



## DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Agreement"), dated as \_\_\_\_\_, is executed and delivered by South Pasadena Unified School District (the "Issuer") and Keygent LLC, as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "Keygent") for the Bonds (hereinafter defined).

### SECTION 1. DEFINITIONS.

The capitalized terms shall have the following meanings:

"Annual Report" means an Annual Report described in and consistent with the Issuer's Continuing Disclosure Agreement(s) pursuant to the Bonds.

"Annual Filing Date" means the date, set in the Issuer's Continuing Disclosure Agreement(s) with respect to the Bonds by which the Annual Report is to be filed with the Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule.

"Bonds" means the bonds as listed on the attached Exhibit A, with the CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repository contained in the Continuing Disclosure Agreement(s) with respect each series of Bonds. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means the Superintendent, or Assistant Superintendent, Business Services of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" means Keygent LLC, acting in its capacity as Disclosure Dissemination Agent hereunder.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means an event listed in the Issuer's Continuing Disclosure Agreement(s) with respect to the Bonds.

"Official Statement" means that Official Statement prepared by the Issuer in connection with each series of Bonds, as listed on the attached Appendix A.

"Repository" shall mean the MSRB, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" means the Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities and Exchange Act of 1934.

"State Repository" shall mean any public or private repository or entity designated by the State of California, if any, as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission.

"Trustee" means the institution identified in each respective series of Bonds.

"Voluntary Report" means the information provided to the Disclosure Dissemination Agent by the Issuer as described in the Issuer's Continuing Disclosure Agreement(s) with respect to the Bonds.

## **SECTION 2. REPORTING DUTIES.**

(a) The Issuer shall provide, annually, an electronic or paper copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of a copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the Repository. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with a copy of the Annual Report and the Certification) no later than three (3) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event stating that the Issuer has failed to provide annual financial information as required has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon (California time) on the first business day following the Annual Filing Date for the Annual Report, a Notice Event that the Issuer has failed to provide annual financial information as required shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner a copy to the Disclosure Dissemination Agent, accompanied by a Certificate, together with a copy for the Trustee, for filing with the Repository.

(e) The Disclosure Dissemination Agent shall:

- (i) determine the name and address of each Repository each year prior to the Annual Filing Date;
- (ii) assist the Issuer with determining what is required to be included in the Annual Report and when it is due to the Repository;
- (iii) provide a template of tables to complete, as list of data to provide and questions to be answered in preparing the Annual Report;
- (iv) upon receipt, promptly file each Annual Report received under Section 2(a) with the Repository;
- (v) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the Repository;
- (vi) upon receipt, promptly file the text of each disclosure to be made with the Repository together with a completed copy of the Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the applicable box when filing pursuant to the Notice Event Section contained in the Issuer's Continuing Disclosure Agreement(s) with respect to the Bonds;
- (vii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the Keygent system, for so long as Keygent is the Disclosure Dissemination Agent under this Agreement;
- (viii) send quarterly material events questionnaires; and
- (ix) maintain or cause to be maintained for at least five (5) years, a record of the Annual Report.

### **SECTION 3. CONTENT OF THE ANNUAL REPORT.**

Each Annual Report shall contain the requisite information in accordance with the Continuing Disclosure Agreements with respect to the Bonds.

### **SECTION 4. REPORTING OF NOTICE EVENTS**

(a) The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event as defined in the Issuer's Continuing Disclosure Agreement(s) with respect to the Bonds. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the Repository in accordance with Section 2 e (vi) hereof.

### **SECTION 5. CUSIP NUMBERS**

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports, the Issuer shall indicate the full name of the series of Bonds and CUSIP numbers for the Bonds as to which the provided information relates.

### **SECTION 6. ADDITIONAL DISCLOSURE OBLIGATIONS**

The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information.

## **SECTION 7. VOLUNTARY REPORTS**

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the Repository, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by the Continuing Disclosure Agreements with respect to the Bonds.

## **SECTION 8. APPOINTMENT OF DISCLOSURE DISSEMINATION AGENT**

(a) The Issuer hereby appoints Keygent LLC as exclusive Disclosure Dissemination Agent with respect to each series of Bonds as listed on the attached Exhibit A and any additional financings subject to the Rule issued by the Issuer after the date of this Agreement.

(b) The initial term of Keygent's appointment as Dissemination Agent shall be three years and, subsequently, shall renew annually on the anniversary date of this agreement unless Section 8(c) of this agreement is invoked. The term of this Agreement shall not extend beyond the final maturity of the Bonds.

(c) Either party may terminate this Agreement at any time by giving the other party sixty (60) days written notice of termination. Upon termination of Keygent's services as Disclosure Dissemination Agent, whether by notice of the Issuer or Keygent, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent.

## **SECTION 9. DUTIES, IMMUNITIES AND LIABILITIES OF DISCLOSURE DISSEMINATION AGENT**

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents as set forth in the Continuing Disclosure Agreements with respect to the Bonds shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to

determine, or liability for failing to determine, whether the Issuer has complied with this Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

THE ISSUER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer.

## **SECTION 10. OUTSIDE INTERESTS**

### Municipal Bond Holdings

Keygent's employees may hold brokerage accounts with broker dealers and/or investment companies that are active participants in California municipal bonds. Keygent employees are not permitted to purchase primary offerings of municipal securities of our clients. Prior to Keygent's engagement by the District, Keygent employees may have held municipal securities of the District, but, to the extent that they previously held such securities, they have since liquidated them. Keygent employees may hold municipal securities of other municipal agencies. The District shall retain the sole right to recuse any Keygent employees from any business meetings, discussions or situations that may present a conflict of interest.

### Insurance

Keygent carries general business insurance, professional liability insurance and workers' compensation insurance. A copy of Keygent's insurance policies with coverage amounts will be made available upon written request.

### Other Services

In addition to providing dissemination agent services to municipal clients, Keygent offers municipal bond financial advisory services. Keygent's municipal advisory services are distinct from Keygent's dissemination agent services and require separate, independent contracts in order for Keygent to engage in such services.

## **SECTION 11. FEES**

(a) Annual Dissemination Fee. In accordance with the Fee Schedule attached as Exhibit D, the Issuer shall pay annual dissemination fees to Keygent for the performance of dissemination services in connection with this Agreement. The annual dissemination fee shall be due and payable within 30 days upon completion of the Annual Report.

(b) Continuing Disclosure Consulting Services. Fees for consulting services, outside of the scope of those described in Section 2, to assist the Issuer in complying with its continuing disclosure obligations in connection with the Bonds will be billed to the District at the rates based upon the attached Fee Schedule and agreed upon by the District Representative and Keygent prior to the commencement of such services. Before any such services are performed, the District Representative and Keygent will specify the respective services, the terms, and an estimate of the fees therefore, and the District Representative and Keygent will enter into a written agreement for those additional services.

(c) Out of Pocket Expenses. The Issuer shall be responsible for payment of third party services and/or information ordered by Keygent as directed by the Issuer. If payment is made by Keygent to the third party provider, Keygent shall charge a handling fee in an amount equal to ten percent (10%) of the payment.

## **SECTION 12. NOTICE**

All notices and demands of any kind that either party may be required or desires to serve upon the other party shall be addressed as follows:

To the Issuer:

Name: David Lubs  
Title: Assistant Superintendent of Business Services  
Address: 1020 El Centro St.  
City, State, Zip: South Pasadena, CA 91030  
Phone/Fax: (626) 441-5810 / (626) 441-5815  
Email: dlubs@spusd.net

To Keygent:

Chet Wang  
Managing Director  
Keygent LLC  
999 N. Sepulveda Blvd., Suite 500  
El Segundo, CA 90245  
Phone/Fax: (310) 322-4222/(866) 518-7656  
Email: chet.wang@keygentcorp.com

In the event that any of the above information changes for either party, written notice shall be given the to the other party as soon as practicable. The updated information will be effective upon receipt by the other party.

### **SECTION 13. AMENDMENT; WAIVER**

Notwithstanding any other provision of this Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Agreement and any provision of this Agreement may be waived, if such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

### **SECTION 14. BENEFICIARIES**

This Agreement shall inure solely to the benefit of the Issuer and the Disclosure Dissemination Agent, and shall create no rights in any other person or entity.

### **SECTION 15. GOVERNING LAW**

This Agreement shall be governed by the laws of the State of California.

### **SECTION 16. COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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Keygent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

**SOUTH PASADENA UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: David Lubs  
Title: Assistant Superintendent of Business Services

**KEYGENT LLC**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Chet Wang  
Title: Managing Director

**EXHIBIT A**  
**BONDS**

1996 General Obligation Bonds, Series A

Election of 1995 General Obligation Bonds, Series B

Election of 1995 General Obligation Bonds, Series C

Election of 1995 General Obligation Bonds, Series D

General Obligation Bonds, Election of 2002, Series B

2012 General Obligation Refunding Bonds

**EXHIBIT B**  
**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Issuer: \_\_\_\_\_  
Obligor: \_\_\_\_\_  
Name of Bond Issue: \_\_\_\_\_  
Date of Issuance: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement, dated as of \_\_\_\_\_, between the Issuer and Keygent LLC, as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_  
Keygent LLC, as  
Disclosure Dissemination Agent, on behalf of the Issuer

\_\_\_\_\_  
cc: Issuer  
Obligated Person

**EXHIBIT C**  
**EVENT NOTICE COVER SHEET**

This cover sheet and material event notice will be sent to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

\_\_\_\_\_

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

\_\_\_\_\_

Number of pages of attached: \_\_\_\_\_

Description of Material Event Notice (Check One):

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-Payment related defaults
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ☐ Modifications to rights of securities holders
8. ☐ Bond calls
9. ☐ Defeasances
10. ☐ Release, substitution, or sale of property securing repayment of the securities
11. ☐ Rating changes
12. ☐ Other material event notice (specify) \_\_\_\_\_
13. ☐ Failure to provide annual financial information as required

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Keygent LLC

999 N. Sepulveda Blvd., Suite 500

El Segundo, CA 90245

310-322-4222

**EXHIBIT D**  
**DISCLOSURE DISSEMINATION AGENT AND CONTINUING DISCLOSURE CONSULTING SERVICES**  
**FEE SCHEDULE**

Dissemination Agent Services
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Annual Filing Fees*	\$500 per financing with a minimum annual fee of \$1,500 and a maximum annual fee of \$5,000 if number of outstanding financings exceed 10 (see Exhibit A for list of currently outstanding or pending financings)
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\*Please note that any reporting information that is needed from third party vendors will be billed back to the District at cost.

Material Event Filing Fees	\$500 per occurrence (covers all outstanding financings of the District that require filing)
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