

April 2, 2020

Neil McChesney  
Contra Costa School of Performing Arts  
2730 Mitchell Drive  
Walnut Creek, CA 94598

Re: Written Municipal Advisor Client Disclosure and Agreement with Contra Costa School of Performing Arts (“Client”) for municipal advisory services (“Project” Pursuant to MSRB Rule G-42)

Dear Neil:

As a Municipal Advisor, we are required by Municipal Securities Rulemaking Board (MSRB) Rules to provide you with certain written information and disclosures prior to, upon or promptly, after the establishment of a municipal advisory relationship as defined in Securities and Exchange Act Rule 15Ba1-1. To establish our engagement as your Municipal Advisor, we must inform you that:

1. When providing advice, we are required to act in a regulatory capacity, which includes a duty of loyalty and a duty of care. This means we are required to act solely in your best interest.
2. We have an obligation to fully and fairly disclose to you in writing all material actual or potential conflicts of interest that might impair our ability to render unbiased and competent advice to you. We are providing these and other required disclosures in **Appendix A** attached hereto.
3. As your Municipal Advisor, Choice Advisors shall provide this advice and service at such fees, as described within **Appendix B** and **Exhibit I** attached hereto.
4. From time to time, Choice Advisors LLC also engages in other non-municipal advisory business including, but not limited to, providing advice and evaluating loan options, continuing disclosure requirements and general consulting.

This documentation and all appendices hereto shall be effective as of its date unless otherwise terminated by either party upon 30 days written notice to the other party. During the term of our municipal advisory relationship, this writing might be amended or supplemented to reflect any material change or additions. Any amendment or supplement to **Appendix A** delivered by Choice Advisors to Client shall be incorporated by reference as of the date thereof into **Appendix A** to the same extent as if set forth herein.

We look forward to working with you.

Sincerely,



Matthias O'Meara  
Partner & Founder  
Choice Advisors LLC

APPENDIX A

**DISCLOSURE OF CONFLICTS OF INTEREST/OTHER REQUIRED INFORMATION**

Conflicts Arising from Compensation Contingent on the Size or Closing of Any Transaction

Choice Advisors will be paid for certain services based on the size of the financing and will be paid for certain other services only upon the completion of a successful financing. These forms of compensation create a conflict as described below.

Compensation contingent on the size of the transaction presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation. Compensation contingent on the closing of the transaction presents a conflict because the advisor may have an incentive to recommend unnecessary financings or recommend financings that are disadvantageous to the client. If the transaction is to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction. It should be noted that other forms of compensation (i.e. hourly or fixed fee based) may also present a conflict of interest.

These conflicts of interest are mitigated by our fiduciary obligation to the Client and will not impair Choice Advisors ability to render unbiased and competent advice or to fulfill its regulatory duty to Client. If Client is concerned about any conflict arising from Municipal Advisor compensation, Choice Advisors is willing to discuss and provide another form of Municipal Advisor compensation. The Client must notify Choice Advisors in writing of this request within 10 days of receipt of this Municipal Advisor writing.

Other Engagements or Relationships Impairing Ability to Provide Advice

Choice Advisors 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 other Choice Advisors clients. For example, Choice Advisors 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 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, Choice Advisors could potentially face a conflict of interest arising from these competing client interests. Choice Advisors fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with Client.

As of this writing, Choice Advisors is not aware of any other engagement or relationship Choice Advisors has that might impair Choice Advisors' ability to either render advice in accordance with its fiduciary or other regulatory duty to Client.

### Solicitors/Payments Made to Obtain/Retain Client Business

Choice Advisors does not use solicitors to secure municipal engagements; nor does it make direct or indirect payments to obtain or retain Client business.

### Payments from Third Parties

Choice Advisors does not receive any direct or indirect payments from third parties to enlist Choice Advisors recommendation to the Client of its services, any municipal securities transaction or any financial product.

### Payments/Fee-splitting Arrangements

Choice Advisors does not share fees with any other parties and any provider of investments or services to the Client.

### Material Legal or Disciplinary Events

Choice Advisors does not have any legal events or disciplinary history on Choice Advisors Form MA and Form MA-I's, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Client may electronically access Choice Advisors 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). Within the fast search section, please use 0001744702.

There are no legal or disciplinary events that are material to the Client's evaluation of Choice Advisors or the integrity of Choice Advisors' management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC. Accordingly, 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 Choice Advisors, Choice Advisors will provide complete disclosure to the Client in detail allowing the Client to evaluate Choice Advisors, its management and personnel.

### 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:

Choice Advisors 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), Client 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.

**SUPPLEMENTAL DISCLOSURE TO THE MUNICIPAL ADVISORY CONTRACT BETWEEN CHOICE ADVISORS LLC (“CHOICE ADVISORS”) AND THE CLIENT.**

**Conflicts of Interest**

**Prior Relationships with BB&T**

Choice Advisors LLC (“Choice Advisors”) recognize the need to avoid any real, or perceived, conflicts of interest so that Choice Advisors can provide independent and objective advice. To the best of Choice Advisors knowledge, there are no outside activities, financial interests or relationships that may adversely affect the judgement or objectivity of Choice Advisors representatives in performing its duties to the Client.

Choice Advisors is disclosing to the Client that within the past two years, Paula Permenter, Matthias O’Meara and Martha Martinez Karasch have been employed with BB&T Securities, Inc. Paula Permenter and Matthias O’Meara’s employment at BB&T Securities, Inc. ended in May 2018 and Martha Martinez Karasch’s employment at BB&T Securities, Inc. ended June 1, 2018.

APPENDIX B

**FINANCIAL ADVISORY SERVICES AGREEMENT**

This Financial Advisory Services Agreement (the “Agreement”) is made and entered into by and between the Client and Choice Advisors LLC (“Choice Advisors”) effective as of the date executed by the Client as set forth on the signature page hereof.

**WITNESSETH:**

WHEREAS, the Client will have under consideration from time to time the authorization and issuance of indebtedness, leases, or financings in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, leases, or financings, the Client desires to retain an independent financial advisor; and

WHEREAS, the Client desires to obtain the professional services of Choice Advisors to advise the Client regarding the issuance and sale of certain evidences of indebtedness, lease, or financing obligations that may be authorized and issued or otherwise created or assumed for the benefit of the Client (hereafter referred to collectively as “Financing”) from time to time during the period in which this Agreement shall be effective; and

WHEREAS, Choice Advisors is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by the Client during the period in which this Agreement shall be effective.

WHEREAS, Choice Advisors is a registered Municipal Advisor (“MA”) with the Securities and Exchange Commission (“SEC”) and has a regulatory duty owed to the Client under this agreement.

NOW, THEREFORE, the Client and Choice Advisors, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

**SECTION I**

**DESCRIPTION OF SERVICES**

Upon the request of the Client, Choice Advisors agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Client, on behalf of the Building Corporation agrees to pay to Choice Advisors the compensation as provided in Section VI hereof.

1. Structuring. Provide recommendations regarding Financing under consideration, including such elements as timing, structure, amortization, security provisions,

- redemption provisions, purchase options, and such other provisions as may be appropriate.
2. Method of Financing. Make a recommendation as to an appropriate method of financing, including but not limited to competitive sale, negotiated sale, private/limited offering, or lease.
  3. Selection of Placement Agent and Other Financing Team Members. As applicable and depending on the method of financing, coordinate a request for proposal to aid in the selection for Placement Agent as the case may be.
  4. Financing Documents. Participate in and direct, as appropriate, the preparation of the Financing documents and/or assist bond counsel, underwriter's counsel, lender's counsel, and/or landlord's counsel with said documents.
  5. Third-Party Calculations. Coordinate calculation or verification by an independent third-party of any calculations incident to the Financing, as required including: (a) escrows funded by cash, securities or both; and (b) additional indebtedness tests.
  6. Closing. Issue closing memo for the Financing, as needed to reflect features of the Financing.

## SECTION II

### OTHER AVAILABLE SERVICES

In addition to the services set forth and described in Section I herein above, Choice Advisors agrees to make available to the Client the following services, when so requested by the Client and subject to the agreement by Client and Choice Advisors regarding the compensation, if any, to be paid for such services, it being understood and agreed that the services set forth in this Section II may require further agreement as to the compensation to be received by Choice Advisors for such services:

1. Call Defeasance and Refunding. Evaluate and advise on exercising any call defeasance and/or refunding of any outstanding Financing.
2. Capital Program Modeling. Evaluate and advise on the development of any capital improvements programs.

[remainder of page left intentionally blank]

**SECTION III**

**[RESERVED]**

**SECTION IV**

**TERM OF AGREEMENT**

This Agreement shall become effective as of the date executed by the Client as set forth on the signature page hereof and, unless terminated by either party pursuant to Section V of this Agreement, shall remain in effect thereafter for a period of one (1) year from such date.

**SECTION V**

**TERMINATION**

This Agreement may be terminated with or without cause by the Client or Choice Advisors upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate. In the event of such termination, it is understood and agreed that only the amounts due Choice Advisors for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

**SECTION VI**

**COMPENSATION AND EXPENSE REIMBURSEMENT**

The fees due to Choice Advisors for the services set forth and described in Section I of this Agreement with respect to each Financing during the term of this Agreement shall be calculated in accordance with the schedule set forth on Exhibit I attached hereto. Unless specifically provided otherwise on Exhibit I or in a separate written agreement between the Client, on behalf of the Building Corporation and Choice Advisors, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which Choice Advisors is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Financing to the purchaser.

**SECTION VII**

**MISCELLANEOUS**

1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Colorado. Proper venue for any legal action arising out of this Agreement shall be Denver County, Colorado.
2. Waiver of Trial by Jury. Each party agrees to waive any right to a trial by jury with respect to any claim, counterclaim, or action arising out of or in connection with this Agreement or the transactions contemplated hereby or the relationship between the parties. Parties agree to waive consequential and punitive damages.
3. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Client, on behalf of the Building Corporation and Choice Advisors, their respective heirs, executors, personal representatives, successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
4. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

[remainder of page left intentionally blank]



CHOICE ADVISORS LLC



Matthias O'Meara

Partner & Founder

CONTRA COSTA SCHOOL OF PERFORMING ARTS

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT I**

**FEE SCHEDULE**

The Client, on behalf of the Building Corporation agrees to pay shall pay a 1% success-based financing fee, which is determined by the higher of: (i) the net financing amount(s) or (ii) gross financing amount. The success-based financing fees are due and payable upon the closing of any financing(s).

**Out-of-Pocket Reimbursement:** The Client shall reimburse Choice Advisors for out-of-pocket, verifiable expenses made in connection to the advisory engagement including travel and lodging related expenses. Such reimbursements shall not to exceed \$2,500 per year commencing with the date on which this disclosure letter is accepted by the Client.

The Client is responsible for all other expenses related to financings. Examples of potential expenses that may apply include, but are not limited to, the following: underwriting discount, legal services, rating expenses, publication of notices, paying agent fees, escrow agent fees, verification agent, trustee fees, accounting services, CUSIP expense, and any fees charged for information required for preparation of an official statement or other offering document.