

**PHILLIPS BURGESS PLLC
ENGAGEMENT AND FEE AGREEMENT
BLACK LAKE SPECIAL DISTRICT**

Thank you for choosing our firm to represent you. We believe that the attorney-client relationship is unique, and that it is very important that the basis of this relationship be discussed and agreed to from its inception, especially those issues relating to professional service fees. Therefore, we are providing the following information so that you know what you can expect from us. Please read the following very carefully.

SCOPE OF REPRESENTATION

This will confirm that you have consulted with and asked our office to represent you with regard to the following described matter:

To provide advice and assistance with evaluation of potential claims against Thurston County for maintenance of Black Lake ditch and Black Lake Belmore Bridge.

We are committed to representing your interests, however, the outcome cannot be guaranteed. Our opinions and counsel are based upon your disclosures, our knowledge of the facts and on our understanding of the state of the law at the time they are applied.

DETERMINATION OF FEES

The following discussion sets forth our general policies on fees, billings and payments. You are urged to raise any questions or concerns regarding these policies as soon as they occur.

Attorney Fees. Our office expends time and materials on your behalf. The time spent by an attorney provides the primary basis for the attorney's fees. However, final billing in any matter will take into consideration not only the time involved, but also the responsibility assumed and priority given to your representation during the course of this engagement. At the end of each month, you will receive an invoice statement setting forth those services rendered.

You will be charged for all time spent in representing you in these matters in six-minute increments. This will include drafting and revising appropriate documents and correspondence, researching relevant legal issues, and making appearances as necessary to adequately protect your interests. Since telephone calls necessarily detract from work in progress, our established hourly fees will be charged for all telephone conferences that last more than a few minutes. **Heather L. Burgess will be primarily responsible for your representation and her**

current hourly rate is \$325.00 per hour. Other attorneys within the office may also work on your case and they will charge their established hourly fee, which will range from \$225.00 to \$325.00 per hour. We may utilize paralegals to assist on your case, and they are billed at \$130.00 per hour. Our rates for legal services will be based on our standard rates for services of the type we will be performing for you. These rates are reviewed periodically and may be adjusted to reflect current levels of legal experience, changes in overhead costs, and other factors. We will advise you of any changes in our attorney billing rates.

Advance Fee Deposits and Estimates. Charges for certain types of work, particularly litigation, involve fees and expenses that are difficult to estimate with precision. In such instances, we endeavor to disclose to you the major factors that would influence the costs and expenses, including potential but unpredictable circumstances that may arise. We normally request prepayment for services to be rendered in the amount of our estimate or an appropriate portion thereof. Litigation may involve many inexact and unpredictable factors and we cannot make any guarantees of success.

A client may occasionally request an estimate of anticipated fees for a particular matter. Unless specifically agreed to, the estimates we give are not a guarantee of the maximum fee and events often occur which can alter our predictions. Actual fees may, and frequently do, exceed any estimates given. At our client's request we are sometimes asked to render opinions as to the probability of success or failure of a particular matter. Such opinions are not guarantees of the result to be obtained but simply reflect our best professional judgment.

As a general firm policy, we require an advance fee deposit from new clients. This deposit is held in our trust account as security to either pay, or be applied to, our billing, or if necessary, to any unpaid balance due. **In this instance, no advance fee deposit is required.** If payments are not made on a timely basis, we may require an advance fee deposit. We will notify you in advance if that is needed.

Costs. Costs are those expenses incurred by our law firm for items that are fixed in amount. We do not charge for long-distance telephone calls, facsimiles, or black and white photocopy projects fewer than 200 pages per month. We will charge for filing fees, depositions and transcripts, expert witness fees, third-party photocopy projects, colored photocopies, service fees, mileage, operator-assisted conference calls, courier and delivery charges, will be itemized and reflected on your monthly bill as separate charges. If it is necessary to incur costs that are extraordinary in nature, such as expert witness fees, you may be required to pay those costs in advance or be billed directly to you by a third-party provider.

Billings and Payments. As discussed above, a summary of your account billings and transactions will be sent to you each month in the form of an invoice. This invoice details the activities relating to your account, including a description of services rendered.

Upon receipt of the invoice, you are required to pay by cash or check, any outstanding balance due on your account. Unless specifically treated otherwise by a written document signed by this firm and yourself, an account unpaid more than 30 days from the date of the invoice is considered overdue and shall incur a service charge of 1% per month for an annual percentage rate of 12%. In such an event, we may decline to render future legal services and reserve the right to withdraw until such unpaid account is paid in full. If full payment on the account has not been received within ten (10) days of our mailing an invoice indicating that the account is past due, it is our policy to refuse to continue to render legal services or withdraw from representation for any ongoing work. If this firm decides to refuse further service, withdraw from representation, and/or refer your account to a collection's firm, we shall give reasonable advance notice to you, and cooperate fully with any new counsel that you may designate so that your interests may be preserved. You will remain obligated to pay any unpaid fees and charges incurred on your behalf, including fees and charges associated with the cessation of work, withdrawal from representation, and/or collection activities. If our office initiates suit or other collection action against you, you agree to pay all court costs, expenses and attorneys' fees related to the collection action in addition to your underlying obligation on the unpaid balance. In the event litigation is necessary to collect amounts due and owing to the Firm pursuant to this agreement, the parties agree that venue for any action filed will be in Thurston County.

ATTORNEY-CLIENT RELATIONSHIP

As we mentioned before, the attorney-client relationship is a special relationship. It requires open communications and an environment of confidence and faith. It is because of this very nature that the attorney-client privilege exists. This legally recognized relationship

protects communications between a client and an attorney. Accordingly, all communications between yourself, your agents and this firm are kept in confidence. The following topics further describe this relationship.

Expectations. As your attorneys and advocate, we expect your full cooperation in matters related to your representation. Effective legal representation can occur only when a client provides all information known by or available to him or her that could affect that representation. This is where the confidence described above becomes paramount. For our part, we will at all times act with reasonable diligence and promptness in representing you. We will keep you informed of all significant developments and consult you in advance as to any significant decisions attendant to those developments. It is imperative that you keep the firm informed of any changes in your contact information, such as your address or telephone numbers.

Duration. Our representation is at will – either party may terminate the relationship at any time. Should the relationship terminate prior to our completing your representation needs, we will cooperate with any successor attorney(s) representing you to accommodate a smooth transition. We will transfer to such new counsel copies of all files and records held in respect to this matter, and prepare for you a final statement for services rendered and other fees, charges, and expenses incurred in matters covered by this agreement. You will remain responsible for payment of any outstanding balance reflected on such a final statement.

Record Retention and Destruction Policy – At all times, all records and documents in our possession relating to your representation (including but not limited to those that exist in paper and electronic formats) are subject to the firm's legal and ethical duties and obligations, and to insure that information and data relating to you and legal services we provide are maintained in strict confidence at all times during and after the engagement. Upon completion of your legal matter, your file will be closed and may be "archived" in a location other than our office. While we will apply our best efforts to maintain confidentiality and security over the file records and documents placed in storage, please be advised that our firm specifically disclaims any responsibility for claimed damages or liability arising from damage or destruction to such records and documents, whether caused by accident, natural disasters or the negligence of third-party providers engaged by our firm to store and retrieve records, to the extent allowed by law. Original documents belonging to you will be returned at the termination of the matter. Client matter files are retained by the firm for seven (7) years and then destroyed with the exception of certain documents that may require a longer retention period.

Dispute Resolution. In the event that a dispute should arise regarding our representation, including any

issues relating to the amount of legal fees charged, the dispute(s) shall be submitted to binding arbitration administered by JDR pursuant to its Arbitration Rules and Procedures or another mutually agreed upon arbitrator. Judgment on the award may be entered in any court having jurisdiction. Each party shall be initially responsible for its share of the arbitration fees in accordance with the applicable rules of arbitration. The arbitrator shall, in the award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and reasonable attorneys' fees and costs, to the prevailing party. In the event a party fails to proceed with arbitration,

unsuccessfully challenges the arbitrator's award or fails to comply with the arbitrator's award, the other party is entitled to costs of suit, including reasonable attorneys' fees, for having to compel arbitration or defend or enforce the award.

If you have read and understood the foregoing, and wish us to perform the legal services for you outlined under "Scope of Representation" above, please acknowledge these terms and conditions by signing and dating a copy of this engagement letter and returning it to us. We look forward to representing you.

Very truly yours,

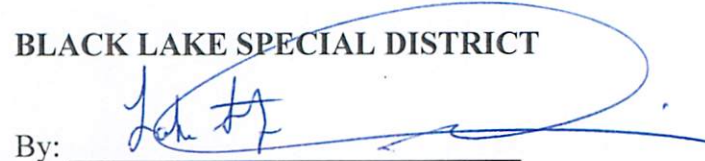
PHILLIPS BURGESS PLLC


Heather L. Burgess

I HAVE READ, UNDERSTAND AND AGREE TO THE FOREGOING ENGAGEMENT AND FEE AGREEMENT AND AFFIRM I HAVE AUTHORITY TO SIGN ON BEHALF OF THE SPECIAL DISTRICT LISTED BELOW.

DATED: 12/12/2016

BLACK LAKE SPECIAL DISTRICT

By: 

Lake Stintzi

Its: Commissioner