securities, KNN may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, KNN hereby discloses, that such contingent and/or transactional compensation may present a potential conflict of interest regarding KNN’s ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for KNN to recommend unnecessary financings or financings that are disadvantageous to the County of Humboldt, or to advise the County of Humboldt to increase the size of the issue. This potential conflict of interest will not impair KNN’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the County of Humboldt.
- KNN’s fees under this agreement may be based on hourly fees of KNN’s personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for KNN to recommend alternatives that would result in more hours worked. This conflict of interest will not impair KNN’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the County of Humboldt.
- KNN’s fees under this agreement, may be a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by the Municipal Advisor and Client of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Municipal Advisor. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, KNN may suffer a loss. Thus, KNN may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair KNN’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the County of Humboldt.
- The fee paid to KNN increases the cost of investment to the County of Humboldt. The

increased cost occurs from compensating KNN for municipal advisory services provided.

- KNN serves a wide variety of other clients that may, from time to time, have interests that could have a direct or indirect impact on the interests of another KNN client. For example, KNN serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Client. 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, KNN could potentially face a conflict of interest arising from these competing client interests. KNN fulfills its regulatory duty and mitigates such conflicts by dealing honestly and with the utmost good faith with its clients.
- KNN does not have an affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by KNN.
- KNN has not made any payments directly or indirectly to obtain or retain the Client's municipal advisory business.
- KNN has not received any payments from third parties to enlist KNN's recommendation to the Client of its services, any municipal securities transaction, or any municipal finance product.
- KNN has not engaged in any fee-splitting arrangements involving KNN and any provider of investments or services to the Client.
- KNN does not act as principal in any of the transaction(s) related to this Agreement.

## **Part B - Legal Events and Disciplinary History**

KNN Public Finance, LLC, has never been subject to any legal, disciplinary, or regulatory actions, nor was it ever subject to any legal, disciplinary, or regulatory actions previously when it was a division of Zions First National Bank or Zions Public Finance, Inc.

A regulatory action disclosure has been made on Form MA-I for one of KNN Public Finance's municipal advisory personnel relating to a 1998 U.S. Securities and Exchange Commission ("SEC") order that was filed while the municipal advisor was employed with a prior firm, (not KNN Public Finance). The details of which are available in Item 9; C(1), C(2), C(4), C(5) and the corresponding regulatory action DRP section on Form MA and Item 6C; (1), (2), (4), (5) and the corresponding regulatory action DRP section on Form MA-I. Issuers may electronically access KNN Public Finance's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html). For the purpose of accessing regulatory filings, KNN's CIK number is 0001664477, and SEC File number is 867-01996.

The SEC permits certain items of information required on Form MA and Form MA-I to be provided by reference to such required information already filed on a regulatory system (e.g.,

FINRA CRD). The above noted regulatory action has been referenced on both Form MA and MA-I due to the information already filed on FINRA's CRD system and is publicly accessible through BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck information, the Municipal Advisor's CRD number is 4457537.

### **Part C - Future Supplemental Disclosures**

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Municipal Advisor. KNN will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

### **Part D – Municipal Securities Rulemaking Board Rule G-10 Disclosure**

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients, which include the following:

- KNN is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- Within the Municipal Securities Rulemaking Board ("MSRB") website at [www.msrb.org](http://www.msrb.org), the County of Humboldt may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules, along with how to file a complaint with financial regulatory authorities.