

Recorder's Office Cover Sheet

Recording Requested By:

Name: Terri Willoughby

Department: Finance



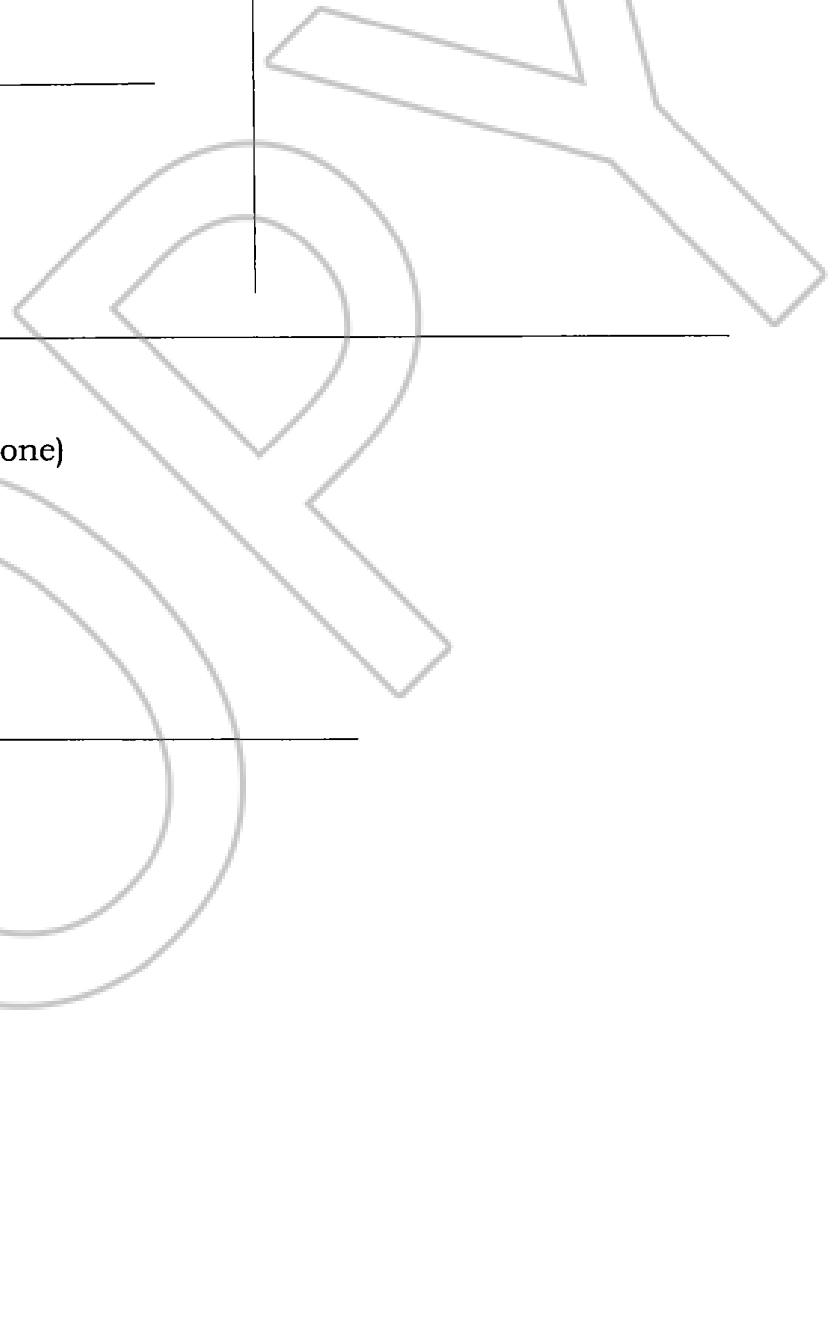
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SHAWNYNE GARREN, RECORDER

Type of Document: (please select one)

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

specify: \_\_\_\_\_





**JNA Consulting Group, LLC**  
**Independent Registered Municipal Advisor**

FILED

NO. 2023.232

9/25/23  
DATE

DOUGLAS COUNTY CLERK  
MINDEN, NV

BY [Signature] DEPUTY

August 9, 2023

Terri Willoughby  
Chief Financial Officer  
Douglas County, Nevada  
P.O. Box 218  
Minden, Nevada 89423

Re: Financing for the Douglas County Judicial Center

Terri:

JNA Consulting Group, LLC is pleased to be of service to Douglas County on the above-referenced project. The engagement letter replaces our proposed engagement dated January 30, 2023.

This letter specifies the terms of the engagement between JNA Consulting Group, LLC ("JNA"), located at 410 Nevada Way, Suite 200, Boulder City, Nevada 89005 and Douglas County, Nevada, 1616 8th Street, Minden, Nevada 89423 (the "County").

**Scope of Municipal Advisory Activities to be Performed**

Services provided consist of offering independent financial advice and consulting services relating to debt and the funding of capital projects. We do not underwrite securities or offer investment services.

Our understanding of the current project is to prepare a plan of finance for the County Commission to review and approve. It is anticipated that the plan of finance will include the issuance of two series of bonds to fund the construction and equipping of the County's proposed Judicial Law Enforcement Center. One series of bonds is expected to be a general obligation bond supported by Consolidated Tax revenues ("C-Tax Bonds") and the other series a medium-term obligation ("MTO"). The C-Tax Bonds are expected to be sold competitively in the public markets. A decision on the method of sale for the MTO will be determined at a later date.

Services to be provided for the financing will include, but are not limited to, the following:

- Development of a Funding Model
- Preparation of an authorization schedule for both financings
- Preparation and presentation of financial information for Debt Management Commission approval, as needed
- Preparation of documentation for Department of Taxation approval, as needed
- Preparation of an issuance schedule and oversight of the issuance process
- Development of the various terms and conditions of the financings
- Assistance in developing various financing documents
- Development of Rating Presentation and assistance with acquiring bond rating
- Assistance in bond pricing process

- Preparation of final numbers
- Preparation of closing instructions
- Attendance at meetings of staff and County Commission, as requested

### **Term of Engagement Agreement**

This engagement between the County and JNA shall become effective as of the date of its acceptance as provided below and the end date is 30 days from the closing date of any bonds sold to fund the project. Any extensions must be mutually agreed upon by all parties in writing.

This engagement may be terminated, with or without cause, by either party upon fifteen (15) days prior written notice. If the engagement is terminated by the County, JNA will invoice the County for its County-authorized out-of-pocket expenses, if any, as of date of termination. In the event the project is canceled after Debt Management Commission or Department of Taxation approval, we will also bill for our time costs incurred. If JNA has completed the engagement as of the date of termination, the County will pay JNA in full.

### **Compensation and Out-of-Pocket Expenses**

The fee for the C-Tax Bonds will be between \$55,000 and \$75,000. The fee for the MTO will be between \$20,000 and \$40,000 depending on the timing and method of sale. The fees do not include out-of-pocket expenses such as overnight mail, copying, or travel-related expenses. Such items will be included on the invoice as reimbursable items. In the event the C-Tax Bonds have not been issued by April 1, 2024, we will send an invoice for \$7,500 of the fee plus any reimbursable expenses incurred. The remainder of the fee will be due after the bonds are closed. The fee for the MTO will be due after closing of that transaction.

### **Fiduciary Duty**

JNA is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, JNA has a Fiduciary duty to the County and must provide a Duty of Care and a Duty of Loyalty that entails the following:

#### Duty of Care:

- Exercise due care in performing its municipal advisory activities;
- Possess the degree of knowledge and expertise needed to provide the County with informed advice;
- Make a reasonable inquiry as to the facts that are relevant to the County's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the County; and
- Undertake a reasonable investigation to determine that JNA is not forming any recommendation on materially inaccurate or incomplete information; JNA must have a reasonable basis for:
  - Any advice provided to or on behalf of the County;
  - Any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the County, any other party involved in the municipal securities transaction or municipal financial product, or investors in the County securities; and

- Any information provided to the County or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

#### Duty of Loyalty:

JNA must deal honestly and with the utmost good faith with the County and act in the County's best interests without regard to the financial or other interests of JNA. JNA will eliminate or provide full and fair disclosure (included herein) to Issuer about each material conflict of interest (as applicable). JNA will not engage in municipal advisory activities with the County as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the County's best interests.

#### Conflicts of Interest and Other Matters Requiring Disclosures

- As of the date of the Agreement, there are no actual or potential conflicts of interest that JNA is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If JNA becomes aware of any potential conflict of interest that arise after this disclosure, JNA will disclose the detailed information in writing to the County in a timely manner.
- The fee paid to JNA increases the cost of investment to the County. The increased cost occurs from compensating JNA for municipal advisory services provided.
- JNA does not act as principal in any of the transaction(s) related to this Agreement.
- During the term of the municipal advisory relationship, this agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this agreement and the revised writing will be promptly delivered to the County.

#### Material Conflicts to be Considered

- JNA does not have any affiliate that provides any advice, service, or product to or on behalf of the County that is directly or indirectly related to the municipal advisory activities to be performed by JNA;
- JNA has not made any payments directly or indirectly to obtain or retain the County's municipal advisory business;
- JNA has not received any payments from third parties to enlist the recommendation to the County of its services, any municipal securities transaction or any municipal finance product;
- JNA has not engaged in any fee-splitting arrangements involving JNA and any provider of investments or services to the County;
- JNA's compensation for municipal advisory activities to be performed may be contingent on the size and/or close of any transactions as to which JNA is providing advice. This potential conflict of interest will not impair JNA's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the County;
- JNA does not have any other engagements or relationships that might impair JNA's ability either to render unbiased and competent advice to or on behalf of the County or to fulfill its fiduciary duty to the County, as applicable; and
- JNA does not have any legal or disciplinary event that is material to the County's evaluation of the municipal advisory or the integrity of its management or advisory personnel.

### Other Municipal Advisor Relationships

JNA serves a wide variety of clients that may from time to time have interests that could have a direct or indirect impact on the interests of another JNA client. For example, JNA 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 the County. 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, JNA could potentially face a conflict of interest arising from these competing client interests. JNA fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

### Legal Events and Disciplinary History

JNA does not have any legal events and disciplinary history on its 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. The County may electronically access JNA'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](http://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.

### Recommendations

If JNA makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the County and is within the scope of the engagement, JNA will determine, based on the information obtained through reasonable diligence of JNA whether a municipal securities transaction or municipal financial product is suitable for the County. In addition, JNA will inform the County of:

- The evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- The basis upon which JNA reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the County; and
- Whether JNA has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the County's objectives.

If the County elects a course of action that is independent of or contrary to the advice provided by JNA, JNA is not required on that basis to disengage from the County.

### Complaints

JNA is currently registered as a Municipal Advisor with the SEC and the MSRB.

Within the MSRB website at [www.msrb.org](http://www.msrb.org), the County 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.

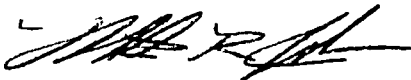
**Record Retention**

Effective July 1, 2014, pursuant to the Securities and Exchange Commission (SEC) record retention regulations, JNA is required to maintain in writing, all communication and created documents between JNA and the County for five years.

If there are any questions regarding the above, please do not hesitate to contact JNA. If the foregoing terms meet with your approval, please indicate your acceptance by executing both copies of this letter and returning one copy.

Our objective is to have the proposed transactions proceed as smoothly as possible for the County. We look forward to working with you and thank you for this opportunity to be of service to the County. Please call me at 702-294-5100 if you have any questions.

Sincerely,



Martin R. Johnson  
President

MRJ:jls

Agreed to and Accepted as of 09/21/2023 :  
Date

By: Douglas County, Nevada



County Manager  
Authorized Signature and Title

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

25<sup>th</sup> day of September, 20 23

By James Balds Deputy