

Recorder's Office Cover Sheet

Recording Requested By:

Name: Terri Willoughby

Department: Finance



00152327202209830460060067

KAREN ELLISON, RECORDER

Type of Document: (please select one)

- Agreement
- Contract
- Grant
- Change Order
- Easement
- Other

specify: Engagement Letter

Sherman & Howard

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Telephone: 775.223.1980

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FILED
NO. 2022.037
3/24/2022
DATE
DOUGLAS COUNTY CLERK
MINDEN, NV
BY AL DEPUTY

March 14, 2022

Terri Willoughby
Chief Financial Officer
Douglas County, Nevada
1594 Esmeralda Ave.
Minden, NV 89423

\$7,000,000*
Douglas County, Nevada
General Obligation (Limited Tax)
Community Center Refunding Bonds
(Additionally Secured by Pledged Revenues)
Series 2022

Dear Terri:

We are pleased to confirm our engagement as bond counsel to Douglas County, Nevada (the "County"), in connection with the above-captioned bonds (the "Bonds"). This letter will operate as the form of agreement between the County and our firm and sets forth the role we propose to serve and the responsibilities we propose to assume as bond counsel.

Scope of Services as Bond Counsel. Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds. As your bond counsel, we will prepare or examine all legal proceedings needed preliminary to and in the issuance of the Bonds relating to the validity and enforceability thereof (the sale and final issuance of the Bonds and appropriate closing certificates). All proceedings that we prepare will be prepared in collaboration with you, the County Attorney, the County's municipal advisor or underwriter and other authorized representatives of the County. Our services as bond counsel also include an examination of an executed transcript of proceedings and such additional duties as we deem necessary to render our final approving opinion relating to the Bonds and the exclusion of the interest paid on the Bonds (subject to certain limitations which may be expressed in the opinion) from gross income for

*Preliminary, subject to change.

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Terri Willoughby
Chief Financial Officer
Douglas County, Nevada

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federal income tax purposes. Our opinion will be addressed to the County and will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing"). The opinion will be based on facts and law existing as of its date.

As bond counsel, we will not assume or undertake responsibility for assisting in the preparation of an Official Statement with respect to the Bonds (the "Official Statement"). Our understanding is that the Bonds will be purchased by a bank or other sophisticated investor; therefore, the preparation and distribution of an Official Statement will not be necessary.

Our services as bond counsel are limited to those contracted for explicitly herein; the County's execution of this letter constitutes an acknowledgment of those limitations. Specifically, but without implied limitation, our responsibilities do not include any representation by Sherman and Howard L.L.C. in connection with any IRS audit or any litigation involving the County or the Bonds. Neither do we assume responsibility for the preparation of any collateral documents (*e.g.*, environmental impact statements) which are to be filed with any state, federal or other regulatory agency. Nor do our services include financial advice (including advice about the structure of the Bonds, that being the role of the financial consultant) or advice on the investment of funds related to the Bond issue. If such services are requested of us, we suggest that we discuss the nature and extent of those services and an estimate of our fee at the time of the request.

Attorney-Client Relationship. In performing our services as bond counsel, the County will be our client and an attorney-client relationship will exist between us. We will represent the interests of the County rather than its Board of Trustees, its individual members, or the County's employees. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Our firm sometimes represents, in other unrelated transactions, certain of the financial institutions that may be involved in this Bond transaction, such as the Purchasers, who is also acting as the escrow bank, and banks that act as paying agents or trustees. We do not believe that any of these representations will materially limit or adversely affect our ability to represent the County in connection with the Bonds, even though such representations may be characterized as adverse under the Rules. In any event, during the term of our engagement hereunder, we will not accept a representation of any of these parties in any matter in which the County is an adverse party. However, pursuant to the Rules, we do ask that you consent to our representation of such parties in transactions that do not directly or indirectly involve the County. Your execution of this letter will signify the County's prospective consent to such adverse representations in matters unrelated to the Bonds while we are serving as bond counsel hereunder.

Terri Willoughby
Chief Financial Officer
Douglas County, Nevada

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Proposed Fees. Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the responsibilities we will undertake pursuant to this letter, (iii) the time and labor we anticipate devoting to the financing, and (iv) the skill and experience required to complete the services properly, we estimate that our fee as bond counsel for the Bonds in the amount of approximately \$7,000,000 is estimated to be between \$35,000 to \$38,000. Such fee may vary: (i) if the principal amount of Bonds actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, (iii) the Bonds are issued in more than one series, or (iv) if unusual or unforeseen circumstances arise which require a significant increase in our time or our responsibilities, *e.g.*, if the bonds are issued with unusual features (such as floating interest rate bonds or "put" bonds) or with unusual security (such as a letter of credit).

The amount of our fees would be determined after the Bonds are issued and would be based on the amount of time, effort, etc. attorneys at this firm expend in performing services in connection with the bond issue.

In the event the transaction is delayed and the Bonds are not delivered at Closing on or before December 31, 2022, it may be necessary for us to repeat and update much of our work and a commensurate increase in our fees may result. Any such revision of our fee as bond counsel would, however, be made only after obtaining your approval by a written amendment to this engagement letter.

In addition, this letter authorizes us to make disbursements on your behalf, which we estimate will not exceed \$500. The County agrees to reimburse us for such disbursements, including travel costs, photocopying, facsimile transmissions, deliveries, filing fees, computer assisted research, and other necessary office expenses.

We understand and agree that our contingent fees will be paid at Closing out of Bond proceeds. If the financing is not consummated, we understand and agree that we will not be paid. If you prefer, we can provide you with a non-contingent fee arrangement based upon an hourly rate or a fixed transaction fee.

Electronic Communications. Although the County and our firm recognize e-mail may not always be a secure method of communication, and could be intercepted and read by persons who are not the intended recipients, the County and the firm agree to the use of unencrypted e-mail for communications made during the course of this engagement, including communications containing confidential information or advice. The County may, however, at any time request us to use a specified more secure or different method of communication for

Terri Willoughby
Chief Financial Officer
Douglas County, Nevada

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confidential information or advice, including communications about a particular subject, and we will take reasonable measures to implement the request from the County.

Document Retention. At or within a reasonable period after the Closing, we will review the file to determine what materials should be retained as a record of our representation and those which are no longer needed. We will provide you with a copy of the customary transcript of documents after Closing and will return any original documents obtained from you (if a copy is not included in the transcript). We will retain for several years a copy of the transcript and such other materials as correspondence, final substantive work product, documents obtained from you, and documents obtained from third parties. We will not retain such materials as duplicates of the above-described material, or drafts and notes that do not appear needed any longer.

Ordinarily the firm will keep the retained materials until seven years after the final maturity of the Bonds. At the end of that time, unless you advise us in writing to the contrary, we will destroy the bulk of the file. If the file is especially voluminous, we may destroy all or portions of it earlier, as our storage facilities are limited. If you prefer other arrangements for retention or disposition of our files in this matter, please advise us in writing.

Personnel. Ryan Henry, who is a licensed Nevada lawyer will be the principal lawyer involved in performing bond counsel services for you pursuant to this letter. He will report to and take direction from you, the County's Chief Financial Officer. Where appropriate, certain tasks may be performed by other attorneys or paralegals. In addition, Mr. Henry may be assisted in performing these legal services by lawyers in our non-Nevada offices who are not licensed to practice law in Nevada. Generally, these lawyers assist us in matters of federal tax law and federal securities law. We sometimes consult with these lawyers in attempting to resolve questions of municipal law and municipal finance law, and sometimes these lawyers also assist us in legal research and document drafting. In any event, our Nevada lawyers will be responsible for all legal services and legal work rendered to you pursuant to this letter and all formal legal opinion will be rendered and executed by Sherman & Howard L.L.C.

Termination of Engagement. Upon delivery of our approving opinion, our responsibilities as bond counsel will terminate with respect to the Bonds. At that time, our representation of the County and the attorney-client relationship created by this engagement letter will be concluded. Should the County seek the advice of bond counsel on a post-closing matter or seek other, additional legal services, we would be happy to discuss the nature and extent of our separate engagement at that time.

Terri Willoughby
Chief Financial Officer
Douglas County, Nevada

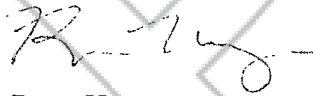
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Approval. If the foregoing terms of this engagement are acceptable to you, please so indicate by returning the enclosed original of this letter signed by the officer so authorized, retaining the enclosed copy for your files.

We sometimes do not receive signed engagement letters back from clients for various reasons, but the client still wishes for us to serve as their counsel. Accordingly, so that we may begin work on this matter soon per your instructions, if you do not return a signed letter to us or inform us of any comments or objections to this letter, we will consider this letter and the referenced fee arrangement to govern our relationship unless you and we agree otherwise in writing.

We very much appreciate the opportunity to be of service to the County as bond counsel and look forward to working with you.

Sincerely,



Ryan Henry

Accepted this 17th day of March, 2022.

DOUGLAS COUNTY, NEVADA

By: 

Title: County Manager

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Douglas County State of Nevada

CERTIFIED COPY

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this

20 day of March, 2022

By Amie Stone Deputy