



FAIRFAX TOWN COUNCIL MEETING

STAFF REPORT

MEETING DATE: July 17, 2024
PREPARED FOR: Mayor and Town Council
PREPARED BY: Heather Abrams, Town Manager
SUBJECT: Consider and Approve Agreements for Town Attorney Services

RECOMMENDATION

Approve Agreements for Town Attorney Services.

BACKGROUND

The Town of Fairfax has maintained an agreement with the law firm of Best Best & Krieger (BBK) since 2015 for Town Attorney services. During that time and under a previous firm, the designated Town Attorney has been a licensed attorney and firm Partner, Janet Coleson. During her more than eleven years of service with Fairfax, Town Attorney Coleson has successfully defended the Town against lawsuits, provided expert legal advice on land use, Brown Act, and many other Town specific concerns, objectively spanning several Town Managers and Councils. The hourly rates for general services rendered by the BBK Partner Attorney, Janet Coleson have not changed since 2018. Throughout Marin County, Town Attorney's fees have been updating, recent examples include Ross Valley Fire Department and Town of Ross. The Town Attorney's current firm plans to raise general services hourly rates significantly to better align with the market. In order to preserve services and reduce the cost impact on Fairfax, a number of options are available and are described below.

ANALYSIS

The following options are available for consideration:

1. Remain with BBK at significantly higher hourly rates and onboard a new BBK attorney who will have less experience as an attorney and will have no experience in Fairfax. The current general services rate is \$225 per hour and the new rate would be \$275 per hour, effective July 19, 2024. Specialized services would continue to be provided by BBK at specialized rates between \$350-\$380 per hour from the current \$245-\$295 per hour and that varies depending on specialty and years of experience of the attorney. The following Marin jurisdictions contract with BBK: Sausalito
2. Contract with Town Attorney Janet Coleson's new firm called Public Agency Law for the general services rate of \$245 per hour. The Town will contract separately with BBK and potentially other firms, when needed for specialized services.
3. Release a Request for Proposals (RFP) for Town Attorney services. This would require the Town to stay with BBK at their significantly increased rates until the RFP process was complete, which could take several months, and would mean that the Town would need to onboard one and perhaps two (if BBK was not selected) new Town Attorneys in approximately six months' time and is very unlikely to reduce costs.

4. Hire an in-house Town Attorney. There are no jurisdictions in Marin that still use this model. The City of San Rafeal has an elected Town Attorney and contracts with their firm for Associate Attorneys and support services. There are no comparable towns that use the in-house model; it is not considered cost-effective for a town of Fairfax’s size.

This table shows the rates paid at comparable jurisdictions in Marin for Town Attorney services. Staff recommends that the Council enter into an agreement with the Town Attorney’s newly created firm (option 2 above), which provides a skilled Town Attorney who is very familiar with Fairfax and will also oversee the provision of specialized services on an as needed, on-call basis through Town contracts with one or more firms.

Jurisdiction	General Services	Special Services	Effective Date
Mill Valley	\$265	\$325+	March 2024
Corte Madera	\$305	\$335	July 2024
San Anselmo	\$275	\$315	January 2024
Tiburon	\$295	Stand PA Rate*	September 2024
Belvedere	\$315	\$335	February 2024
Larkspur	\$250	\$300	June 2024
Ross	\$295	Stand PA Rate*	September 2024
Novato	\$275	\$300	April 2024
Sausalito	\$295-\$325	\$350+	2023

*Standard Public Agency Rate

FISCAL IMPACT

The FY24-25 budget provides for Town Attorney services in fund 01-121. Choosing option 2 is recommended not only to keep the services of the experienced and skilled Town Attorney, but also as the least costly option.

ATTACHMENTS

- A. Proposed Contract with Public Agency Law
- B. Proposed Contract with Best Best & Krieger

**AGREEMENT FOR TOWN ATTORNEY LEGAL SERVICES
BETWEEN
THE TOWN OF FAIRFAX
AND
PUBLIC AGENCY LAW, INC.**

1. PARTIES AND DATE

This Agreement is made and entered into as of the 17th day of July, 2024, by and between the Town of Fairfax, CA (“Client”) and Public Agency Law, Inc, a professional corporation engaged in the practice of law (“PAL”).

2. RECITALS

2.1 Client wishes to engage the services of PAL as Town Attorney, with Janet Coleson as the designated Town Attorney, to perform all necessary legal services for the Client as requested on the terms set forth below.

3. TERMS.

3.1 Term. The term of this Agreement shall commence on July 19, 2024 and shall continue in full force and effect until terminated in accordance with Section 3.10.

3.2 Scope of Services. PAL shall serve as Town Attorney and shall perform legal services (“Services”) as may be required from time to time by the Client as set forth by this Agreement, unless otherwise agreed to by the Client and PAL.

3.3 Time of Performance. The Services of PAL shall be performed expeditiously in the time frames and as directed by the Client.

3.4 Assistance. The Client agrees to provide all information and documents necessary for PAL to perform their obligations under this Agreement.

3.5 Independent Contractor. PAL shall perform all legal services required under this Agreement as an independent contractor of the Client and shall remain, at all times as to the Client, a wholly independent contractor with only such obligations as are required under this Agreement. Neither the Client, nor any of its employees, shall have any control over the manner, mode or means by which PAL, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. The Client shall have no voice in the selection, discharge, supervision or control of PAL’s employees, representatives or agents, or in fixing their number, compensation, or hours of service.

3.6 Fees and Costs. PAL shall render and bill for legal services in the following categories and at rates set forth in Exhibit “A” attached hereto and incorporated herein by reference. In addition, the Client shall reimburse PAL for reasonable and necessary expenses incurred by it in the performance of the Services under this Agreement. Authorized reimbursable expenses shall include, but are not limited to, printing and copying expenses, computerized research time (e.g. Lexis or Westlaw), extraordinary mail or delivery costs (e.g. courier, overnight and express delivery), court fees and similar costs relating

to the Services that are generally chargeable to a client. No separate charge shall be made by PAL for secretarial or word processing services.

3.7 Billing. PAL shall submit monthly to the Client a detailed statement of account for Services. The Client shall review PAL's monthly statements and pay PAL for Services rendered and costs incurred, as provided for in this Agreement, on a monthly basis.

3.8 Insurance. PAL carries errors and omissions insurance, general liability insurance and automobile insurance. A declaration page containing information about PAL's errors and omissions insurance policy is available upon Client's request.

3.9 Attorney-Client Privilege. Confidential communication between the Client and PAL shall be covered by the attorney-client privilege. As used in this article, "confidential communication" means information transmitted between the Client and PAL in the course of the relationship covered by this Agreement and in confidence by a means that, so far as the Client is aware, discloses the information to no third persons other than those who are present to further the interests of the Client in the consultation or those to whom disclosure is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which PAL is consulted, and includes any legal opinion formed and advice given by PAL in the course of this relationship.

3.10 Termination of Agreement and Legal Services. This Agreement and the Services rendered under it may be terminated at any time upon thirty (30) days' prior written notice from either party, with or without cause. In the event of such termination, PAL shall be paid for all Services authorized by the Client and performed up through and including the effective date of termination. PAL shall also be reimbursed for all costs associated with transitioning any files or other data or documents to a new law firm or returning them to the Client.

3.11 Review of Services. Client and PAL agree that a review of performance and compensation under this Agreement may be requested at any time by either Client or PAL.

3.12 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.13 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Marin County.

3.14 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

3.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

3.16 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.18 Delivery of Notices. All notices permitted or required under this Agreement notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Client: Town of Fairfax
 142 Bolinas Road
 Fairfax, CA 94930

PAL: Public Agency Law, Inc.
 2300 Bethards Drive, Suite N
 Santa Rosa, CA 95405

3.19 Indemnification.

(A) PAL agrees to indemnify Client its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising from the negligent acts or omissions of PAL hereunder, or arising from PAL’s negligent performance of any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of Client, its officers, agents or employees.

IN WITNESS WHEREOF, the Client and PAL have executed this Agreement for Town Attorney Legal Services as of the date first written above.

(Signatures contained on following page)

**SIGNATURE PAGE TO
AGREEMENT FOR TOWN ATTORNEY LEGAL SERVICES
BETWEEN
TOWN OF FAIRFAX
AND
PUBLIC AGENCY LAW, INC.**

TOWN OF FAIRFAX:

By: _____
Name: Heather Abrams
Title: Town Manager

ATTEST:

By: _____
Name: Christine Foster
Title: Deputy Town Clerk

**PUBLIC AGENCY LAW, INC.
(A PROFESSIONAL CORPORATION):**

By: _____
Name: Janet E. Coleson
Title: Attorney at law

EXHIBIT A
TO
AGREEMENT FOR TOWN ATTORNEY LEGAL SERVICES
BETWEEN
TOWN OF FAIRFAX
AND
PUBLIC AGENCY LAW, INC.

RATES AND DESCRIPTION OF SERVICES

1. Town Attorney Legal Services - Description. Shall include all services provided to Client that are not otherwise specifically identified below as Special Legal Services or Third Party Reimbursable Legal Services (“Town Attorney Legal Services”).

Hourly Rates. The Client shall pay for Town Attorney Legal Services at the following rates:

Attorney	\$245
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2. Special Legal Services – Description. Special Legal Services shall include the following types of services:

- A. Litigation and formal administrative or other adjudicatory hearing matters
- B. Labor relations and employment matters
- C. Non-routine real estate matters (e.g. CC&R’s, deed or title work)
- D. Land acquisition and disposal matters
- E. Public construction disputes
- F. Non-routine contract negotiation matters
- G. Environmental matters (e.g. CEQA, NEPA, endangered species)
- H. Water law matters (e.g. water rights & quality)
- I. Toxic substances matters (e.g. CERCLA, RCRA)
- J. Complex public utility matters (e.g. electric, natural gas, telecommunications, water, rail or transit that involve state or federal regulatory issues)
- K. Renewable energy and energy efficiency project contracts and power purchase agreements

- L. Non-routine election law matters, including election law litigation.
- M. Tax and ERISA related matters, Employee Retirement Benefits
- N. Other matters mutually agreed upon between PAL and the Town Manager.

O. Special Legal Services also may be Third Party Reimbursable Legal Services if those Special Services are reimbursed or paid in advance from a deposit account, to the Town by a developer or applicant, but not if paid by another public agency.

3. Third Party Reimbursable Legal Services – Description. Third Party Legal Services shall include any Town Attorney Legal Services where the Town receives reimbursement or advance payments from a deposit account, for legal services costs from third parties such as developers or applicants, but does not include reimbursement to the Town by other public agencies.

Third Party Reimbursable Legal Services - Rates. The Client shall pay for Third Party Reimbursable Legal Services at PAL's then current published standard private client rates.

**AGREEMENT FOR SPECIAL COUNSEL LEGAL SERVICES
BETWEEN
TOWN OF FAIRFAX
AND
BEST BEST & KRIEGER LLP**

1. PARTIES AND DATE

This Agreement is made and entered into as of the 17th day of July, 2024, by and between the Town of Fairfax a City (“Client”) and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law (“BB&K”).

2. RECITALS

2.1 Client wishes to engage the services of BB&K as Special Counsel to perform all necessary legal services for the Client as requested on the terms set forth below.

3. TERMS.

3.1 Term. The term of this Agreement shall commence on July 19, 2024 and shall continue in full force and effect until terminated in accordance with Section 3.12.

3.2 Scope of Services. BB&K shall serve as Special Counsel and shall perform legal services (“Services”) as may be required from time to time by the Client as set forth by this Agreement, unless otherwise agreed to by the Client and BB&K.

3.3 Time of Performance. The Services of BB&K shall be performed expeditiously in the time frames and as directed by the Client.

3.4 Assistance. The Client agrees to provide all information and documents necessary for the attorneys at BB&K to perform their obligations under this Agreement.

3.5 Independent Contractor. BB&K shall perform all legal services required under this Agreement as an independent contractor of the Client and shall remain, at all times as to the Client, a wholly independent contractor with only such obligations as are required under this Agreement. Neither the Client, nor any of its employees, shall have any control over the manner, mode or means by which BB&K, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. The Client shall have no voice in the selection, discharge, supervision or control of BB&K’s employees, representatives or agents, or in fixing their number, compensation, or hours of service.

3.6 Fees and Costs. BB&K shall render and bill for legal services in the following categories and at rates set forth in Exhibit “A” and in accordance with the BB&K Billing Policies set forth in Exhibit “B”, both of which are attached hereto and incorporated herein by reference. In addition, the Client shall reimburse BB&K for reasonable and necessary expenses incurred by it in the performance of the Services under this Agreement. Authorized reimbursable expenses shall include, but are not limited to, printing and copying expenses, mileage expenses at the rate allowed by the Internal Revenue Service, toll road expenses, long distance telephone and facsimile tolls, computerized research time (e.g. Lexis or Westlaw),

research services performed by BB&K's library staff, extraordinary mail or delivery costs (e.g. courier, overnight and express delivery), court fees and similar costs relating to the Services that are generally chargeable to a client. However, no separate charge shall be made by BB&K for secretarial or word processing services.

3.7 Billing. BB&K shall submit monthly to the Client a detailed statement of account for Services. The Client shall review BB&K's monthly statements and pay BB&K for Services rendered and costs incurred, as provided for in this Agreement, on a monthly basis.

3.8 Insurance. BB&K carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California. A declaration page containing information about BB&K's errors and omissions insurance policy is available upon Client's request.

3.9 Attorney-Client Privilege. Confidential communication between the Client and BB&K shall be covered by the attorney-client privilege. As used in this article, "confidential communication" means information transmitted between the Client and BB&K in the course of the relationship covered by this Agreement and in confidence by a means that, so far as the Client is aware, discloses the information to no third persons other than those who are present to further the interests of the Client in the consultation or those to whom disclosure is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which BB&K is consulted, and includes any legal opinion formed and advice given by BB&K in the course of this relationship.

3.10 Termination of Agreement and Legal Services. This Agreement and the Services rendered under it may be terminated at any time upon thirty (30) days' prior written notice from either party, with or without cause. In the event of such termination, BB&K shall be paid for all Services authorized by the Client and performed up through and including the effective date of termination. BB&K shall also be reimbursed for all costs associated with transitioning any files or other data or documents to a new law firm or returning them to the Client.

3.11 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.12 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Marin County.

3.13 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

3.14 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

3.15 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.16 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.17 Delivery of Notices. All notices permitted or required under this Agreement notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Client: Town of Fairfax
 142 Bolinas Rd.
 Fairfax, CA 94930

BB&K: Scott H. Campbell
 Best Best & Krieger
 300 S. Grand Ave., 25th Floor
 Los Angeles, CA 90071

3.18 Indemnification.

(A) BB&K agrees to indemnify Client its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising from the negligent acts or omissions of BB&K hereunder, or arising from BB&K's negligent performance of any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of Client, its officers, agents or employees.

IN WITNESS WHEREOF, the Client and BB&K have executed this Agreement for special counsel Legal Services as of the date first written above.

(Signatures contained on following page)

**SIGNATURE PAGE TO
AGREEMENT FOR SPECIAL COUNSEL LEGAL SERVICES
BETWEEN
TOWN OF FAIRFAX
AND
BEST BEST & KRIEGER LLP**

TOWN OF FAIRFAX:

By: _____
Name: Heather Abrams, Town Manager

ATTEST:

By: _____
Name: Christine Foster, Deputy Clerk

BEST BEST & KRIEGER LLP:

By: _____
Name: Scott Haskell Campbell
Title: Partner

EXHIBIT A

TO

AGREEMENT FOR SPECIAL COUNSEL LEGAL SERVICES

BETWEEN

TOWN OF FAIRFAX

AND

BEST BEST & KRIEGER LLP

BILLING ARRANGEMENTS

1. Basic Legal Services - Description. shall include all services provided to Client that are not otherwise specifically identified below as either PRA handled by ARC, Special Legal Services, Complex Legal Services, Third Party Reimbursable Legal Services, or Public Finance Legal Services (“Basic Legal Services”).

Basic Hourly Rates. The Client shall pay for Basic Legal Services at the following rates:

Attorney \$280

Paralegals, Law Clerks,
Analysts \$185

2. PRA Processing tasks handled by the Advanced Records Center (ARC) Rates. The Client shall pay for ARC Services at the following rates:

Attorneys, Paralegals,
Law Clerks, Analysts \$200

3. Special Legal Services - Description. Special Legal Services shall include the following types of services:

- A. Litigation and formal administrative or other adjudicatory hearing matters
- B. Labor relations and employment matters
- C. Non-routine real estate matters (e.g. CC&R’s, deed or title work)
- D. Land acquisition and disposal matters (including pre-condemnation)
- E. Successor Agency and housing matters
- F. Public construction disputes
- G. Non-routine contract negotiation matters (including non-BB&K model agreements and franchise agreements)

H. Non-routine land use and development matters (including general plan updates, Williamson Act issues, annexations and development agreements)

I. Environmental matters (e.g. CEQA, NEPA, endangered species)

J. Water law matters (e.g. water rights & quality)

K. Toxic substances matters (e.g. CERCLA, RCRA)

L. Complex public utility matters (e.g. electric, natural gas, telecommunications, water, rail or transit that involve state or federal regulatory issues)

M. Renewable energy and energy efficiency project contracts and power purchase agreements

N. Non-routine election law matters, including election law litigation.

O. Other matters mutually agreed upon between BBK and the Town Attorney.

Special Legal Services – Rates. The Client shall pay for Special Legal Services at the following rates:

Attorney \$355

Paralegals, Law Clerks,
Analysts \$195

4. Complex Legal Services - Description. Complex Legal Services shall include the following types of services.

- Tax and ERISA related matters, Employee and Retirement Benefits
- Other Matters mutually agreed upon between BB&K and the Town Attorney

Complex Legal Services – Rates. The Client shall pay for Complex Legal Services at the following rates:

Partner and Of Counsel \$425

Associate \$355

Pension Consultant \$275

Paralegals, Law Clerks,
Analysts \$195

5. Other Billing Personnel. If, as, and when BB&K employs additional or different billing personnel, this Agreement may be supplemented by written administrative memoranda, providing

for the categories and billing rates for such personnel, which memoranda may be approved by the Town Manager.

6. Annual Adjustments. The above rates will be adjusted annually using the cost of living index. At the start of the Client's fiscal year, July 1, 2025 and every July thereafter during the term of this Agreement, rates and amounts shall be increased for the change in the cost of living for the most recently published twelve (12) month period, as shown by the U.S. Department of Labor in its All Urban Consumers Index set forth San Francisco-Oakland-Hayward, CA area (bi-monthly) provided, however, that such adjustment shall never be lower than zero percent (0%). In addition to the automatic rate increases, either BB&K or the Client may initiate consideration of a rate increase at any time.

7. Third Party Reimbursable Legal Services - Description. Third Party Reimbursable Legal Services shall include legal services provided to the Client for which the Client receives reimbursement from a developer or other third party. These reimbursable legal services include, but are not limited to, negotiation and review of development agreements, planning entitlements, review of CC&Rs; establishment of financing districts (i.e., Community Facilities Districts; Assessment Districts; Landscape and Lighting Maintenance Districts); the processing of land use/environmental projects for which the Client is entitled to reimbursement, as well as defending any challenges to project entitlements or any dispute or litigation related to such reimbursable legal services.

Third Party Reimbursable Legal Services - Rates. The Client shall pay for Third Party Reimbursable Legal Services at BB&K's then current published standard private client rates.

8. Public Finance & Bond Services. BB&K will provide bond counsel, special counsel or disclosure counsel services at the request of the Client. Such bond counsel and special counsel services include the preparation of all legislative approvals and legal documentation relating to the appropriate sale and delivery of the bonds, notes or other obligations. BB&K will also prepare such closing certificates and legal opinions necessary for the delivery of the bonds. As disclosure counsel, we will prepare the disclosure documents for the Client and conduct the necessary due diligence related to the transaction. Our fees will be determined based upon the type of financing and the expected involvement of the attorneys involved. We will provide the Client with a detailed description of our services and our fees and reimbursable costs upon the Client's request. Notwithstanding the foregoing, in those cases where the fees are reimbursable by a third party, at BB&K's option it may proceed on an hourly basis and utilize the Third Party Reimbursable Legal Services category provided for in this Amendment, including with respect to services rendered for the formation of, or annexation to, a CFD (of either the Client or other local public agency), as well as the negotiation and preparation of funding agreements and joint financing agreements. Legal services related to the Client's compliance with its continuing disclosure covenants and provide such necessary advice on the Client's compliance shall be billed as Special Legal Services, above.

EXHIBIT B
TO
AGREEMENT FOR SPECIAL COUNSEL LEGAL SERVICES
BETWEEN
TOWN OF FAIRFAX
AND
BEST BEST & KRIEGER LLP

BB&K BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to our Accounts Receivable Department (accounts.receivable@bbklaw.com). Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

Invoice and Payment Options

Best Best & Krieger strives to meet our clients' needs in terms of providing a wide variety of invoice types, delivery and payment options. Please indicate those needs including the preferred method of invoice delivery (Invoice via Email; or USPS). In addition, accounts.receivable@bbklaw.com can provide a W-9 upon request and discuss various accepted payment methods.

Fees For Electronically Stored Information ("ESI") Support and Storage

BBK provides Electronically Stored Information ("ESI") services for matters requiring ESI support, which are matters with a document population over 1 GB – typically litigation or threatened litigation matters. BBK provides services for basic ESI processing and storage at the following rates per month based on the number of gigabytes of data ("GB") processed and stored:

1GB -250GB: \$10 per GB
251GB - 550GB: \$8 per GB
551GB - 750GB: \$6 per GB
751GB - 1TB: \$4 per GB

The amount BBK charges for basic processing and storage of ESI allows BBK to recover the costs of providing such services, plus a net profit for BBK. BBK believes that the rates it charges for processing and storage are lower than comparable services available from third party vendors in the market. If you wish to contract separately with a third party vendor for processing and storage costs, please notify PracticeSupportServices@bbklaw.com in writing. BBK also provides advanced ESI processing services at hourly rates for personnel in its Litigation Support Group. A copy of BBK's current rates for such services will be provided upon request.

Fees for Professional Services

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. All legal services are billed in one-tenth of an hour (0.10/hour) or six-minute increments. Our attorneys are currently billed at rates from \$235 to \$895 per hour, and our administrative assistants, research assistants, municipal analysts, litigation analysts, paralegals, paraprofessionals and law clerks are billed at rates from \$175 to \$300 per hour for new work. These rates reflect the ranges in both our public and our private rates. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

Non-Attorney Personnel: BBK may employ the services of non-attorney personnel under the supervision of a BBK attorney in order to perform services called for in the legal services agreement. The most common non-attorney personnel utilized are paralegals. Other types of non-attorney personnel include, but are not limited to, case clerks, litigation analysts, and specialty consultants. The client agrees that BBK may use such non-attorney personnel to perform its services when it is reasonably necessary in the judgment of the responsible BBK attorney. Hourly fees for non-attorney personnel will be charged at the rate then in effect for such personnel. A copy of BBK's current rates and titles for non-attorney personnel will be provided upon request.

Fees For Other Services, Costs and Expenses

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include but are not limited to, mileage at the current IRS approved rate per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court reporter and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees.

Monthly Invoices and Payment

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have

been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We reserve the right to terminate our engagement and withdraw as attorney of record whenever our invoices are not paid. If an invoice is 60 days late, however, we may advise the client by letter that the client must pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

BEST BEST & KRIEGER LLP