GOVERNMENT FINANCIAL STRATEGIES
FINANCIAL ADVISORY SERVICES AGREEMENT

THIS AGREEMENT ("Agreement") is made this _____ day of _______, 2019, between Government Financial Strategies inc., a financial advisory firm ("Government Financial Strategies") and the County of Sutter ("Client") who agree as follows:

1. Scope of Work. Government Financial Strategies shall perform the services described in the scope(s) of work attached hereto as Exhibit A (the "Work"). Modifications, deletions and additions to the Work described in Exhibit A may be made, from time to time, upon the subsequent written agreement by both parties.

2. Payment.
   a. In consideration for the Work to be provided by Government Financial Strategies under this Agreement, Client agrees to pay fees and expenses as set forth in Exhibit A.
   b. For Work performed on a time and materials basis, Government Financial Strategies shall submit invoices to the Client on a monthly basis. For Work performed for a fixed fee, Government Financial Strategies shall submit invoices to the Client upon the completion of the Work or as otherwise identified in Exhibit A.
   c. Government Financial Strategies is required to provide written disclosure to all financial advisory clients about actual or potential conflicts of interest as well as certain other information. Exhibit B sets forth the potential conflicts of interest that we have determined presently exist as well as other information we are required to provide to you as a federally registered municipal advisor. Client acknowledges receipt of Exhibit B, and Client has been given the opportunity to discuss such matters with Government Financial Strategies.

3. Term.
   a. This Agreement shall terminate upon the later of the completion of the Work or June 30, 2023, unless earlier terminated as provided in subsection (b).
   b. This Agreement may be terminated by either party upon thirty (30) days advance written notice to the other party.
   c. Upon termination of this Agreement by either party, Client shall compensate Government Financial Strategies for all Work performed prior to termination. If the compensation identified in Exhibit A was on a time and materials basis, such compensation shall be based on time and materials incurred prior to termination. If the compensation identified in Exhibit A was on a fixed fee basis, such compensation shall be the greater of: 1) the percentage of services completed through the termination date multiplied by the fixed fee, or 2) the amount based on a time and materials basis, not to exceed the fixed fee. “Payment,” “Ownership of Documents,” “Indemnification,” “Severability,” “Governing Law and Venue,” and “Entire Agreement” shall survive the termination of this Agreement.

4. Professional Ability and Loyalty. Government Financial Strategies represents that it possesses the skill to competently perform the Work, that it shall perform that Work in a manner equal to or exceeding generally
accepted professional practices and standards for firms performing similar work, and that it will act in a manner it believes to be in the best interest of the Client rather than any third party.

5. Ownership of Documents. Every report, study, memo, letter, spreadsheet, worksheet, plan, graph, diagram, map, photograph, computer model, computer disk, computer software and other document or item prepared by Government Financial Strategies under this Agreement and provided to and paid for by the Client (the “Work Product”) shall be the property of Client, and Client shall have the right to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Government Financial Strategies. Government Financial Strategies may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Government Financial Strategies shall not provide any Work Product not previously made available to the public to any third party without Client’s prior approval, unless compelled to do so by legal process.

6. Indemnification. Each party shall indemnify, defend, protect, and hold harmless the other party, including the other party’s officers, employees, volunteers and agents, from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to, attorney’s fees) directly arising from its negligent act or omission, willful misconduct or violation of law.

7. Insurance.

a. Government Financial Strategies, at its sole cost and expense, shall procure and maintain for the duration of this Agreement workers compensation insurance in the amount required by statute, comprehensive general liability insurance with coverage of at least one million dollars ($1,000,000) per occurrence and aggregate, automobile liability insurance with coverage of at least one million dollars ($1,000,000) per accident, and professional errors and omissions insurance with coverage of at least one million dollars ($1,000,000) per occurrence and aggregate.

b. Upon request, Government Financial Strategies shall provide to Client the evidence of such insurance.

8. Municipal Advisor Registration. Government Financial Strategies is a municipal advisor registered with the Securities and Exchange Commission (registration number 867-00775) and the Municipal Securities Rulemaking Board (registration number K0127).

9. Conflicts of Interest. Except as expressly described in Section 2(c) above and Exhibit B attached, Government Financial Strategies has no material conflicts of interest that might impair its fiduciary duty to the Client. Client acknowledges that Government Financial Strategies may have other governmental clients with overlapping jurisdictions with Client.

10. Independent Contractor. Government Financial Strategies shall be an independent contractor in performing the Work and shall not act as an agent or employee of Client. The employees of Government Financial Strategies and its subcontractors are not employees of Client within the meaning or application of any federal or state unemployment insurance laws, retirement law, social security law or any worker’s compensation, industrial accident law or other industrial or labor law.

11. Non-Discrimination. Government Financial Strategies will not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, sexual orientation, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.
12. Successors and Assigns. This Agreement shall bind and inure to the benefit of the successors and assigns of the parties; however, Government Financial Strategies shall not assign its rights and obligations under this Agreement without the prior written consent of Client, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Government Financial Strategies may subcontract a portion of the Work to its wholly-owned subsidiary, GFS Australia Pty. Ltd, and its sole employee, Jonathan Edwards.

13. No Waiver of Rights. Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default.

14. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity, and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired.

15. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California. The county and federal district court where the Client’s main office is located shall be venue for any state and federal court litigation concerning the enforcement or construction of this Agreement.

16. Notice. All notices that are required or permitted to be given under this Agreement shall be in writing and sent by either personal delivery, nationally recognized overnight courier service or prepaid, first class United States postal mail. Notices shall be sent to the addresses listed below, or to such other address as either party may specify in writing:

Government Financial Strategies:  
County of Sutter:

Attn: Lori Raineri, President  
Attn: Steve Smith, Interim County Administrator

1228 N Street, Suite 13  
1160 Civic Center Boulevard, Suite A
Sacramento, CA 95814-5609  
Yuba City, CA 95993

17. Entire Agreement. This Agreement represents the sole, final, complete, exclusive and integrated expression and statement of the terms between the parties concerning the Work, and supersedes all prior oral and/or written negotiations, representations or contracts. This Agreement may be amended only by written agreement by both parties. Government Financial Strategies agrees to promptly amend or supplement this Agreement to reflect any material changes or additions to this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives.

Government Financial Strategies inc.  
County of Sutter

By: ________________________________  
By: ________________________________

Lori Raineri  
President

Steve Smith  
Interim County Administrator
EXHIBIT A

SCOPE(S) OF WORK

Government Financial Strategies will provide general financial planning and advisory services to the County of Sutter which include but are not limited to the following: a review of facilities needs and costs, a review of short term and long term cash flow schedules, identification and classification of existing and potential revenue sources, assistance with the production of a comprehensive financial plan, financial advisory services in connection with any debt issues, participation in real estate negotiations, general background information on real estate acquisition and lease agreements, allocation of revenues to expenditures, development of financial strategies, reviews of documents, and presentations to the governing board. Such services will be provided as requested by the County of Sutter.

In consideration of the services provided, County of Sutter will pay Government Financial Strategies hourly fees of $225 for services, plus out-of-pocket expenses (such as mileage, meals, etc) For travel time, County of Sutter will pay Government Financial Strategies hourly fees of $112.50.

The total compensation paid under this Agreement, inclusive of all expenses, shall not exceed sixty-nine thousand and five hundred dollars ($69,500.00). Client shall make no payment to Government Financial Strategies in any greater amount for any extra, further, or additional Work, fees, or expenses, unless such Work, fees, or expenses therefore have been mutually agreed to and this Agreement has been formally amended in accordance with the provisions of this Agreement.
EXHIBIT B

DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION

Conflicts of Interest

Government Financial Strategies is required to provide written disclosure to all financial advisory clients about the actual or potential conflicts of interest presented by our representation of Client.

Government Financial Strategies has determined, after exercising reasonable diligence, that it has no known material conflicts of interest that would impair its ability to provide advice to the Client in accordance with its fiduciary duty to municipal entity clients such as the Client. To the extent any such material conflicts of interest arise after the date of this Agreement, Government Financial Strategies will provide information with respect to such conflicts in the form of a written amendment or supplement to this Agreement.

Municipal Advisor Registration, Legal and Disciplinary Events

Government Financial Strategies is registered as a “municipal advisor” pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission (“SEC”) (registration number 867-00775) and the Municipal Securities Rulemaking Board (“MSRB”) (registration number K0127). As part of this registration Government Financial Strategies is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Government Financial Strategies. Pursuant to MSRB Rule G-42, Government Financial Strategies is required to disclose any legal or disciplinary event that is material to the Client’s evaluation of Government Financial Strategies or the integrity of its management or advisory personnel. Government Financial Strategies has determined that no such event exists.

Copies of Government Financial Strategies filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC’s EDGAR system Company Search Page which is currently available at https://www.sec.gov/edgar/searchedgar/companysearch.html and searching for either Government Financial Strategies or for our CIK number which is 0001617177.

Client Brochure

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.