



RYAN RAPP
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February 17, 2023

Ms. Mary Barajas Gutierrez
San Luis PSPRS Local Police Pension Board
P.O. Box 3720
San Luis, Arizona 85349

Re: Engagement and Retainer Agreement

Dear Ms. Barajas,

Thank you for the selection of Ryan Rapp Pacheco & Kelley, P.L.C., to represent the San Luis PSPRS Local Police Pension Board (“the Board”). We recognize that the Board has a choice of legal counsel, and appreciate the confidence you have in our firm.

This letter is to confirm our understanding of the representation that Ryan Rapp Pacheco & Kelley has undertaken on the Board’s behalf, its scope and the terms of our engagement. In addition, under our professional rules of ethics, we have an obligation to inform the Board of the firm’s billing practices. Experience has shown that a letter such as this is useful both to the client and to the firm to express our respective expectations and undertakings.

We ask that you and the Board carefully review this letter. It is intended to be a formal Retainer and Engagement Agreement. If it meets with the Board’s approval and understanding of our respective responsibilities and duties, please sign where indicated and return it to us. Your signature on this Agreement will confirm the Board’s consent to the terms contained herein.

SCOPE OF REPRESENTATION

We understand that Ryan Rapp Pacheco & Kelley, P.L.C., has been retained to represent the Board in connection with the duties and responsibilities under the Arizona Public Safety Personnel Retirement System. The primary attorney engaged in this representation will be Cynthia Kelley. Lesli Sorensen will be available on an “as needed” basis. Cynthia has over 13 years of experience in Local Board representation and Lesli has a number of years of experience in this area as well.

The attorneys will, as requested, attend meetings of the Board, review agendas and supporting materials prior to the meetings and monitor compliance with open meeting law for those meetings attended. The attorneys will, upon referral of a lawsuit or other legal matter by

the Board, provide any necessary legal representation to the Board and any of its officers, employees, or agents as directed by the Board. The attorneys agree to perform all necessary legal services, including but not limited to investigation, legal research, preparation of legal memoranda, pleadings and briefs and making appearances before administrative tribunals and courts, in representing the Board.

The Board, as our client, agrees to cooperate with, and to timely provide assistance and requested documentation and information to us so that we may handle these legal matters on their behalf.

FEES AND COSTS AND RETAINER

All matters undertaken by the firm require that the client agree to terms of payment prior to the commencement of representation. In consideration of our services in connection with this representation, the Boards agree to pay Ryan Rapp Pacheco & Kelley according to the terms set forth in this Agreement. Any litigation necessitated by this representation is, by its very nature, time consuming, uncertain and often expensive. While the firm will work diligently on the Board's behalf, no predictions can be made as to the outcome of any particular matter. We normally send billings on a periodic basis, usually monthly. The periodic bills are to be paid upon presentation, and the amounts thereof are applied to the total fee. If the bills are not promptly paid, we reserve the right to withdraw from representation.

The normal fee arrangement of the firm is the "reasonable fee" arrangement which is based upon the criteria for reasonableness specified in the Arizona Rules of Professional Conduct. The factors set forth in the rules include the time required for tasks performed; the difficulty, novelty or complexity of the problem presented; the skill required to perform the services properly; the time constraints imposed by the clients or the nature of the matter; the amount involved and the results obtained for the clients; and the experience, reputation and ability of the lawyer or lawyers performing the service. We have established a normal hourly billing rate for each attorney and legal assistant, which is adjusted from time to time. Attorneys Cynthia Kelley and Lesli Sorensen will be the primary attorneys in this matter and their hourly billing rates for this representation are \$275.00. If necessary, other attorneys may be involved in the matter and if that occurs, his/her hourly billing rate will be disclosed to you prior to that attorney commencing work on your cases. In addition to attorneys, there may be legal assistants involved in the matter. The firm's legal assistants are typically billed at rates between \$75 and \$150 per hour. In most circumstances, the total fee billed to the clients will be calculated primarily on the basis of the hourly rates and the amount of time expended for all attorneys and legal assistants involved in the matter. Such hourly totals, however, may be adjusted at the end of any particular case (and occasionally on an interim basis) to take account of the various factors described above.

For some cases, the fee arrangement may be a fixed hourly, fixed project, flat, or such other arrangement as is set forth in writing between the clients and the primary attorney

performing the work. In certain instances, modified or hybrid fee calculations may be appropriate as well. For example, in instances where the result achieved is particularly beneficial or advantageous to the clients when viewed against the amount(s) at stake or in controversy, the efforts expended and other like factors, the application of a “value billing” methodology above and beyond the base or customary hourly billing agreement may be appropriate. Of course, any such hybrid or value billing arrangement will be utilized only after prior consultation with, and concurrence of, the clients.

In addition to fees for legal services, the firm may incur various costs and expenses in performing legal services under this Agreement. These expenses will be itemized in our billing statements. Costs and expenses include, without limitation, filing fees, messenger and process services, special mailing expenses, express mail services, copying charges and other reproduction costs charged by an outside agency or vendor, expert fees, Westlaw research, long distance telephone calls, travel expenses and court reporter charges. We may send larger copying jobs to an outside copying service and charge the Boards for such service. We may ask that the Board pay court reporters' fees, outside copying charges and other large charges directly to the provider of the service.

To aid in the representation, our firm and the Board may agree that hiring expert witnesses, appraisers, accountants, consultants or investigators is necessary. Our firm will select such outside experts or entities, after consultation with the Board. The Board authorizes us to retain and the Board agrees to pay the fees or charges of these persons or entities hired by us, either directly to the outside person or entity, or to the firm, as appropriate.

In the event that the Board is involved in litigation, it may be possible to seek an award of the Board's attorneys' fees and costs from the opposing party. We will pursue such an award if appropriate, but we cannot and will not look to such an award as a source of payment for amounts owed to the firm under this Agreement. The Board is responsible for paying the fees and costs as set forth in this Agreement. If attorneys' fees and costs are awarded, we will reimburse the Board for the amount of the award, or apply the award to fees and costs that are still being accrued or owing.

We ask and expect payment of our billings on a current basis because delayed payments add to our overall costs of providing services to all of our clients. To avoid burdening our clients who do pay promptly with these additional overhead costs, we reserve the right to charge interest at the rate of ten percent (10%) per annum on any balance which is not paid by the end of the month following the month in which the firm's billing statement is dated. Unless otherwise agreed, payment of each monthly billing statement is due upon receipt.

CORRESPONDENCE, PLEADINGS AND DOCUMENTS

As a matter of course, the firm will forward to the Board copies of key correspondence, and any court pleadings and documents generated or received by us concerning the legal matter

being handled. This is an inexpensive and routine way to keep our clients advised of important developments and the status of the matter as it progresses. The Board should review the documents sent to them and contact us with any questions or comments about them. All communications to the Board is directed to the addresses provided to us. Because communications between the Board and the firm are critical, we must be kept informed of any changes in address, telephone number, and e-mail as appropriate.

RETENTION OF FILES AND FILE DESTRUCTION

Given the number of client matters the firm handles, the indefinite retention of each client's file is impractical. Therefore, once any particular matter is completed, the file will be marked "closed" by the firm. The Board has a right to obtain a copy of the files at any time, but given the firm's routine practice of copying clients with correspondence, pleadings and documents, the firm will only copy those documents the Board has not already been sent. Original documents will be returned to the Boards upon the closing of the file. If the Board needs another copy of the file after receiving copies from the firm, we will charge for the cost to re-copy the file. By executing this Agreement, you give the firm the Board's permission to destroy any files once they have remained closed, with no material activity, for a period of seven years.

CONFLICT OF INTEREST

The firm has conducted an internal conflict of interest check based upon the names of the persons and/or entities provided to us by you. No conflict of interest has appeared from this internal conflict check. The Boards agree to continue to provide any additional information to the firm regarding the names and identities of any other person or entity involved, or which may become involved, in any matters for which we provide representation.

TERMINATION OF REPRESENTATION AND CONCLUSION OF MATTERS

Once the representation of the Board in the matters described in this Agreement concludes, the firm will have no continuing obligation to represent the Board in any matter beyond the scope of representation as described herein unless an agreement for continued representation is reached.

The Board has the right to terminate the firm's representation with or without cause. However, should the Board determine to terminate our services, they must notify us in writing of the termination. Termination of our services does not negate any fees or costs owed to the firm in the representation.

The firm reserves the right to withdraw as set forth herein if our fees are not paid on a timely basis. The firm also reserves the right to withdraw for any reason permitted or required

under the Arizona Code of Professional Responsibility. In the event the firm determines to terminate the representation, the Board will be notified in writing as to the termination, and agree to execute an approval of a Motion to Withdraw or Substitution of Counsel, if applicable. In that event, the firm will cooperate in transitioning the matter to another attorney as appropriate.

After the Board has had an opportunity to review this Agreement, please sign it where indicated and return it to me for our file. The firm's attorneys will generally not proceed to work for a client beyond the initial consultation and initial research until a signed Agreement is received from the Board. In the event that legal services have been performed and costs expended on the Board's behalf, it is obligated to the firm for the value of such services and costs.

We recognize that this Agreement has a formal tone, but we believe that a complete understanding of our business relationship helps to assure a mutually beneficial attorney-client relationship. We appreciate this opportunity to be of assistance and look forward to working with the Board.

Very truly yours,

RYAN RAPP PACHECO & KELLEY, P.L.C.


Cynthia K. Kelley

I have read and understand the foregoing terms set forth in the Ryan Rapp Pacheco & Kelley, P.L.C. Engagement and Retainer Agreement, and approve and agree to them as of the date that Ryan Rapp Pacheco, & Kelley, P.L.C., first provided services to the Board.

SAN LUIS PSPRS LOCAL POLICE PENSION BOARD

By: _____

Date: _____

Printed Name: _____