

September 25, 2013

DRAFT COPY

Via Electronic Mail: rlevalley@deltacounty.com

Delta County Board of County Commissioners
Attn: Robbie LeValley, Delta County Administrator
501 Palmer Street, Suite 227
Delta, CO 81416

Re: Engagement Letter

Ms. LeValley:

Thank you for asking Holland & Hart LLP to represent Delta County Board of County Commissioners (“BOCC”) in the matter described below. We look forward to working with you. This letter confirms our discussion, summarizes our understanding of our representation of BOCC and addresses certain aspects of how we will undertake this representation. Our goal is to provide you with the legal services you need, when you need them and for a reasonable charge. Holland & Hart has consistently worked hard to be flexible and cost-conscious, and to include our clients whenever possible in the frequent decisions which must be made about where and when to devote Holland & Hart’s time and resources. We encourage and welcome your thoughts, questions and directions at any time on all aspects of our work including staffing decisions, time commitments and billing procedures.

My understanding of our representation is as follows: Holland & Hart, with the assistance of the Delta County Attorney, will represent BOCC in appealing the district court rulings in the litigation matter *Travis Jardon v. Delta County Board of County Commissioners*. If the above is not a correct summary of what you have asked us to undertake, please let me know immediately.

Our engagement is to represent you on the specific case listed above. We view this as a limited engagement. It may be that Holland & Hart LLP has in the past represented, or currently is representing, clients adverse to Delta County on matters unrelated to the captioned litigation. If so, it is our understanding that the instant

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representation will not require our disqualification in such other matters. Furthermore, as a condition to our undertaking this matter for BOCC, you have agreed that this firm may represent existing or new clients in any future matter that is not substantially related to our work for BOCC, even if the interests of such clients in those other matters are directly adverse to BOCC and/or any of its departments or agencies. This will also confirm that we advised you to consult with independent counsel, and that you have had an adequate opportunity to do so, before providing your consent and agreeing to this advance waiver.

I contemplate that our work for you will be staffed by Steve Masciocchi and an associate. Steve's hourly rate is \$485.00. The associate's hourly rate will likely be between \$250 and \$350. It is likely that other attorneys and service providers may be called upon to work on your behalf. In each such case, their names and hourly rates will appear on our monthly statements. In general, these are our ranges of current hourly rates: Partners, \$295 - \$795; other attorneys, \$165 - \$675; other service providers, \$40 - \$575. Our rates generally change each year on January 1st and we will notify you of those changes in the first billing statement that includes the charges for any adjusted rate.

We request a minimum retainer of \$10,000.00 in advance of commencing work. Please make your check payable to Holland & Hart LLP and send it to Holland & Hart LLP, Attn: Financial Services – Trust Dept., Suite 3200, 555 17th Street, Denver, Colorado 80202-3979. Subsequent billings will be credited against the retainer. Upon depletion of the retainer, we will so advise you and will ask you to pay all future statements upon receipt.

Our customary practice, which I will follow with respect to this engagement, is to bill for our services and expenses monthly. We expect payment of our statements upon your receipt of them. The attached billing procedure statement (“How We Charge for Our Services and Expenses”) contains a more complete description of how we charge and bill for our services and expenses. I welcome any questions you may now have about our billing procedure or may have in the future about any statement we send to you as the work progresses.

We will maintain files (paper or electronic) related to this engagement that we, in our sole professional judgment, determine are necessary for the conduct of this engagement. After the engagement ends, meaning the date of our last bill for services in this matter, we will maintain or destroy these files in accordance with our then-existing record retention policy. If the firm determines that the files should be destroyed, and fewer than 15 years have elapsed from the conclusion of the engagement, we will first give you written notice at your last address known to the firm of our intention to destroy the files, informing you that the files will be destroyed 60 days after the date of the notice unless you notify the firm in writing that you want the


files to be sent to you at your expense. If the notice to you is returned as undeliverable, the files will be destroyed, as the lack of a correct forwarding address will indicate that you have abandoned the files. If at any time you request return or destruction of the files, we reserve the right to retain (at our expense) a copy of any part of the files for any reason, such as to comply with legal or ethical obligations.

I believe that the foregoing covers the essential elements of our engagement. If for any reason this letter does not accurately reflect your understanding of the terms of our engagement, please contact me immediately. Otherwise, please indicate your acceptance of these terms by signing a copy of this engagement letter and returning it to me as soon as possible. In any event, unless we hear from you to the contrary, we will proceed with our representation of you on the terms described in this letter.

Sincerely yours,

Jonathan M. Anderson
of Holland & Hart LLP

The above letter correctly sets forth our agreement.



Date: 10/01/2013

Enclosure

HOW WE CHARGE FOR OUR SERVICES AND EXPENSES

We at Holland & Hart LLP (“H&H”) want each client relationship to be productive and satisfying for both parties. We believe one way to accomplish that goal is to explain at the outset how we charge for our services and expenses.

Our usual practice is to send a statement for services and expenses monthly. Our statement describes in summary fashion the services we have performed on your behalf in order that you have a current understanding of any charges and expenses. If we have a written agreement for some other arrangement, we will proceed accordingly.

Our responsibility is to ensure that you receive an accurate and fair statement. In return, we expect prompt payment of our statements. We encourage you to raise any questions or comments regarding any statement. If you fail to keep your account current, we reserve the right to terminate our representation in accordance with applicable ethical rules. We also reserve the right to assess a late payment charge at the rate of 1% per month on any unpaid balance beginning on the 30th day after the date of the statement.

FEES FOR SERVICES

A specific attorney is responsible for each matter we undertake for you. In addition to serving as your primary contact and either performing or overseeing all services provided for you, this attorney will review and approve each statement you receive from us.

Our engagement letter sets forth the terms on which we will charge you for our services. If we are providing services on an hourly basis, our engagement letter discloses the current hourly billing rate of the attorneys and other service providers who will work on matters for you. From time to time other attorneys and service providers may be involved in your work. Their names and hourly rates will be reflected in our statements. Please note that we review and adjust our billing rates annually, and our adjusted billing rates typically take effect on January 1. You will be advised of changes in billing rates in the first statement that includes charges for services at any such adjusted rate.

EXPENSES

You will be invoiced for certain direct expenses incurred in the course of providing legal services to you. We charge expenses to your bill with no mark-up for handling and no surcharge for the cost of carrying the charge until you make payment. Thus, filing fees, incorporation fees, charges from court reporters and similar expenses will appear on your bill at the amount actually disbursed by us on your behalf. Notwithstanding the previous sentence, unless we otherwise agree, we expect you to pay directly (or prepay through the use of a retainer) any expenses over \$1,000 invoiced by persons or companies outside our firm for your account.

Several categories of expenses involving a service provided, in whole or in part, using our equipment or staffed with our personnel are billed to you in the manner described below:

1. **Photocopying.** We do not charge for routine photocopying or small copy projects. We will send large copy projects to outside copy facilities when confidentiality concerns permit and will bill you for the actual charges incurred. We are always happy, upon your request and where appropriate, to send materials for copying to you or to your designated vendors who will bill you directly.
2. **Messengers.** We charge the same amount for messenger services as outside providers charge for the same service.
3. **Computerized Legal Research.** We have fixed-price, discounted contracts with our providers that include many, but not all, of their services. We compute and charge for the cost of searches performed on your behalf by allocating our actual contract cost over all searches performed for clients. We must necessarily make certain estimates to arrive at this allocation, but the objective is to recover only the firm’s actual cost for legal research services performed for our clients. For research services not covered by our fixed-price contracts, we charge the actual cost of the searches billed to the firm.
4. **Overnight Couriers.** We use United Parcel Service (“UPS”) and other recognized couriers for the bulk of our overnight courier services. We pass through the UPS or other courier’s scheduled charge to us.

LITIGATION SUPPORT AND TRIAL PREPARATION

H&H provides a variety of litigation support and trial preparation services and products. These services and products include trial consulting, witness preparation, jury selection, preparation of multimedia trial exhibits, trial setup and document imaging. The charges for these services and products will be established by agreement between the H&H responsible attorney and the client at the inception of the engagement, or in the alternative, when the need for such services arises.

REPORTABLE TRANSACTIONS

Certain transactions become “reportable transactions” under the Internal Revenue Code and the associated regulations if an advisor, including a lawyer, requires them to be kept confidential. H&H does not require such confidentiality. Accordingly, H&H agrees that you (and your employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, (i) the Federal income tax treatment and the facts relevant to understanding the Federal income tax treatment of our representation of you and any transaction with which we may assist, and (ii) all materials of any kind (including opinions or other tax analyses) that are provided to you by H&H relating to such tax treatment and such facts. In addition, H&H does not claim that any tax information (as opposed to tax legal advice) provided by it is proprietary or exclusive.