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SCOTT A. HOLCOMB
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August 11, 2021

VIA EMAIL- kmacuil@sanluisaz.com

Kay M. Macuil
City Attorney
City of San Luis
1090 E. Union Street
PO Box 1170
San Luis, AZ 85349

August 12, 2021
OK to pay future
and past invoices
from City Attorney
Budget per this
engagement
Kay Marion Macuil
City Attorney

Dear Kay:

Scope of Engagement. We are pleased that you have selected us to represent the City of San Luis in connection with a lease dispute with Advanced Call Center Technologies. We will do our best to ensure that you are provided with timely legal advice in connection with this matter and your endeavors. This letter will confirm the terms of our agreement to represent you in this matter. Our representation in this matter is effective as of the date you provide the Firm with a signed copy of this engagement letter (retroactive to the date that any actual services may have been provided) representing your agreement to the terms of the engagement as set forth in this letter and with the Advance Deposit as described below.

Client Liaison and Firm Liaison. We understand that you will be our primary contact at the City of San Luis in furtherance of this engagement and I, Scott Holcomb, will be the Firm attorney responsible for this engagement. I will make staffing decisions, with the objective of rendering services to the Client on an efficient and cost-effective basis.

Staffing and Hourly Rates. Our time and expenses will be charged, as described in this letter, at the normal and customary hourly rates applicable to each attorney or paralegal assigned to work on this matter as established by our Firm from time to time. The agreed hourly rates for the Members of the Firm ("Partners" herein) and other attorneys who, at this time, have been identified as likely to work on this engagement is as follows:

Scott A. Holcomb \$350

We periodically review our hourly rates and make adjustments as necessary; therefore, from time to time in the future, the hourly rates of attorneys and paralegals engaged in representing the Client may be increased. If such rates are increased, you will be advised in writing in advance.

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Multi-Jurisdictional Notice. The firm has attorneys in states other than Arizona and not licensed in Arizona. All attorneys present in the Phoenix office are licensed to practice law in Arizona.

Advance Deposit. No Advance Deposit is being required at this time.

No Guarantee of Result or Fees and Costs. It is impossible for the Firm to predict the total amount of attorneys' and other professional fees and costs that will be incurred in regard to our representation of the Client in this matter. No guaranties have been made, nor can they be made, to the Client with respect to the total attorneys' and other professional fees and the costs relating thereto. Any estimate of fees and costs that we may have discussed represents only an estimate of such fees and costs. It is also expressly understood that your obligation for payment of the Firm's fees and costs is not in any way contingent on the ultimate outcome of this matter.

We are committed to providing you with the best possible representation. However, this matter necessarily involves many risks beyond our control. During the course of our representation, we may express opinions or beliefs concerning this matter or various courses of action and the results that might be anticipated. Any such statement made by anyone in the Firm is intended to be an expression of opinion only, based on information available to us at the time and should not be construed by the Client as a promise or guaranty of the outcome. We cannot and do not guarantee that the outcome of this matter will be acceptable to the Client or that any particular result will be achieved.

Awards of Fees and Costs. There may be a statutory or contractual basis for the award of attorneys' fees and costs in this matter. In our experience, however, the court rarely orders one party to pay all of attorneys' and other professional fees and costs incurred by the other party, and the court may order each party to pay all of his/her own attorneys' and other professional fees and costs. The court's determination of the attorneys' and other professional fees and costs that the Client may recover from, or be obligated to pay, the opposing party shall not constitute a determination concerning the reasonableness of the fees and costs charged by the Firm or payable by the Client. If the court orders the opposing party to pay the Client's fees, costs, or other charges, the Client is still responsible for the payment of all fees, costs, and other charges, whether or not the other party actually pays the court-ordered fees and costs. If payments are actually received by the Firm from an adversary party as payment toward our fees and costs, those amounts will be credited to the Client's account or refunded to the extent we have previously received payments from the Client.

Finally, the Client should realize that, just as the Client might obtain attorneys' fees and costs from the opponent if the Client prevails, in the event that the Client does not prevail in this matter, the opponent may have the same right to recover its attorneys' fees and costs from the Client. Payment of any such award of fees or costs is exclusively the Client's responsibility. For

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this reason, it is essential that the Client always consider the reasonableness of the Client's position before we are directed to proceed with a claim or defense or to reject an offer of settlement.

Settlement. The Firm will not enter into a settlement without the Client's consent.

Client's Responsibilities. Recognizing the Firm cannot effectively represent the Client without the Client's cooperation, assistance, and truthfulness, Client agrees to cooperate fully with the Firm, to always be truthful with the Firm, and to provide promptly all information, known or available, relevant to the Firm's representation, including providing information and documents requested in a timely fashion; cooperating in scheduling and related matters; responding to telephone calls, e-mails, and correspondence in a timely manner; and informing the Firm of changes in the Client's address and telephone numbers.

As a matter of course, we will forward to you photocopies of key correspondence and pleadings generated or received by us regarding this matter. This is an inexpensive way to keep the Client advised of important developments as this matter progresses. You should contact us should you have any questions or comments about the documents you receive.

Arizona Disclosure Rules. Under Arizona's Rules of Procedure, you and we are required to comply with a number of rules relating to case management, disclosures by the parties, and presumptive discovery limits. For example, the rules require that the Client and the Client's attorneys conduct a reasonable and prompt inquiry and investigation about all matters relating to the case and to reveal and disclose to other side various matters. The rules are designed for the purpose of allowing both sides to assess the whole case well in advance of trial and to focus their resources on exchanging information and resolving the disputes rather than waging discovery battles.

Retention of Electronic Data. Certain recent case authorities have recognized a party's obligation to retain and produce all relevant documentation during the course of litigation. Courts have also made it clear that this obligation applies to all forms of electronic data that might be related to litigation or anticipated litigation. Loss or destruction of electronic data -- even if it is inadvertent -- may result in court sanctions and, in extreme cases, a dismissal of a claim or the striking of a defense. In this respect, it is essential that you preserve all documentation and electronic data having even the most remote connection with this dispute. In simple terms, that means you cannot discard or destroy any potentially relevant documents or delete any e-mails or other data involving or relating to this Matter; or discard any hard drives, laptops, smart phones, cell phones or other computers or devices which may contain information having anything to do with this Matter, whether corporate or personal. Among other things, any regular or periodic document destruction (whether manually or automatically initiated) should be suspended as it pertains to, and for the duration of, this Matter. Please make sure that the necessary personnel are advised of the requirements of this paragraph. Should you have any questions with respect to your

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responsibilities regarding preservation of documents and electronic data, please contact us to discuss those issues.

Right to Withdraw from Representation. The Firm reserves the right to withdraw from this representation in the event that invoices are not paid on a timely basis or you have failed otherwise to fulfill your obligations to us.

Termination of Engagement. Either the Firm or the Client may terminate the engagement and representation at any time and for any reason by written notice, subject to our compliance with the applicable rules. To confirm the termination of the representation of the Client, the Firm has the option to file a notice of or request for withdrawal pursuant to the applicable rules.

Post-Engagement Matters. Unless otherwise set forth on the first page of this letter, you are engaging the Firm to provide legal services in connection with a specific matter, which does not include other matters beyond or after this matter. If you wish to engage the Firm to represent you in relation to other matters beyond or after this matter is completed, a separate or supplemental agreement identifying the scope of the representation of the Client regarding, and the terms of the other matter engagement must be entered into.

After completion of this matter, changes may occur in laws or regulations that are applicable to the Client that could have an impact upon the Client's future rights and liabilities. Unless you continue to specifically engage us by a separate engagement agreement describing the scope of that additional representation, the Firm has no continuing obligation to advise the Client with respect to any legal or factual developments or matters that may arise subsequent to the termination of our engagement.

Arbitration. The Client has the right to a trial before a trier of fact, either a judge or jury, in connection with any disputes that may arise between the Client and the Firm. However, if a dispute arises between the Firm and Client regarding attorneys' fees and costs provided by the Firm, the parties agree to resolve that dispute through binding fee arbitration procedures and proceedings of the State Bar of Arizona. By agreeing to this binding fee arbitration process, the Client is agreeing to waive the right to trial before either a judge or jury on the issue of attorneys' fees and costs charged to the Client.

No Advice Regarding This Engagement Agreement. The Firm is not acting as Client's counsel in advising the Client with respect to this engagement agreement, as we would have a conflict of interest in doing so. If the Client wishes to be advised regarding any aspect of this engagement agreement, we recommend that the Client consult with independent counsel of the Client's choice. In addition, if the Client has any questions or would like additional information regarding our engagement, we would be happy to discuss those matters with the Client.

Binding Agreement. When signed by the Client, this letter constitutes a binding agreement between the Firm and the Client.

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Standard Terms of Engagement. The Firm's Standard Terms of Engagement are attached hereto and made a part hereof.

Thank you for selecting our Firm to represent you. We appreciate the confidence you have in us and look forward to working with you on this matter.

Sincerely

Scott A. Holcomb

Scott A. Holcomb

clw

I HAVE READ THE FOREGOING ENGAGEMENT AGREEMENT, AND MY SIGNATURE INDICATES THAT I AGREE TO ALL OF ITS TERMS AND FULLY UNDERSTAND ITS PROVISIONS. THE TERMS OF THE ENGAGEMENT OF THE FIRM AS STATED ABOVE ARE ACCEPTED AND APPROVED BY:

CITY OF SAN LUIS

By Kay Marie Macuil
Kay M. Macuil, City Attorney

August 12, 2021
Date

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Dickinson Wright PLLC
Standard Terms of Engagement

We are pleased that you have retained Dickinson Wright PLLC to provide legal services. Below are the standard terms of engagement in relation to any matter on which you retain us, unless otherwise set forth in your engagement letter and subject always to applicable rules of professional conduct. Please review this document carefully and retain it with your files. If you have any questions about how our legal services will be provided, how you will be billed, the scope of our representation or any other matter related to our representation of you, please contact a member of the Firm promptly.

1. The Scope of Our Services. Our engagement letter to you sets forth the specific matter for which representation will be provided and the scope of our services. The services we will provide to you may be varied by agreement during the course of the matter. Our services will not include advice on tax-related issues unless and to the extent specifically requested by you and included in the scope of our representation.

At times we may be called upon to express opinions of law or anticipated outcomes. Such opinions are limited by our knowledge of the facts at the time the opinion is rendered, the present state of the law and, at times, factors that are unknown or beyond our control. Although we will use our best professional judgment, we cannot guarantee the outcome of any matter.

2. Primary Attorney. The primary attorney(s) responsible for your client relationship with the Firm may, in the exercise of his/her/their professional judgment, involve other attorneys (including other members or associates), paralegals or non-legal professionals possessing special knowledge or experience to improve efficiency.

Our invoices for services may reflect time and professional services rendered by attorneys or other legal personnel associated with the Firm's international or other affiliate(s). Such attorneys, who are licensed in other jurisdictions, are consulted and serve as legal advisors to the Firm based on their licensed status in such jurisdictions and expertise in particular legal specialties.

3. The Client. Dickinson Wright PLLC will provide representation for only the person(s) or entity identified in our engagement letter. In matters related to corporations, partnerships and other entities, unless otherwise agreed in writing, our representation does not extend to officers, directors, employees, shareholders, partners, members or other individuals. Additionally, unless otherwise agreed in writing, our representation of an entity does not extend to its affiliates (such as parent, sister or subsidiary corporations).

4. Client Responsibilities. The client agrees to pay our statements for services and expenses as provided below. In addition, the client agrees to be candid and cooperative with us and keep us informed with complete and accurate factual information, documents, communications, and other material relevant to the subject matter of our representation or otherwise reasonably requested by us. The client also agrees to make any necessary business and strategy decisions in a timely manner.

Because we need to be able to contact the client at all times regarding the representation, the client agrees to inform us, in writing, of any changes in the client's name, address, telephone number, contact person, email address, state of incorporation, and other relevant information regarding the client or its business. Whenever we need instructions or authorization to proceed with legal work on the client's behalf, we will contact the client at the most recent business address we have received. If the client affiliates with, acquires, is acquired by, or merges with another client, it will provide us with sufficient notice to permit us to withdraw as its lawyers if we determine that such affiliation, acquisition, or merger creates a conflict of interest, or that it is not in the best interests of the firm to represent the new entity.

5. Basis of Our Charges. Unless other arrangements are made, our billing for legal services will be on a per-hour basis. Our standard hourly rates will apply in the absence of any other agreement, and details of the hourly rates for the attorneys working on your matter(s) are available upon request. Our hourly rates are subject to periodic reviews and adjustments, and we reserve the right to revise our hourly rates in accordance with such general Firm reviews.

The Rules of Professional Conduct generally permit a law firm to consider the following factors in addition to regular hourly rates: the novelty and difficulty of the question involved; the skill requisite to perform the legal services; the likelihood that acceptance of a particular matter will preclude other representation; the fee customarily charged in the locality for similar services; the risk assumed by the firm in performing certain types of work, and the amount involved and results obtained. Time limitations imposed by the client or by other circumstances

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may also be considered in determining an appropriate fee. We reserve the right to consider all of these factors and submit a billing or billings in excess of the hourly rates quoted above.

We are often asked to provide estimates regarding the cost of our representation on a given matter. We are pleased to provide such estimates when, in our professional judgment, they can be made. Unless we agree in writing to perform a specific project for a fixed fee, an estimate will not represent a maximum, minimum or agreed charge.

6. Reimbursement of Costs and Expenses. In addition to our hourly fees, we may incur costs and disbursements on your behalf for which you will be obligated to reimburse us. It is our Firm policy to submit invoices for costs and disbursements charged by third parties in excess of \$1,500 to you for direct payment. Costs and disbursements of third parties incurred by the Firm on your behalf are billed without any administrative add-on. Costs incurred internally on your behalf are generally charged at predetermined standard rates: \$0.20 per copy, \$2.00 per first page, \$1.00 per subsequent pages for faxes and \$10.00 per month for each gigabyte of data stored in our litigation support document database. Computerized legal research (CALR) charges are billed at our legal research providers' standard retail rates. Please note, however, that the Firm pays for CALR on an annual Firm-wide, fixed-fee basis. Long distance phone charges are billed at tariff rates.

7. Frequency of Billing. We will bill you monthly for time and disbursements. Remittance within 30 days is expected. We reserve the right to impose a charge of 1% per month on accounts which are not paid within such 30-day period. If you have any questions on any invoice, please raise them with the member primarily responsible for the matter as soon as possible. If any portion or element of an invoice is questioned, the remainder of the invoice is to be paid within 30 days.

8. Retainers. Unless otherwise set forth in the engagement letter, it is understood that Dickinson Wright PLLC may withdraw amounts from the retainer at any time as may be necessary to satisfy outstanding invoices. If at any time the retainer proves insufficient to cover past due invoices or falls below the agreed amount, you will be called upon to replenish the retainer amount. Any unused portion of the retainer remaining after all legal services have been paid for will be refunded.

9. Conflicts of Interest. Conflicts of interest are a concern for Dickinson Wright PLLC and the clients we represent. We attempt to identify actual and potential conflicts at the outset of any engagement and may request that you sign a conflict waiver before we accept an engagement from you. Occasionally, other clients or prospective clients may ask us to seek a conflict waiver from you so that we can accept an engagement on their behalf. Please do not take such a request to mean that we will represent you less zealously; rather, that we take our professional responsibilities to all clients and prospective clients very seriously.

Unfortunately, conflicts sometimes arise or become apparent after work begins on an engagement. When that happens, we will do our best to address and resolve the situation in the manner that is consistent with our professional responsibilities.

We will not represent any other client on any matter on which we are representing you unless we have your express agreement that we may do so and where permitted to do so by the applicable jurisdiction's Rules of Professional Conduct.

We may also act generally for another client which, for you, is a market competitor.

10. Liability Insurance Coverage. It is your responsibility to ascertain whether you are covered by any relevant insurance in respect of either liability or legal expenses. If so, you are responsible to notify your insurer(s) of the claim or potential claim and our involvement as soon as possible. It is also your responsibility to inform us if you believe that you have insurance coverage for the specific matter for which we have been retained.

11. Termination of Representation. You may terminate our representation at any time, with or without reason. We have a right to discontinue providing services under certain circumstances, such as your failure to fulfill your financial obligations to us. Your termination of our representation in no way relieves you of the obligation to pay for legal services that have been provided prior to the time of termination and that are necessitated to make an orderly transfer of our file materials.

Upon termination of our representation for any reason, we will return your papers, documents and other property to you upon receipt of your request for them. We may, and likely will, retain a copy of the materials returned to you. If you have outstanding invoices owing to the Firm, we may have the right to retain your documents if they are properly subject to a lien.

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At such time as we have completed the scope of work for which we have been retained, we will consider our representation to have ended. If you later retain us to perform further or additional work, our future representation will be subject to the terms of and understanding set forth herein, unless other terms and conditions are expressly agreed to.

12. Records Retention. Subject to paragraph 11 above, any materials belonging to you will be returned to you at the conclusion of the engagement. Following the engagement, in accordance with Firm policies, applicable law and the applicable jurisdiction's Rules of Professional Conduct regarding ownership of files and file retention, we will retain our files relating to this matter for a period of years, after which time the files may be destroyed. We will make reasonable efforts to notify you prior to the destruction of any files. A reasonable charge may be imposed for any special requests pertaining to disposition or handling of our files.

13. E-Mail and Cellular Phone Authorization. Dickinson Wright PLLC is able to communicate with clients via electronic mail over the internet ("e-mail"), and many of our attorneys utilize cellular phones. With e-mail, current technology cannot eliminate the risk that confidences and/or secrets otherwise protected by attorney/client privilege may be viewed by unauthorized third parties and the privilege thereby lost. As to both means of communication, sensitive, confidential and proprietary materials of the client may be intercepted by unauthorized third parties. Please be advised that in connection with the use of e-mail and cellular phones, (a) there is the risk of the loss of the attorney/client privilege and that sensitive, confidential or proprietary material may be inadvertently disclosed to unauthorized third parties; (b) the Firm standard for e-mail encryption is Transport Layer Security (TLS) protocol; and (c) you have the right to specifically direct Dickinson Wright PLLC not to send the client sensitive, confidential or proprietary materials via e-mail or to utilize a cellular phone when communicating.

Unless you specifically provide direction to the contrary, your acceptance of our engagement letter will indicate your review of this policy statement on the use of e-mail and cellular phones and will specifically authorize Dickinson Wright PLLC to utilize e-mail, to send information over the internet to communicate with you and with third parties, and to utilize cellular phones. By engaging our Firm, you agree to assume the risk of inadvertent disclosure and the risk of the loss of attorney/client privilege as it relates to information being transmitted. You retain the right to direct Dickinson Wright PLLC not to send specific items of information via the internet, by e-mail or over a cellular phone. This authorization shall remain in effect until revoked in writing.

14. Post-Engagement Matters. The client is engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could impact the client's future rights and liabilities. Unless the client engages us after the completion of the matter to provide additional legal advice on issues arising from the matter, the firm has no continuing obligation to advise the company on such issues or on future legal developments, including monitoring renewal or notice dates or similar deadline that may arise with respect to the matter.

15. Entire Agreement. The engagement letter and these Standard Terms of Representation constitute the entire understanding and agreement between the client identified in the engagement letter (the client) and this firm regarding our representation of the client in the matter described in the engagement letter. Unless otherwise agreed, they supersede any prior understandings and agreements, written or oral, and any billing requirements, outside counsel guidelines, or letters submitted to us. If any provision of the engagement letter or these Standard Terms of Representation is held by a court or other arbitrator to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect. The client should review this document carefully and contact us promptly with any questions. The client should retain this document in its file.

16. Privacy. Dickinson Wright PLLC (the Firm) has a long-standing commitment to safeguarding information entrusted to us, including all personal data obtained during the course of business. We will use this personal data for purposes related to the scope of our services. If you would like to discontinue communication or have your personal data removed from our systems once our engagement has ended, please contact the Firm.

Please feel free to contact the attorney at the Firm responsible for the matters you have engaged us to address on your behalf if you have any questions regarding this policy.

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