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**BEST BEST & KRIEGER**  
**ATTORNEYS AT LAW**

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**Cathy Deubel Salenko**  
(916) 551-2092  
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January 31, 2017

**SENT VIA E-MAIL TO:**

[PWALL@CO.FRESNO.CA.US](mailto:PWALL@CO.FRESNO.CA.US)

[DLMENDEZ@CO.TULARE.CA.US](mailto:DLMENDEZ@CO.TULARE.CA.US)

Peter Wall, Office of the Fresno County Counsel  
Diana Mendez, Office of the Tulare County Counsel  
San Joaquin Valley Insurance Authority  
2200 Tulare Street, Suite 500  
Fresno, CA 93721

Re: Engagement Agreement

Dear Mr. Wall and Ms. Mendez:

**ABOUT OUR REPRESENTATION**

Best Best & Krieger LLP ("BB&K") is pleased to represent San Joaquin Valley Insurance Authority ("SJVIA"). Specifically, we will provide such legal services as set forth in a separate written authorization from SJVIA general counsel and approved by BB&K, and that work will not begin until BB&K receives and approves that authorization.

This letter constitutes our agreement setting the terms of our representation.

**CONFIDENTIALITY AND ABSENCE OF CONFLICTS**

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing your firm. Similarly, your firm's name will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to your firm.

We have checked the following names against our client index: San Joaquin Valley Insurance Authority; Tulare County; Fresno County; Gallagher Benefit Services, Inc. Based on that check, we can represent SJVIA. Please review the list to see if any other persons or entities



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should be included. If you do not tell us to the contrary, we will assume that this list is complete and accurate. We request that you update this list for us if there are any changes in the future.

In addition, our representation is limited to the representation of SJVIA and not Tulare County, Fresno County, or any other entity participating in SJVIA. We bring to your attention that we represent both Tulare County and Fresno County on matters unrelated to this representation. Should any of Tulare County, Fresno County, or any other entity participating in SJVIA becomes adverse to each other or any other entity participating in SJVIA, we will work with SJVIA to obtain appropriate waivers of any conflict of interest, if appropriate, to assist with our continued representation of SJVIA, if desired by SJVIA.

YOUR OBLIGATIONS ABOUT FEES AND BILLINGS

Our hourly fees for the BBK team working with you on this engagement are as set forth below. These fees will be adjusted annually on January 1 of each year starting in 2019, in accordance with the Consumer Price Index with a maximum annual increase of 3%:

Cathy Deubel Salenko, Partner	\$395
Richard Egger, Partner	\$395
Leeann Habte, Partner	\$375
Lauren Strickroth, Partner	\$350
Alexandra Andreen, Associate	\$285
Marc Tran, Associate	\$285
Jacquelyn Yaeger, Associate	\$285
Carol Sanchez, Paralegal	\$225
Monica Smith, Paralegal	\$225
Juan Ornelas, Litigation Analyst	\$220
William King, Litigation Analyst	\$220

We have assembled the above BBK team based on our discussions with you concerning this matter. Should your needs or other circumstances require changes to this BBK team, then we will provide the then SJVIA General Counsel with notice of any revisions and the rates for such persons to afford SJVIA General Counsel the opportunity to object to such changes.

“Block billing” is expressly proscribed and we will use our best efforts to avoid billing in this fashion. Pursuant to your request, we will send invoices by email to sjvia-admin@co.fresno.ca.us, with copy by email to each of Peter Wall and Diana Mendez. We will also send hard copies of our invoices to the Fresno County Counsel’s Office, Attention SJVIA Counsel.



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The memorandum attached to this letter describes the other aspects of our firm's billing policies. You should consider this memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully.

INSURANCE

We understand that you are not now insured or have any insurance that may cover potential liability or attorneys' fees in this case. If you think you may have such insurance, please notify me immediately.

We are also pleased to let you know that Best Best & Krieger LLP 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.

NEW MATTERS

When we are engaged by a new client on a particular matter, we are often later asked to work on additional matters. You should know that such new matters will be the subject of a new signed supplement to this agreement. Similarly, this agreement does not cover and is not a commitment by either of us that we will undertake any appeals or collection procedures. Any such future work would also have to be agreed upon in a signed supplement.

HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with our attached memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical concerns.

CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.



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ARBITRATION

If a dispute arises concerning our representation of you under this agreement, you and Best Best & Krieger LLP agree that the dispute will be settled by binding arbitration pursuant to Title 9 of the Code of Civil Procedure §§ 1280-1294.2. The arbitrator shall be selected from the Judicial Arbitration and Mediation Service. However, you shall retain the right to elect to first arbitrate all fees of costs disputed pursuant to the provisions of the State Mandatory Fee Arbitration Rules, Business & Professions Code, § 6200 et seq.

BY SIGNING IN THE SPACE BELOW, YOU ACKNOWLEDGE THAT THIS SPECIFIC AGREEMENT TO ARBITRATE WAIVES YOUR RIGHT TO A COURT OR JURY TRIAL FOR ANY FEE DISPUTE OR MALPRACTICE CLAIM. THIS ALSO MEANS THAT YOU ARE GIVING UP RIGHT TO DISCOVERY AND TO APPEAL THE ARBITRATOR(S) DECISION. IF YOU LATER REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO DO SO, YOU MAY BE REQUIRED TO ARBITRATE PURSUANT TO THE PROVISION OF THE LAW. YOU ACKNOWLEDGE THAT BEFORE SIGNING THIS ENTIRE AGREEMENT AND THIS SPECIFIC AGREEMENT TO ARBITRATE, YOU ARE ENTITLED, AND HAVE BEEN GIVEN A REASONABLE OPPORTUNITY, TO SEEK THE ADVICE OF INDEPENDENT COUNSEL.

\_\_\_\_\_  
CLIENT'S INITIALS

*CDS*  
\_\_\_\_\_  
ATTORNEY'S INITIALS

THANK YOU

On a personal note, we are pleased to represent you in this matter. If you have any questions at any time about our services or billings, please do not hesitate to call me.

If this letter meets with your approval, please sign and date it, and return the original to us. We have enclosed a separate signed copy of this letter for your records.

Sincerely,

Cathy Deubel Salenko  
of BEST BEST & KRIEGER LLP



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CDS:bjs

AGREED AND ACCEPTED:

San Joaquin Valley Insurance Authority

By: \_\_\_\_\_

Dated: \_\_\_\_\_

## BEST BEST & KRIEGER LLP'S 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. Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

### 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 forth in our engagement letter with you and reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. Time is accrued on an incremental basis for such matters as telephone calls (minimum .2 hour) and letters (minimum .5 hour), and on an actual basis for all other work.

### Fees For Other Services, Costs and Expenses

We will incur on your behalf various costs and expenses in performing legal services under this agreement. Miscellaneous expenses are covered by a standard administrative charge, currently set at 3% of attorney and paralegal fees which compensates the cost of normal photocopying, long distance telephone calls, regular mail postage, telecopy charges and other expenses as to which individual itemization is impractical. Costs specific to your matter such as investigation and filing fees, process server fees, required costs of travel, out-of-town lodging and meals, courier and express delivery and mail services, deposition and court reporter fees, computerized legal research, major photocopying, conference calls and staff overtime, as needed, are itemized and will appear on your monthly statement as separate items.

All costs and expenses are billed at our cost. In some instances, invoices for outside services will be sent directly to you for payment. You agree to pay the administrative charge and the costs itemized on your statements in addition to the hourly fees.

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 and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

## 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. If a bill is not paid within 45 days, a late charge of one percent per month on the unpaid invoice shall be added to the balance owed, commencing with the next statement and continuing until paid.

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 will then advise the client by letter that the client may 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.

## Changes in Fee Arrangements and Budgets

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

**BEST BEST & KRIEGER LLP**

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