

**SECOND AMENDMENT TO CONTRACT FOR SERVICES
OF INDEPENDENT CONTRACTOR**

DATED AS OF APRIL 8, 2020

This AMENDMENT TO CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR (this “Amendment”) is intended to amend, supplement, and revive the “Contract for Independent Consulting Services” between JNA CONSULTING GROUP, L.L.C. and the CITY OF FERNLEY, NEVADA (the “City” and together with JNA Consulting Group, L.L.C., the “Parties”).

WHEREAS, the Original Contract was approved by the City Council of the City on August 5, 2015; and

WHEREAS, the provisions of the Original Contract may be modified in writing signed by all Parties pursuant to Section 32 of the Original Contract; and

WHEREAS, the Parties intend to contract with one another again regarding the City’s issuance of the “City of Fernley, Nevada, General Obligation (Limited Tax) Water and Sewer Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2020”.

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Original Contract.

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations herein contained, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

Section 1. Intent and Purpose. Unless specifically and expressly amended by the terms of this Amendment, the Parties intend that the terms of the Original Contract remain undisturbed and are hereby ratified and confirmed.

Section 2. For all purposes of the Original Contract, the following terms and conditions are hereby expressly amended, supplemented, revived, and/or restated as follows:

A. Attachments A and B to the Original Contract (i.e., the prior Engagement Letters, dated April 20, 2015) shall be updated and replaced in all respects with the Engagement Letter attached hereto as Exhibit “A” dated April 8, 2020.

B. Contract Term. Section 3 of the Original Contract is hereby restated in its entirety as follows:

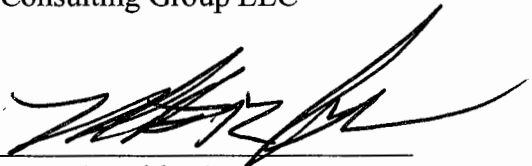
1. **CONTRACT TERM.** This Contract shall be effective from April 8, 2020 to May 27, 2020 or until final closing, whichever is later, subject to appropriation.

C. Scope of Work and Consideration. Sections 5 and 6 of the Original Contract are hereby restated in their entirety as follows:

1. **SCOPE OF WORK AND CONSIDERATION.** The parties agree that Contractor will provide the services specified for a fee as outlined in Exhibit A: Engagement Letter, dated April 8, 2020.

WITNESS WHEREOF, Martin R. Johnson executed this Amendment for and on behalf of JNA Consulting Group LLC; and the Mayor of the City and the City Clerk have executed this Amendment for and on behalf of the City and affixed the seal of the City hereto:

JNA Consulting Group LLC

By: 
(President)

[SEAL]

CITY OF FERNLEY, NEVADA

Attest:

By: _____
Kimberly Swanson, City Clerk

By: _____
Roy Edgington, Mayor

Approved as to Form:

By: _____
Brandi Jensen, City Attorney



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JNA Consulting Group, LLC

Independent Public Finance Advisors

April 8, 2020

Denise Lewis
Director of Finance
City of Fernley
595 Silver Lace Boulevard
Fernley, Nevada 89408

Re: City of Fernley General Obligation (Limited Tax) Water & Sewer Refunding Bonds Series 2020

Denise:

JNA Consulting Group, LLC is pleased to be of service to the City of Fernley (the "City") on the above-referenced project.

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 the refinancing of outstanding bonds for debt service savings. It is currently anticipated that the financing will be accomplished as a competitively sold, direct placement with a financial institution

Services to be provided for the issuance of bonds will include, but are not limited to, the following:

- Development of the refunding model
- Evaluation of various issuance options (private placement, public offering, bond bank)
- Recommendation of the most appropriate method of sale
- Preparation of a financing schedule and oversight of the financing process
- Development of the various terms and conditions of the financings
- Preparation of Request for Bids
- Manage the bidding process
- Evaluation of bids and recommendation of best bid
- Preparation of closing instructions
- Attendance at meetings of staff, and City Council as requested

The fee for the bond issue will be between \$25,000 and \$30,000 assuming the bonds are sold via a private placement. 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 bill as reimbursable items. Our fee is contingent upon the successful closing of the refunding bonds.

Fiduciary Duty

JNA is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission (the "SEC") and Municipal Securities Rulemaking Board ("MSRB"). As such, JNA has a Fiduciary Duty to the City and must provide both 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 City with informed advice;
- make a reasonable inquiry as to the facts that are relevant to the City's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the City; 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 City;
 - any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the City, any other party involved in the municipal securities transaction or municipal financial product, or investors in the City's securities; and
 - any information provided to the City or other parties involved in the municipal securities transaction in connection with the preparation of any offering documents.

Duty of Loyalty:

JNA must deal honestly and with the utmost good faith with the City and act in the City'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 the City about each material conflict of interest (as applicable). JNA will not engage in municipal advisory activities with the City as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the City's best interests.

Conflicts of Interest and Other Matters Requiring Disclosures

- As of the date of the Agreement, there is an actual or potential conflict of interest that JNA is aware of that may be viewed to impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty regarding the fee structure. Additionally, if JNA becomes aware of any other potential conflicts of interest that arise after this disclosure, JNA will disclose the detailed information in writing to the City in a timely manner.

Specifically,

- JNA's compensation for municipal advisory activities to be performed is contingent on the size or closing of any transactions as to which JNA is providing advice. This may be considered a conflict of interest. This potential conflict of interest will not impair JNA's ability to render unbiased and competent advice or to fulfill its fiduciary duty.
- The fee paid to JNA increases the cost of financing to the City. 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 City.

Material Conflicts to be Considered

- JNA does not have any affiliate that provides any advice, service, or product to or on behalf of the client 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 City's municipal advisory business;
- JNA has not received any payments from third parties to enlist the recommendation to the City 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 City;
- JNA's compensation for municipal advisory activities to be performed is contingent on the size or close of any transactions as to which JNA is providing advice;
- 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 City or to fulfill its fiduciary duty to the City, as applicable; and
- JNA does not have any legal or disciplinary event that is material to the City's evaluation of the municipal advisory or the integrity of its management or advisory personnel.

Other Municipal Advisory Relationships

JNA 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 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 City. 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 the City.

Complaints

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

Within the MSRB website at www.msrb.org, the City 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.

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 City 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.

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 City 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 City. In addition, JNA will inform the City 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 City; and
- whether JNA has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the City's objectives.

If the City 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 City.

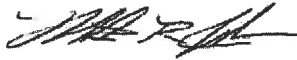
Record Retention

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 City for five years.

If there are any questions regarding the above, please do not hesitate to contact JNA.

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

Sincerely,

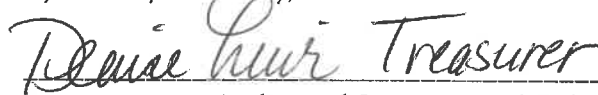


Martin R. Johnson
President

MRJ: js

Agreed to and Accepted as of 4/8/2020 Date

By: City of Fernley, Nevada



Authorized Signature and Title