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March 26, 2019

CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGED

VIA EMAIL ONLY [ANilsen@co.humboldt.ca.us]

Amy Nilsen
County Administrator
Humboldt County
825 5th Street
Eureka, CA, 95501

Re: Engagement of Sacks, Ricketts & Case LLP (the "Firm")

Dear Ms. Nilsen:

The purpose of this letter is to confirm our engagement by Humboldt County ("County") in the matter described below, as well as other engagements for the County that we may undertake. We appreciate your confidence and thank you for selecting us to assist the County.

Scope of Representation. As defined in a separate letter from County outside counsel, we have been engaged to conduct an independent and confidential attorney/client privileged investigation concerning allegations against [redacted]. The terms of this letter also apply to other engagements for the County that we may undertake except as we may otherwise agree.

Fees and Charges. Our fees are based on hours charged at scheduled rates that are periodically adjusted, generally as of the beginning of a calendar year. We are providing the County with the following substantially discounted public sector rates: **\$340/hour for me and other Partners; \$240 per hour for Associates. Paralegal time is charged at \$125 per hour. Travel time will be charged at half rate.** In addition to fees, our statements include our actual costs for disbursements, mileage reimbursements, and/or charges for third parties (collectively "Charges"). Our standard practice is for the County to directly pay any charges for outside retained services such as reporting and transcription services. By signing this letter, the County agrees to timely pay all such third parties. To the extent we pay any third-party charges, we will include these charges in our statements to you. Statements are submitted monthly and are due and payable upon receipt. We request that the County notify us promptly in writing if it disputes any entry for legal services or charges on any statement. We reserve the right to charge interest

at the rate of 10% per annum from the date of a statement for amounts that remain outstanding for more than sixty (60) days.

Unless we otherwise expressly agree in writing, any estimates we may provide from time to time and any Fee Deposits or advances against costs we may require are not a limitation on our fees and other charges. In addition, if as a result of our engagement we are required to produce documents or appear as witnesses in connection with any governmental or regulatory examination, audit, investigation, or other proceeding or any litigation, arbitration, mediation, or dispute involving the County or related persons, the County is responsible for costs and expenses reasonably incurred by us including professional and staff time at then-scheduled hourly rates and reasonable attorneys' fees and costs that we may incur. In the event that the County should request that it be given its files or that they be transferred to some other firm, the County agrees that we may retain a copy of those files. These provisions shall survive any termination of our representation of the County.

Fee Deposits. We have agreed to undertake these engagements without requiring an advance deposit (a "Fee Deposit") for legal fees and/or Charges. However, we reserve the right in the future (i) to require that the County deposit with us a Fee Deposit in such amount as we shall then request and (ii) from time to time thereafter to require that the amount of the Fee Deposit be increased. We may make such a request as the monthly activity in the matter increases, as it approaches trial, or for any other reason that we deem appropriate to protect our Firm. You hereby grant us a security interest in any and all Fee Deposits made pursuant to this engagement letter to secure payment to us of any future fees and Charges. Should we request the same, any request for a Fee Deposit and any increase in the requested Fee Deposit thereafter must be paid within fifteen (15) days of our written request or within such time as we then deem necessary and appropriate. The amounts we may request be deposited as a Fee Deposit will not represent our estimate of the total fees and Charges to be incurred in the course of this engagement or for any time period of our engagement. The Fee Deposit will be applied to our final invoice or, at our option, if the County is delinquent in the payment of any invoice, we may apply some or all of the Fee Deposit to the payment of such invoice. In such event, the County agrees that within fifteen (15) days of our written notice to it or within such other time as we then deem necessary and appropriate, it will deposit with us the amount so applied in order to restore the Fee Deposit to its amount prior to such application.

Consultation With Counsel. We may have occasion to seek legal advice about our own rights and responsibilities regarding our engagement by the County. We may seek such advice from other attorneys in our Firm or from outside attorneys at our own expense. You agree that any such communications and advice are protected by our own attorney-client privilege and neither the fact of any communication nor their substance is subject to disclosure to you. To the extent that we are addressing our own rights and responsibilities, a conflict of interest might be deemed to exist between us and the County, particularly if a dispute should arise between us. The County hereby consents to such consultation occurring and waives any claim of conflict of interest based on such consultation or resulting communications that would otherwise disqualify us from continuing to represent the County or from acting in our own behalf, even if doing so might be deemed adverse to the interests of the County.

Termination of Representation. The County has the right to terminate our representation of it at any time. Subject to our ethical obligation to give the County reasonable notice to arrange for alternate representation, we may terminate our representation of it at any time. Upon termination of our representation, the County agrees to promptly sign substitutions of counsel authorizing our withdrawal as its counsel of record in any proceeding. Unless we agree to render other legal services to the County, our representation will terminate upon completion of litigation or other matters. That will be the case whether or not, as is not uncommon, we are designated to receive copies or courtesy copies of notices under one or more documents related to litigation or other matters.

Document Retention. The County agrees that it will be responsible for providing us with all records pertinent to this matter, including information stored electronically such as emails and other computerized records. If the County has in effect document retention policies that could result in the destruction, deletion, or alteration of information that could potentially be discoverable in this matter, it is very important that the County institute steps to stop all such destruction, deletion, or alteration and to preserve all such information in the form that it now exists. **In particular, you should immediately notify your officers and employees that may have potentially discoverable emails or other paper or electronic files not to delete or destroy them, but to allow the County to preserve these records. Please remember that information that may be potentially discoverable includes not only information that is relevant to the underlying dispute but also information that could lead to the discovery of relevant information. You should err on the side of caution and make sure that potentially discoverable information is no longer subject to destruction under your standard document retention policies until you speak with us further on this important subject.**

No Legal Services Regarding Insurance Coverage. Unless we specifically agree in writing, the Firm will not provide you any legal services related to insurance coverage issues for the claims involved in this matter. It is our understanding that the County will give any and all notices required by any applicable insurance policy and that you are not expecting or relying upon the Firm to do so.

Our Document Retention. It is our policy and practice to destroy our files seven (7) years after the file is first closed unless the client requests a shorter or longer retention period in writing. Files are generally closed at the conclusion of a lawsuit or when the matter on which we have been retained concludes.

No Warranties. Litigation and arbitration are by their nature unpredictable. It is not possible to warrant a successful result or represent that a particular result can be obtained within a given time framework or cost estimate. We appreciate the County's awareness of and patience with the pitfalls of litigation and arbitration. You and the County acknowledge that we have not made any representations, promises, warranties, or guarantees to you or the County, express or implied, regarding the outcome of this or any other matter.

Indemnification. The County agrees to defend, indemnify and hold harmless the Firm, its employees and agents, from and against all claims, suits or causes of action arising out of any

complaint brought against the County during or as a result of the Engagements described above, or as the Firm may undertake on behalf of the County pursuant to this Agreement. The County will also provide legal representation for the Firm and any of its employees and agents at the County's expense through its legal counsel, or at the Firm's option, will provide reimbursement for legal counsel chosen by the Firm, if during any litigation relating to the Engagement, the Firm or any of its employees or agents providing services under this contract are sued, deposed, or otherwise required to provide information or testimony concerning services under this contract. The County will indemnify and hold harmless the Firm, its employees and agents, with respect to any judgment entered against it and/or with respect to any settlement of any third party claims related to the services rendered under this Agreement. This right of indemnifications shall not extend to any loss, liability, damage or expense resulting from the Firm's negligence or other actual misconduct. In accordance with California Rule of Professional Conduct 3-400, this provision is not intended to apply to any potential professional malpractice action brought by the County against the Firm.

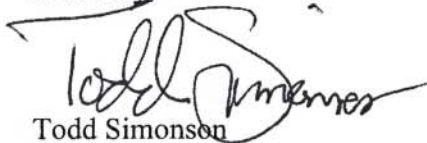
Arbitration. Any dispute between us concerning our fees or charges shall, if the County so elects, be submitted to arbitration under rules of the California State Bar and shall be binding if (i) each of us so agrees after any such dispute arises, or (ii) such arbitration becomes binding under such rules. Any dispute between us concerning our fees or charges not so submitted to binding arbitration under the rules of the California State Bar or that remains unresolved after non-binding arbitration under such rules and any other dispute between or among the County and the Firm or any of our attorneys and agents, including but not limited to claims of malpractice, errors or omissions, or any other claim of any kind regardless of the facts or the legal theories, shall be finally settled by mandatory binding arbitration in San Francisco, California, conducted in accordance with California Code of Civil Procedure §§ 1282 *et seq.*, including, but not limited to, § 1283.05, with each party to bear its own costs and attorneys' fees and disbursements. Such arbitration shall be conducted before a single arbitrator, except in matters involving a dispute greater than five hundred thousand dollars, which shall be conducted before a three arbitrator panel with each side selecting one arbitrator and the two arbitrators selected by the parties choosing the third arbitrator. Judgment on a binding arbitration award may be entered in any court of competent jurisdiction. Arbitration has the potential to provide a timelier, more economic, and more confidential resolution of any dispute between us. There will likely be less discovery and a determination by an agreed-upon arbitrator or arbitrators rather than a judge or jury. *We mutually acknowledge that, by this agreement to arbitrate, each of us irrevocably waives our rights to court or jury trial. The County has the right to consult separate legal counsel at any time as to any matter, including whether to enter into this engagement letter and consent to the foregoing agreement to arbitrate.* The County agrees that this agreement will be governed by the laws of California without regard to its conflict rules. Subject in all cases to the arbitration provisions herein provided, the County agrees that the court's exclusive jurisdiction and exclusive venue for any dispute between us shall lie solely with the California Superior Court for the county in which our office identified on our letterhead above is located and the corresponding federal court. Subject to the arbitration provisions, the County consents to service of process pursuant to the applicable California state statutes and federal rules.

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If the foregoing is an acceptable basis for our engagement as counsel, please print and sign a copy of this letter on the County's behalf, return the copy to me by email, and mail an originally signed copy to us. If you have any questions or concerns, please call. You have the right to seek the advice of independent counsel of your choice before signing this letter and to be given a reasonable opportunity to seek that advice.

Once again, thank you for selecting us to assist Humboldt County.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Simonson". The signature is written in a cursive, flowing style with a large initial "T".

Todd Simonson
SACKS, RICKETTS & CASE LLP

Enclosure

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The undersigned has read and understands this engagement letter and agrees that it correctly sets forth the terms upon which Sacks, Ricketts & Case LLP has been engaged by the undersigned County in connection with the representation described herein.

Humboldt County

By: Amy Nilsen

Its: County Administrative Officer
County of Humboldt