

Thursday, March 26, 2015

A special meeting of the Humboldt County Board of Commissioners was called to order on Thursday, March 26, 2015, at 9:34 a.m. in the regular place of meeting at the Courthouse, Winnemucca, Nevada. Those present were Chairman Garley Amos, Jr., Commissioners Marlene Brissenden, Mike Bell, and Jim French, District Attorney Michael Macdonald, Administrator Dave Mendiola and Clerk of the Board Tami Rae Spero. Present in the audience were Dr. David Jensen, Humboldt County School District, Eddy Davis, Chief Fiscal Officer, Humboldt General Hospital and Bill Macdonald, legal counsel, Winnemucca Convention and Visitors Authority. Commissioner Ron Cerri was not present.

**PUBLIC COMMENTS:** Chairman Amos asked for public comments. None were offered.

**REQUEST FROM DISTRICT ATTORNEY FOR AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES CONTRACT WITH JANET L. CHUBB, ESQ. AND INTERESTS OF THE COUNTY IN THE CHAPTER 11 BANKRUPTCY REORGANIZATION OF ALLIED NEVADA GOLD CORP.:**

A copy of the proposed engagement letter between Humboldt County and Janet L. Chubb of Kaempfer Crowell Attorneys at Law was provided to the Board for review. Janet L. Chubb present via teleconference. District Attorney Macdonald discussed Ms. Chubb's qualifications for handling this type of court action and gave an overview of the Allied Nevada Gold Corp. bankruptcy issue; he commented on the need to protect the rights and interests of the County and requested that the Commission approve the contract with Janet Chubb and Kaempfer Crowell to represent the County's interests in this matter. Ms. Chubb explained the process with the bankruptcy case and where the County fits into it. Commissioner French asked about an average cost to a client in this type of matter. Ms. Chubb responded that there was no average and reviewed the fees associated with the agreement; she suggested allocating \$10,000.00 and stated that an itemized monthly billing would be provided and that she was very cognizant of both the process and the budget concerns. District Attorney Macdonald offered that given the amount of personal property taxes that are owed exceeds two million dollars, a cost of \$10,000.00 to \$15,000.00 to assist with this type of case which warrants expertise seems to be a good value. Ms. Chubb commented on the potential costs. Commissioner French noted his appreciation of the comments offered by Ms. Chubb as well as his agreement with the District Attorney's comment but stated that he just wanted to determine the numbers involved. District Attorney Macdonald noted that he would serve as the point of contact for Ms. Chubb on matters related to this process. The following motion was made by Commissioner Bell:

*To approve this agreement with Kaempfer Crowell Attorneys at Law and authorize the Chair to sign this agreement.*

District Attorney Macdonald noted that the agreement required his signature. Commissioner Bell offered the following amended motion:

*To approve this agreement with Kaempfer Crowell Attorneys at Law and to authorize the District Attorney to sign this agreement.*

Chairman Amos asked Commissioner Bell to offer the motion using the language on the agenda. The following second amended motion was made by Commissioner Bell and passed with Chairman Amos and Commissioner Brissenden, Bell and French voting aye and Commissioner Cerri being absent:


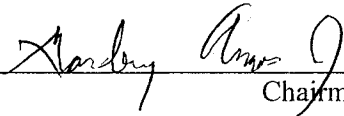
*To enter into a professional services contract with Janet L. Chubb, Esquire and the law firm of Kaempfer Crowell to assist and represent the claims and interests of the County in the Chapter 11 bankruptcy reorganization of Allied Nevada gold Corp. and authorize the District Attorney to sign that.*

Chairman Amos asked about the time line to file into the bankruptcy, noting the importance of that. Ms. Chubb stated that the paperwork would be timely filed and commented on an issue that is occurring with the sale of equipment by the company and the need to keep an eye on and follow up on that type of issue. District Attorney Macdonald commented on the additional benefit in addition to the claims process, of using Ms. Chubb's services to gather information which will give the County some insight into the long term viability of this operation and what can be expected of as to future tax revenues.

Following the discussion Ms. Chubb disconnected from the meeting at 10:01 a.m.

**PUBLIC COMMENTS:** Chairman Amos asked for public comments. Administrator Mendiola thanked Treasurer Gina Rackley, District Attorney Michael Macdonald and Assessor Jeff Johnson for their due diligence with this matter. Commissioner Amos commented on the bankruptcy process. District Attorney Macdonald suggested that a standing item be placed on future Commission agendas for updates on this matter. No further public comment offered.

**ADJOURNMENT:** Chairman Amos adjourned the meeting at 10:04 a.m.

ATTESTED:  Clerk APPROVED:  Chairman

(Minutes approved by the Commission and signed by the Chairman on 5-18-2015)

**KAEMPFER**

**CROWELL**

ATTORNEYS AT LAW

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March 18, 2015

Michael Macdonald, Esq.  
Humboldt County District Attorney  
P.O. Box 909  
Winnemucca, Nevada 89446

**Re: Terms of Engagement for Legal Representation**

Dear Mike:

We appreciate your asking us to assist Humboldt County which is a creditor of Allied Nevada Gold Corporation, Bankr. Case No.; 15-10503 in the District of Delaware, for unpaid taxes. I have been and will continue to advise you regarding bankruptcy procedures, progress in the case, the treatment of Humboldt County in any plan of reorganization, the filing of the proof of claim, and any other relevant issues. We will file a request for electronic notice and, unless directed otherwise, we will send you all filings that we receive. We will be available to advise on any related issues as this case appears to be on a fast track. We look forward to serving as counsel in this matter. This letter sets forth the terms of our proposed engagement, and constitutes an agreement between us (this "Agreement").

**1. Our Client; Terms of Present and Future Engagements.** You, Humboldt County, but not any affiliates or other related persons or entities, are our client. Unless we otherwise agree in writing, this Agreement sets forth our entire agreement for rendering professional services for the current and any future engagements. However, should you choose to engage the firm in future matters, you agree to allow this agreement to be supplemented by a letter to include the new engagement. Our engagement is limited to legal matters, and does not extend to tax matters. You agree to rely on the advice of your accountant, CPA or other tax advisor, for tax advice, and we may rely on such advice which you share with us.

**2. Intake Procedures.** Our engagement is subject to and effective upon completion of our normal intake procedures, including receipt of a copy or facsimile of this Agreement signed by all parties together with any retainers required, and completion of a check for potential conflicts of interest. You represent you have disclosed, and promptly will disclose, to us all persons and entities who may have an interest in, are adverse to, or affected by, this matter so that we may avoid any conflicts of interest. If an organization, you will identify the directors, officers, principals, and managers of said organization.

3. **Fees.** My current hourly rate is \$500.00 and my first monthly bill will include time incurred before our formal retention. The hourly rates of our associates currently range between \$250.00 and \$375.00. Legal Assistants are charged at a rate of \$145.00 per hour. Should other attorneys be assigned to this matter, we will be happy to provide their hourly rate to you upon request. Although we reserve the right to change these rates from time-to-time, we generally do so in January. One of the benefits of your engagement of our firm is the wide range of expertise and experience of our attorneys and staff. As a result, if the primary attorney finds that the use of other attorneys, paralegals or staff within our firm would work to your benefit, keep costs down or otherwise be most economical, we may make such sub-assignments of duties. While we may attempt to estimate fees to assist you in your planning, such estimates are subject to change and are not binding unless otherwise expressly and unequivocally stated in writing.

4. **Charges.** In addition to fees for professional and staff time, we will charge separately for facsimiles, computerized research, printing and photocopying, travel, transcripts, parking, filing fees, wire transfers, returned checks, foreign currency charges, telephone toll calls, secretarial overtime (where attributable to your special needs), document scanning, bulk printing, electronic file processing, CD and DVD copying, document coding, electronic bates numbering, trial support, experts and other consultants retained on your behalf, and other similar items. By executing this Agreement below, you are agreeing to pay for these charges. You are also responsible for all charges and expenses that we advance on your behalf. Where significant or unusual third-party payments are required (e.g., co-counsel fees, expert fees, special studies, extensive transcripts or filing fees), we will normally forward the charge to you for direct payment or obtain advance funds from you to cover the charge. If we advance funds for you, they will be added to the invoice.

5. **Retainer.** A retainer is required for all new clients and all out-of-state clients. In this matter, we are not asking for a retainer. We may require a retainer in the future. Any retainer until earned is a deposit for payment of a portion of the legal fees and costs to be incurred. Except to the extent legal fees or costs are incurred, any retainer is a refundable deposit that is your property and which you may have returned. We will not bill against the retainer but will hold the retainer in our trust account and, at the end of our engagement, our final charges will be applied against the retainer and the balance of the retainer, if any, will be refunded, or the balance due must be paid by you. You will be required to pay our monthly invoices upon receipt as outlined in paragraph 6.

6. **Billing Statements; Carrying Charges on Unpaid Balances.** Except as otherwise agreed, we will bill you on a monthly basis, and you agree to pay on receipt any balance due. You may have the billing statement in any reasonable format you choose, but we will select an initial detailed format for the statement unless you otherwise request in writing. If you have any questions about a statement, please call them to our attention promptly, but in any event no later than 30 days after you receive the statement.

7. **Payment.** We expect to receive timely payment of our invoices. We do not extend credit to our clients. If fees are not paid promptly, we reserve the right to cease work on your file and withdraw as your counsel. If we do not receive payment within 30 days, you agree to pay a carrying charge of 1.5% per month (subject to adjustment by us from time-to-time as indicated on our statements) on the unpaid balance of the statement from the invoice's date. Payments will be accepted by cash, check, money order, bank draft, wire transfer, and credit card. Payments made by credit card may be surcharged a fee commensurate with the costs of accepting your credit card payment.

8. **IOLTA Participation.** As required by law, we will maintain and safeguard a trust account from which any interest earnings are forwarded to the IOLTA program run by the Nevada Law Foundation. Any interest earned on your trust fund balance will be forwarded to the program.

9. **Termination.** You may terminate our services at any time upon written notice, and we also may terminate our services upon written notice. Our representation will end at the earliest of (a) your termination of our representation, (b) our withdrawal, or (c) the substantial completion of our substantive work. Please note that we may obtain judgments, perfect security interests (UCC filings) or perform other work on your behalf that may require action in the future to renew or otherwise remain valid. For example, a judgment may be valid for six years. At the end of six years, it may require renewal to extend its validity. Given the lengthy times involved, you are solely responsible for engaging us or another attorney of your choice for all such future renewals, continuations and similar extensions of your rights.

10. **Waiver of Certain Conflicts.** Because our representation is limited in scope, you have agreed that, subject to certain conditions described below, we may represent, now and in the future, other persons and entities. In particular, you have agreed that while we are representing you in active, pending matters, we may represent other clients in any matters which may be deemed a concurrent conflict of interest provided that (1) we reasonably believe that we will be able to provide competent and diligent representation to each affected client; (2) the representation is not prohibited by law; (3) the representation does not involve the assertion of a claim by one client against another client represented by us in the same litigation or other proceeding before a tribunal; and (4) each affected client gives informed consent, confirmed in writing. In addition, if our representation of you is terminated, we may thereafter represent other clients with interests adverse to yours (even in litigation), provided that the representation does not involve confidential information we have obtained from you that is material to those matters. By executing this Agreement you are confirming your understanding of the above.

11. **Records and Files Retention.** All records and files will be retained and disposed of in compliance with our policy in effect from time-to-time. Subject to future changes, it is our current policy not to retain records relating to a matter for more than seven (7) years. Upon your prior written request, we will return records to you prior to their destruction. It is not administratively feasible for us to advise you of the closing of a matter or the disposal of records. We recommend, therefore, that you maintain your own files for reference or make written

request for your files at the conclusion of a matter. If you have any questions concerning our records retention policies, please contact us.

**12. Candor and Truthfulness.** You agree to be candid with us and to provide us all of the information in your possession or to which you have access, which will be necessary or useful for the discharge of our services. You will not knowingly make false statements to us or knowingly fail to disclose information to us which is relevant to the services we are performing. If you provide us confidential information, you will alert us to the confidential nature of such information so that we can protect it. As part of your retention of the Firm, you understand and agree that the attorneys, paralegals, and other office staff may, at times, seek internal advice about their ethical and legal obligations. You acknowledge that their internal conversations and advice are privileged communications and are not a waiver of our law firm's intra-firm privilege.

**13. Representation of Organization.** If you, our client, are an organization (corporation, trust, partnership, limited partnership, limited liability company, governmental entity, or any other incorporated or unincorporated business or other entity), you should understand that we represent the organization and not its officers, board members, managers, principals, employees or any other persons in control where such person is engaged in action, intends to act or refuses to act in a matter related to the representation that is a violation of a legal obligation to the organization. A lawyer employed or retained by an organization represents the organization acting through its duly authorized constituents and not any individual associated with the organization.

**14. Attorneys' Fees.** The prevailing party in any litigation arising out of or relating to our engagement, this Agreement, any obligations created by this Agreement, and/or the performance or failure to perform services (including, without limit, claims of breach of duty or professional negligence) shall be entitled to recover all attorneys' fees (including the value of time of our attorneys at their normal billing rates), all experts' fees and expenses and all costs (whether or not such costs are recoverable pursuant to Nevada law) as may be incurred in connection with either obtaining or collecting any judgment and/or arbitration award, in addition to any other relief to which that party may be entitled.

**15. Our Disclosure of Representation of You in a Transaction.** Rule 1.6(a) of the Nevada Rules of Professional Conduct provides that "a lawyer shall not reveal information relating to representation of a client unless the client gives informed consent ..." To the extent our engagement involves any advice or representation of you in any transaction such as a financing, merger, acquisition, divestiture, or joint venture, we would appreciate the right, in our discretion, to publicize such representation for our promotional purposes such as in our promotional materials or to third party publications or other media. We would disclose only our representation of you in the transaction and, in our discretion, any information on the transaction which is publicly available. We would not make such disclosure unless and until the transaction is publicly announced or otherwise becomes publicly available through filings or other means. After having considered the risks to you of any such disclosures by us, you have consented to our disclosure of information to the extent consistent with this paragraph.

16. *Miscellaneous.* This Agreement is governed by Nevada law and sets forth our entire agreement for rendering professional services. It can be amended or modified only in writing. Each party signing below is jointly and severally responsible for all obligations due us and represents that each has full authority to execute this Agreement so that it is binding. This Agreement may be signed in one or more counterparts and binds each party signing it whether or not any other proposed signatory ever executes it. If any provision of this Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability shall not affect other provisions or applications of this Agreement which can be given effect without such provisions or application, and to this end the provisions of this Agreement are declared to be severable. We are not advising you with respect to this Agreement because we would have a conflict of interest in doing so. If you wish advice, you should consult independent counsel of your choice.

Please contact me as soon as possible if this Agreement does not accurately reflect your understanding. Any corrections or changes must be in writing and signed by both of us.

Please sign and return an acknowledgement copy of this Agreement (along with your check for our retainer if one is specified above) at your earliest convenience.

Yours very truly,

KAEMPFER CROWELL



Janet L. Chubb, Esq.

JLC/cfb

The undersigned has read and understood this Agreement. The foregoing accurately sets forth all the terms of your engagement, and is approved and accepted on \_\_\_\_\_, 2015.

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*Michael Macdonald, Esq.*  
*District Attorney, Humboldt County*