



AGREEMENT FOR FINANCIAL ADVISORY SERVICES ASSOCIATED WITH GENERAL OBLIGATION BOND PLANNING

June 14, 2017

This agreement (“Agreement”) for financial advisory services associated with General Obligation Bond planning, dated as of June 14, 2017, is by and between the Milpitas Unified School District (the “District”) and KNN Public Finance, LLC, a California limited liability company (“KNN”).

Recitals

WHEREAS, KNN will provide financial advisory and planning related services during the General Obligation Bond planning process to the District. The scope of services include:

- Development of overall financing plan: KNN will work with the District and other team members to develop a financing plan balancing the needs of the District’s capital program and sources of revenue available. KNN will develop a number of financing options for the District to evaluate a financing solution that meets the unique needs of its community.
- Evaluate funding sources: KNN will evaluate sources of funding to determine what is available to fund school facility projects.
- Communication with key stakeholders: KNN will assist with the facilitation of planning meetings and communication to key stakeholders such as the District administration, Board of Education, planning committee members, bond oversight committee, County, and voters/taxpayers regarding funding related information.
- Developing policies & standards: KNN will assist Milpitas Unified School District with drafting Board policies for debt issuance to ensure financing structures are in line with the goals of the Board and community.

WHEREAS, KNN represents that it is registered as a Municipal Advisor with the MSRB and SEC and is competent to provide financial advisory services to the District. KNN acknowledges that, under this Agreement, it has a fiduciary duty to the District and agrees to act in the District’s best interest.

WHEREAS, KNN proposes to provide financial advisory services associated with General Obligation Bond planning, and other municipal advisory services to the District on an exclusive basis for the duration of this Agreement.

Agreement

1. Term of Agreement

The term of this Agreement shall be valid and binding from the time the Agreement is approved by the Board through the conclusion of the District's General Obligation Bond planning process, unless the termination section of this agreement is invoked.

2. District Obligations

The District agrees to cooperate with KNN and other parties of the bond planning team, and to furnish the necessary information that may be required, and to assert its best efforts to verify the accuracy of the information contained in such documents. All information provided to KNN by the District will be accurate and complete.

3. Material Development

All material, originally prepared and delivered to the District will be the property of the District. This excludes any proprietary information, ideas, or other intellectual property.

4. Compensation

For services rendered associated with this Agreement, KNN will charge a flat fee of \$15,000 as well as reimbursement for materials and expenses. We will place a cap on reimbursable expenses of \$3,000. Such expenses include, but are not limited to, travel and administration costs, the expense of any outside copying costs, courier or delivery charges, conference call charges, data information (fees for data information services such as TM3 and Bloomberg will be billed at \$550 per transaction), and processing services, and the costs of obtaining statistical data from outside sources, shall be paid by the District.

5. Other Provisions

Insurance

KNN shall maintain in full force and effect, workers' compensation insurance, general liability and professional liability and errors and omissions insurance covering its employees at KNN expense.

Indemnification

Each party (the "Indemnifying Party") shall indemnify and hold harmless the other party, its officers, directors, employees, and affiliates (collectively, the "Indemnified Party") against any claims or actions arising out of any and all claims by third parties arising out of the performance or non-performance of the Indemnifying Party's obligations under this Contract, except to the extent attributable to the negligence or willful misconduct of the Indemnified Party; provided, however, that this indemnity shall not preclude the Indemnified Party's recovery of direct damages pursuant to the terms and subject to the limitations of this Contract.

6. Termination

Each party may terminate this Agreement, with or without cause, at any time by giving the other party thirty (30) days written notice of termination. KNN may also resign from performing services upon written notice in the event that KNN has a conflict with professional regulations, standards or guidelines as required by Municipal Advisory rules and regulations.

In the event such termination of this Agreement is less than 30 days prior to the conclusion of the general obligation bond planning process that KNN has provided consulting services, KNN shall be entitled to compensation for any work provided up to the date of termination. KNN will submit an itemized invoice for services rendered within thirty (30) days of the written notice of termination. District will review the invoice and pay any undisputed amounts due within thirty (30) days after receipt of said itemized invoice.

7. Conflicts of Interest

KNN Public Finance represents that in connection with the issuance of municipal securities, KNN Public Finance 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 Public Finance hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding KNN Public Finance's ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair KNN Public Finance's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

If KNN Public Finance becomes aware of any additional potential or actual conflict of interest after this disclosure, KNN Public Finance will disclose the detailed information in writing to the Issuer in a timely manner.

8. Legal or Disciplinary Events

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'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.

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-

Milpitas Unified School District
June 14, 2017
Page 4

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.

There has been no change to any legal or disciplinary event that has been disclosed on KNN Public Finance's original SEC registration Form MA filed on February 8, 2016 or Form MA-I's filed on January 22, 2016.

9. Notice to Parties

Notices to be given to parties named in this agreement shall be made in writing and delivered by United States Post Office, registered:

To The District

Wendy Zhang
Assistant Superintendent of Business Services
Milpitas Unified School District
1331 East Calaveras Boulevard
Milpitas, CA 95035

To the Financial Advisor

Blake Boehm
Director
KNN Public Finance
1451 Quail Street, Suite 200
Newport Beach, CA 92660

The following signatures indicate acceptance of the responsibilities and services described in this contract:

ACCEPTED:

MILPITAS UNIFIED SCHOOL DISTRICT

By _____
Wendy Zhang, Assistant Superintendent of Business Services

Date _____

KNN PUBLIC FINANCE, LLC
a California limited liability company

By  _____
Blake Boehm, Director

Date May 18, 2017