

**AGREEMENT FOR MUNICIPAL ADVISORY SERVICES
FOR THE ISSUANCE OF BONDS**

This AGREEMENT FOR MUNICIPAL ADVISORY SERVICES FOR THE ISSUANCE OF BONDS (this “Agreement”) is entered into as of October ____, 2023, by and between Eastshore Consulting LLC, a California limited liability company (the “**Advisor**”) and Mendocino Coast Health Care District, a public entity, corporate and politic (the “**District**”).

RECITALS

A. District is examining facilities needs, exploring financing options to meet such needs and contemplating a General Obligation Bond measure for which it requires fiscal analysis of attendant costs and prospective matching revenues and funding sources, guidance in creating a viable program to meet the greatest number of needs, and financial advice relative to such items as cash flow modeling, project budget, schedule, financial design and the overall bond issuance process.

B. Advisor is willing and able to provide the services, guidance and advice required by District in connection with evaluating all financing options and a potential General Obligation Bond measure on the terms and conditions set forth in this Agreement.

C. Intending to be legally bound and in consideration of these recitals and the mutual covenants, agreements, representations and warranties set forth in this Agreement, the parties agree to the following terms and provisions:

AGREEMENT

1. Services

1.1 Municipal Advisory Consulting Services. Advisor is willing and able to perform the financial advisory services (the “**Services**”) set forth in **Exhibit A** hereto and by this reference made a part hereof. Advisor agrees to perform such Services in a professional, competent and quality manner pursuant to the terms and conditions of this Agreement. District shall engage the Advisor as needed for the services set forth in **Exhibit A** hereto and by this reference made a part hereof. Both parties covenant and agree to work cooperatively to achieve the efficient and timely completion of the Services and work products contemplated herein.

1.2. Other Services. Any services which are not included in the scope of services set forth in **Exhibit A** of this Agreement, upon acceptance by the District and mutual written

agreement of both parties, will be subject to the terms and conditions of this Agreement and separate, mutually acceptable fee structures.

2. Term/Termination

2.1. Term. The term of this Agreement shall commence as of the date above and expire on June 30, 2027, (the “Initial Term”) and shall automatically renew for additional one-year periods (each a “Renewal Term”) and together with the Initial Term, the “Term”, unless terminated by either party as provided in Section 2.2.

2.2. Termination. Notwithstanding the Term, this Agreement may be terminated (i) by either party upon the other party’s material breach of any of the material terms, conditions or provisions of this Agreement, provided that such breach is not cured within thirty (30) days of receipt of written notice specifying the material breach; (ii) at any time upon the mutual written agreement of the parties and in the manner therein provided; (iii) immediately by either party by giving written notice if the other party fails to maintain in good standing all legally required licenses and/or certificates or ceases to conduct business in the normal course, becomes insolvent, enters into bankruptcy proceedings or becomes subject to any other judicial proceedings that relate to insolvency or protection of creditor's rights; or (iv) without cause, by the District providing sixty (60) days written notice to the Advisor.

2.3. Effect of Termination/Expiration. Upon receipt of notice of termination from District, Advisor shall not unnecessarily incur any additional expense or perform any further Services without the prior written approval of District. Should District terminate this Agreement, Advisor shall be entitled to payment for Services satisfactorily performed by it to the date of termination and reimbursement of expenses reasonably incurred. Any amount advanced by District that exceeds fees and approved expenses incurred shall be reimbursed by Advisor to District.

3. Compensation and Reimbursement

3.1. Advisor Fees and Terms of Payment. District shall pay Advisor for the Services in the amounts and in accordance with the terms set forth in **Exhibit B** hereto and by this reference made a part hereof. Advisor shall promptly be paid payments set forth in **Exhibit B**, and shall be paid within thirty (30) days after receipt by District of Advisor’s invoice and any additional information reasonably and timely requested by District.

3.2. Reimbursement of Expenses. District shall reimburse Advisor for approved costs and disbursements incurred by Advisor in the course of the performance of the Services. Advisor shall furnish an itemized statement of costs and disbursements, which may typically include from time to time one or more of the following (by way of example and not limitation): postage and courier charges, long distance phone calls, copying costs, airfare, meals, lodging, ground transportation, car rentals, gasoline, etc. Payment of any such expenses shall require the approval of the District, which approval shall not be unreasonably withheld, delayed or conditioned. Reimbursement of expenses shall be paid prior to, or concurrently with, the next due date for payment of Advisor fees.

4. Covenants, Representations and Warranties of the District

4.1. Due Organization and Authority. District warrants that it is duly organized and in good standing as a public entity, corporate and politic, under the Constitution and laws of the State of California and has full power and authority to enter into this Agreement.

4.2. Access to Information and Personnel. District agrees to provide or make available on a timely, complete, fair and accurate basis, to the fullest extent practicable, all necessary information reasonably requested by Advisor for the performance of the Services contemplated by this Agreement. District shall cooperate with Advisor by providing Advisor with regular opportunities to consult with such District staff, governing board members and professional advisors as Advisor deems reasonably necessary to competently perform the Services contemplated by this Agreement.

4.3. Additional Professional Services. District agrees to retain or authorize the engagement of such additional professional services (e.g. legal counsel) as Advisor deems reasonably necessary to fully and competently complete the Services and work products required by this Agreement.

4.4. Further Assurances. District shall take such further actions as may be reasonably necessary or appropriate to carry out and comply with all of the terms and provisions of this Agreement and the transactions and Services contemplated hereunder.

5. Covenants, Representations and Warranties of the Advisor

5.1. Due Organization and Authority. Advisor warrants that it is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of California and has full power and authority to enter into this Agreement and perform the Services.

5.2. SEC and MSRB Registration. Advisor warrants that it is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”).

5.3. Performance of Services/Compliance with Laws. The Services performed by Advisor, its employees and agents, will be of a high quality and performed in a competent and professional manner in accordance with industry standards and practice, and in compliance with all applicable laws and regulations, including but not limited to any applicable licensing requirements to which Advisor is subject.

5.4. Insurance. At all times during the Term, Advisor shall carry the following insurance: (i) commercial general liability coverage of \$1,000,000 per occurrence, \$1,000,000 aggregate; (ii) automobile liability insurance coverage of \$1,000,000; and (iii) property damage coverage in an amount reasonably necessary to cover its property used in connection with the Services. In addition, Advisor shall carry and maintain at all times professional liability

insurance in the amount of at least \$2,000,000. At the request of the District, Advisor shall provide certificates of all insurance described above to the District. Advisor shall not cancel or modify any such insurance without providing the District at least 60 days written notice.

5.5. Conflicts of Interest. Advisor agrees that it shall be acting in a fiduciary capacity in connection with its work for the District and that its sole loyalty in this regard shall be to the District. Advisor agrees that it does not have any material conflicts of interest with respect to the work to be performed under this Agreement. However, like much of the rest of the public finance industry in California, Advisor represents that in connection with the issuance of municipal securities, Advisor may receive compensation from District for Services rendered, which 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, Advisor hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Advisor's ability to provide unbiased advice to enter into such transaction. This potential conflict of interest will not impair Advisor's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the District. If Advisor becomes aware of any additional potential or material conflicts of interest after the execution of this agreement, Advisor will disclose the detailed information in writing to the District in a timely manner.

5.6. Other Municipal Advisor Relationships. Advisor 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 District. For example, Advisor serves as municipal advisor to other municipal advisory clients and, in such cases, depending on the client, owes a fiduciary duty to such other clients just as it does to District under this Agreement. 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, Advisor could potentially face a conflict of interest arising from these competing client interests. However, with respect to this potential conflict, Advisor mitigates such conflict through dealing honestly and with good faith to all clients. If Advisor determines that such a conflict is unmanageable, Advisor will notify District in writing in a timely manner.

5.7. No Legal or Disciplinary Events. Advisor does not have any legal events or disciplinary history on Advisor's Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. Anyone may electronically access Advisor'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. There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Advisor, Advisor will provide complete disclosure in detail, allowing District to evaluate Advisor, its management and personnel.

5.8. MSRB Brochure. Within the MSRB website (www.msrb.org), District may obtain the Municipal Advisory client brochure. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

6. Confidential Information. In the course of rendering Services, Advisor and its employees and agents may receive, review or otherwise have access to proprietary financial, technical and other information of District that is not available to the public and not intended to be disclosed to the public (“**Confidential Information**”). In such event, Advisor and its employees and agents shall hold Confidential Information of District in strict confidence and shall use all Confidential Information only as necessary in connection with the performance of the Services. The obligations of Advisor pursuant to this Section shall survive any termination or expiration of this Agreement. It is mutually acknowledged and agreed that District is entitled to immediate injunctive relief in the event of any violation of this Section. For purposes of this Section, “Confidential Information” does not include information that (i) is, at the time of disclosure, or thereafter becomes, a part of the public domain via a source other than the Advisor, or (ii) is discovered by Advisor from a public source that is not under a confidentiality obligation owing to the District.

7. Independent Contractor. Advisor is an independent contractor of District. This Agreement shall not create the relationship of employer and employee, a partnership or a joint venture between District and Advisor. Subject to the terms of this Agreement, Advisor shall determine the number of days and hours of its work. Advisor shall be solely liable for the compensation, employment taxes, fringe benefits, work schedules and work conditions of its employees and agents and shall indemnify and hold District harmless from any claim or loss relating to the same.

8. Assignment/Subcontracting. Advisor shall not assign its interest in, or delegate the performance of its obligations under, this Agreement to any other person or entity. Advisor shall not subcontract any Service under this Agreement without advance written approval from District. Any such subcontract, if approved, shall incorporate by reference the terms and conditions of this Agreement. This Agreement inures to the benefit of the parties and their permitted successors and assigns.

9. Nondiscrimination. Advisor shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, handicap or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

10. Ownership of Results. Any interest of the Advisor in studies, reports, memoranda, computation sheets or other documents prepared by Advisor in connection with services to be performed under this Agreement shall become the property of and will be transmitted to the District.

11. Dispute Resolution/Attorneys' Fees

11.1. Voluntary Mediation. In the event a dispute arises from or relates to this Agreement and the parties are unable to settle the dispute between them, the parties agree to consider and discuss in good faith whether the dispute should be referred to a mutually agreeable

independent mediator to facilitate a settlement. If the parties mutually consent to such referral, then the dispute shall be so referred within twenty (20) days of such agreement. The parties will share the costs of mediation equally.

11.2. Attorneys' Fees. Should either party institute any action or proceeding in court or arbitration to enforce any provision hereof or for damages by reason of any alleged breach of this Agreement or for a declaration of such party's rights or obligations hereunder, or for any judicial remedy, the prevailing party shall be entitled to receive from the losing party such amount as the court or arbitrator may adjudge to be reasonable attorneys' fees for the services rendered to the party finally prevailing in such action or proceeding, plus costs. The award of attorneys' fees and costs to the prevailing party shall not be reduced or affected by the limitation of liability set forth in the following Section.

12. Limitation of Liability. Except to the extent finally determined to have resulted from the fraud, willful misconduct or gross negligence of Advisor, Advisor's liability for monetary damages for any loss, claim or harm suffered by the District in connection with Advisor's performance of the Services hereunder, irrespective of the theory of liability asserted, shall be limited to an amount no greater than the total amount of fees paid to the Advisor under this Agreement. In no event shall Advisor be liable for any claim of lost profits, revenue or goodwill, or for any other consequential, indirect, incidental, punitive, exemplary or general damages. Similarly, the foregoing shall be given reciprocal effect, to the end that in no event shall District be liable for any claim of lost profits, revenue or goodwill, or for any other consequential, indirect, incidental, punitive, exemplary or general damages. Except to the extent finally determined to have resulted from the fraud, willful misconduct or gross negligence of District, District's liability shall be limited to an amount no greater than the amount of unpaid fees and costs due and owing (or to become due and owing) to Advisor hereunder, plus interest thereon. No insurer, contractual guarantor or other third party shall be construed to be a third party beneficiary of the terms of this Section or otherwise entitled to the benefits of this Section. The provisions of this Section shall survive the expiration or termination of this Agreement.

13. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to nor shall be construed to confer upon any person, firm, corporation or other entity, other than the parties to this Agreement and their permitted successors and assigns, any remedy or claim under or by reason of this Agreement as third-party beneficiaries or otherwise. The terms and conditions of this Agreement are for the sole and exclusive benefit of the parties to this Agreement.

14. Miscellaneous Contractual Matters

14.1. Applicable Law. This Agreement shall be governed by and construed under the laws of the State of California without reference to its conflicts of law principles. The venue for the resolution of any dispute shall be in the Superior Court of the County of Mendocino and no other place.

14.2. Entire Agreement/Modification. This document contains the entire agreement of the parties regarding the subject matter described in this Agreement, and all other promises,

representations, understandings, arrangements and prior agreements are merged into and superseded by this Agreement. This Agreement may only be modified by a written agreement of the parties, signed by an authorized representative of each party.

14.3. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.4. Severability. If one or more of the provisions of this Agreement are held to be unenforceable under then applicable law, each such provision shall be excluded from this Agreement and the balance of the Agreement shall be construed as if such provision(s) were absent *ab initio*, and the remainder of this Agreement shall be enforceable in accordance with its terms.

14.5. Notices. All notices or other communications shall be in writing and delivered to the addresses below the signatures to this Agreement. Such addresses may be changed by notice to the other party in accordance with this Section. Notice shall be deemed effectively given: (1) upon personal delivery to the party to be notified; (ii) when sent by confirmed facsimile or electronic mail if sent during normal business hours and, if not, then on the next business day; (iii) one day after deposit with a nationally recognized overnight courier service, specifying next day delivery, with written verification of receipt; or (iv) four days (Sundays and holidays excluded) after a certified mailing, return receipt requested, via the USPS, first class/certified postage prepaid.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement through their duly authorized officers or representatives, who warrant their authority to sign, as of the date first above written.

**MENDOCINO COAST
HEALTH CARE DISTRICT**

EASTSHORE CONSULTING LLC

By: _____

By: _____
Shin B. Green
Principal

Notice Address:
Mendocino Coast Health Care District
Attn.: _____
700 River Drive
Fort Bragg, CA 95437

Notice Address:
Eastshore Consulting LLC
Attn.: Shin B. Green, Principal
1714 Franklin Street, #100-406
Oakland, CA 94612-3409

Tel: _____
E-mail: _____

Tel: (510) 725-2930
Email: shin@eastshoreconsulting.com
EIN: 45-4559705
MSRB Registration #: K0786
SEC File No.: 867-01304-15758482

EXHIBIT A

SCOPE OF SERVICES

1. FACILITIES PLANNING AND INFORMATIONAL COMMUNITY OUTREACH SERVICES

*To educate the community about facilities needs, all financing options and a General Obligation Bond, assist the District with facilities planning and informational outreach, incorporate input received from the community and plan for placement of a bond measure on the ballot, Advisor will provide the following **Facilities Planning and Informational Community Outreach Services**:*

- In conjunction with the County, local stakeholders and other team members, assist the District in maintaining an election timeline
- In conjunction with local stakeholders and other team members, assist the District with constituent outreach to gain input and gauge community priorities on projects
- In conjunction with local stakeholders and other team members, assist the District in creating a viable project list and cashflow
- Assist bond counsel and other consultants in the preparation of a bond election resolution, including preparing ballot language and a detailed bond project list
- In conjunction with local stakeholders and other team members, assist the District in selecting, developing and coordinating its bond finance team, as needed
- Attend informational workshops and other community meetings, as required

2. FINANCIAL PLANNING AND MUNICIPAL ADVISORY SERVICES

*To create a viable General Obligation Bond program and prepare for each issuance related to that potential General Obligation Bond authorization or as otherwise required, Advisor will provide the District with the following **Financial Planning Services**:*

- Assist the District in preparing and regularly updating its capital and financing plan
- In conjunction with other team members, assist the District in analyzing other funding sources for integration with the financing plan
- Create and maintain an overall financing timeline in coordination with the District, the County, and other team members
- Analyze the assessed valuation of the District and other available sources, calculate bonding capacity, and perform financial analysis to determine potential bond proceeds
- Advise the District Governing Board and local stakeholders of the pros and cons of all different financing options (General Obligation Bonds, Bond Anticipation Notes, Revenue Bonds, Certificates of Participation, etc.) to most efficiently achieve District goals
- Recommend a proposed bond authorization amount, issuance schedule, and projects to be funded by the bond program, in coordination with the District and other team members
- Prepare tax rate statements and estimates of tax rates for the bond program

*For each issuance related to the potential General Obligation Bond authorization or as otherwise required, Advisor will provide the following **Municipal Advisory Services**:*

- Provide the District with expert financial advice and assistance on financing techniques and options on matters pertaining to the issuance and sale of securities, including General Obligation Bonds and other financing options available to California healthcare districts
- Provide the District with available financing options by conducting studies and analyses to determine the most appropriate and cost effective financing methods, terms, security provisions and repayment structures
- Analyze the tax base and recommend an appropriate tax structure
- Analyze the bond market to determine timing, credit enhancement requirements, structure, bond amount, legal documentation requirements, rating requirements, and method of sale
- Assist the District, as needed, to assemble bond finance team members including bond counsel, paying agent, trustee, and underwriter
- Prepare timeline, distribution lists, and term sheets to manage financing
- Manage the bond issuance process, including the coordination with other finance team members (bond counsel, paying agent, trustee, and underwriter, if needed)
- Define the proposed structure, including sizing, call provisions, amortization schedule, and phasing of debt service repayment
- Review legal documents, including District and other required resolutions, bond purchase agreements, Preliminary Official Statements, and Official Statements
- Prepare rating agency and insurer presentations, if required, and negotiate with analysts of same
- Assist in preparation and training of District personnel for rating agency meetings, if required
- For competitive sale, review Notices of Sale and Bid Forms, distribute bid documents to qualified underwriters and post bid documents, monitor and verify bids on day of sale, and coordinate award of winning bids
- For negotiated sale, discuss structure and tax rate objectives with underwriter, review proposed structures and interest rate scales and make recommendations as appropriate, review fees, and review final pricings
- Review closing documents, including tax opinions, arbitrage certificate, and continuing disclosure certificate
- Manage pre-closings and closings
- Prepare wrap up presentation booklets to summarize bond sales
- Prepare press release to publicize bond sales to residents and taxpayers
- Attend Board Meetings as needed to explain bond sales, legal documents, and pricing summaries

3. CONTINUING DISCLOSURE SERVICES

- Annually review District's Continuing Disclosure requirements
- Compile and prepare information for annual Continuing Disclosure requirements, if required
- Disseminate to Municipal Securities Rulemaking Board the necessary filings and documentation in order to remain compliant with Continuing Disclosure requirements, if required
- Prepare annual California Debt and Investment Advisory Commission (CDIAC) filings required under S.B. 1029, if required

EXHIBIT B

TERMS OF COMPENSATION OF EASTSHORE CONSULTING LLC

Compensation for the Services to be provided to the District by Eastshore Consulting LLC shall be in the amounts detailed below:

1. PLANNING AND MUNICIPAL ADVISORY FEES

For Financial Planning and Municipal Advisory Services provided in connection with each issuance related to the potential General Obligation authorization or as otherwise required, compensation shall not exceed:

- \$55,000 per General Obligation Bond issuance per series
- \$40,000 per General Obligation Bond Refunding issuance if conducted as a discrete transaction, or \$20,000 per General Bond Refunding if issued in conjunction with other General Obligation Bond issuances
- \$25,000 per Bond Anticipation Note issuance
- \$60,000 per Certificate of Participation, revenue bond issuance or other similar financing

All Municipal Advisory Fees may be paid as a part of the cost of issuance of each bond, and are not required to be paid from General Fund sources. Should the Board decide not to issue bonds, the Advisor will not be due any portion of these fees associated with a new bond program.

2. CONTINUING DISCLOSURE FEES

For Continuing Disclosure Services, compensation shall be \$1,500 per year if filings are required, and prepared and disseminated by the Advisor. In the event of multiple past due disclosure filings requiring catch-up, the fee shall be \$3,500. No fee shall be incurred if filings are not required, or the District opts to prepare and disseminate disclosures on its own behalf or chooses another dissemination agent to perform such services.

3. EXPENSES

Reimbursable expenses including data purchases, travel and costs of materials required for meetings will be reimbursed after submission of an itemized accounting to the District for approval and are due in alignment with payment of other fees. General Obligation Bond issuance expenses shall not exceed \$3,000 for any issuance. Continuing Disclosure expenses shall not exceed \$1,500 per year.