

Chualar Union School District:  
Eastshore Consulting LLC Municipal Advisory & Financial Consulting Agreement,  
Addendum #1

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To: Chualar Union School District  
Ruben Pulido, Superintendent  
Yen Le, Senior Business Manager  
Board of Trustees

From: Eastshore Consulting LLC  
Shin Green, Principal  
Miguel Rodriguez, Director

Date: July 13, 2023

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The Chualar Union School District (“District”), under its existing agreement with Eastshore Consulting LLC (“Advisor”) for Municipal Advisory Consulting Services dated April 8, 2022 (“Agreement”), requests Advisor to perform additional work to establish a new general obligation bond funding program and, upon the passage of a proposed funding program, provide financial advisory services for the issuance of bonds and related capital financings. Pursuant to the District’s request and Section 1.2 of the Agreement, the Agreement is now amended to include Addendum #1 as follows:

*ADDITIONAL RECITALS*

- A. WHEREAS, the District is currently evaluating its capital facilities needs, thereby requiring planning, assessment and evaluation of potential funding options, including assistance with design, preparation and placement of a general obligation bond measure on a future ballot; and
- B. WHEREAS, to assist the District in meeting its capital facilities funding needs, the District wishes to obtain the services of a municipal advisor to recommend and manage the execution of capital financings; and
- C. WHEREAS, Advisor is willing and able to provide the services, guidance and advice required by District in connection with evaluating and implementing potential funding programs and related financings; and
- D. WHEREAS, pursuant to Government Code section 53060, a school district may contract for the furnishing of special and professional services and advice in financial, economic, accounting, engineering, legal and administrative matters;
- E. NOW, THEREFORE, intending to be legally bound and in consideration of these recitals and the mutual covenants, agreements, representations and warranties set forth in the Agreement and this Addendum #1, and pursuant to Section 1.2 of the Agreement, the following shall be added to the Agreement:

Chualar Union School District:  
Eastshore Consulting LLC Municipal Advisory & Financial Consulting Agreement,  
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***Exhibit C, Additional Scope of Services:***

**1. FINANCIAL PLANNING & MUNICIPAL ADVISORY SERVICES TO ESTABLISH A FUNDING PROGRAM**

*Advisor will assist the District with facilities planning efforts to establish capital financing program and undertake necessary actions towards placing the funding measure on the election ballot as follows:*

- Review District facility funding needs, including revenues sources, and recommend type and strategy of funding program
- Analyze District debt and economic factors, including tax base and assessed valuation, statutory bonding capacity, tax rates and outstanding debt, and perform financial analysis to determine potential funding amounts, timing, and funding constraints
- Evaluate program feasibility, review voter analysis and assist with implementation of a community poll process, if required
- If needed, assist with identification and selection of other consultants required to undertake needs assessment, State School Facilities Program (SFP) grant eligibility, and preparation of election legal documents
- Recommend amount of proposed bond authorization, including funding alignment with potential projects
- Assist in the preparation of election legal documents, including ballot language, detailed bond project list, tax and cost estimates
- Assist District to maintain an election timeline, including submission of election resolution to County and drafting voter pamphlet documents, including arguments and rebuttals, if needed
- Attend and assist District with Board and community workshops, public information efforts, and stakeholder meetings as requested

**2. MUNICIPAL ADVISORY SERVICES FOR THE ISSUANCE OF GOVERNMENT SECURITIES OR OTHER FINANCINGS**

*To identify and secure necessary capital funding, Advisor will work with the District to evaluate financing options, including the management and issuance of said financings and existing debt portfolio. Specific services shall include:*

- Provide financial advice and recommendations on financing options pertaining to the issuance and sale of debt securities, including general obligation bonds, bond anticipation notes, certificates of participation and other financing tools available to California school districts
- Assist the District, if required, with assembling the bond finance team, including preparation and coordination of Request for Proposals process and fee negotiation for bond counsel, underwriter/investment bank and paying agent, amongst others
- Manage the financing process and coordination with other finance team members such as bond counsel, paying agent, trustee, and underwriter

Chualar Union School District:  
Eastshore Consulting LLC Municipal Advisory & Financial Consulting Agreement,  
Addendum #1

---

- Analyze District tax base, appropriate revenue sources and tax rates, recommend appropriate financing methods, security provisions, tax, term and repayment structure
- Analyze capital markets and interest rate environment to determine market access, appropriate timing and viability of financing and/or refinancing of existing debt for taxpayer savings
- Prepare credit rating analysis and presentation, and coordinate credit rating request and communications with analyst team
- Review legal documents, including financing resolutions, purchase agreements, Preliminary and Final Official Statement, amongst others
- During the sales period, establish financing parameters with underwriter, review proposed structure and interest rates, make recommendation to District regarding fees and final acceptance of a rate proposal
- Coordinate pre-closing and closing process reviewing closing documents, including tax opinion, arbitrage certificate, and continuing disclosure certificate
- Prepare financing summary and analysis of financing results for District Staff and Board
- Attend Board meetings as needed, presenting financing analysis, options, process, and results

***Exhibit D, Additional Terms of Compensation:***

**1. FINANCIAL PLANNING & MUNICIPAL ADVISORY SERVICES TO ESTABLISH A FUNDING PROGRAM**

For Financial Planning and Municipal Advisory Services to establish a funding program, including coordination of various tasks required for placing a revenue measure on the ballot, compensation shall be a one-time fee of \$10,000. This fee is payable from District eligible sources of funds, to be invoiced at the time the District Board approves a resolution to place a measure on the ballot.

**2. MUNICIPAL ADVISORY SERVICES FOR THE ISSUANCE OF GOVERNMENT SECURITIES OR OTHER FINANCINGS**

For Municipal Advisory Services provided in connection with the management, financing and issuance of debt securities, compensation shall be:

- Not to exceed \$58,000 per General Obligation bond financing
- Not to exceed \$48,000 per refinancing or restructuring of existing bond or other debt security

Any required "bridge" or interim financings, including multiple financings carried out concurrently or within the same year, will be discounted based upon mutually agreed terms with the District.

*All Financial Planning and Municipal Financial Advisory Fees are contingent on the closing of a financing, to be paid from proceeds of the financing.*

Chualar Union School District:  
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Addendum #1

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**3. REIMBURSEABLE EXPENSES**

Reimbursable expenses, including data purchases, travel, printing, and costs of meeting materials, will be reimbursed at cost, to be billed with related service. Reimbursable expenses associated with each service area as follows:

- Reimbursable expenses for Financial Planning and Municipal Advisory Services to Establish a Funding Program shall not exceed \$1,500.
- Reimbursable expenses associated with Municipal Advisory Services for the Issuance of Government Securities or Other Financings shall not exceed \$2,500 for any issuance, and shall be payable from the proceeds of the financing.


An itemized accounting of expenses is to be made available to the District for approval upon request.

Execution of this memorandum serves as mutual written agreement to the proposed amendments to our existing contract. All other aspects of our existing contract will remain the same.

**Chualar Union School District**

**Eastshore Consulting LLC**

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(Signature)

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

Shin Green  
\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

Principal  
\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

July 13, 2023  
\_\_\_\_\_  
(Date)