

LEGAL SERVICES AGREEMENT

This Legal Services Agreement is made at Mt. Shasta, California, on the date last written below, by and between KIRSHER, WINSTON & BOSTON, Law Corporation, of Mt. Shasta, California, herein referred to as LAW FIRM, and HORN BROOK COMMUNITY SERVICES DISTRICT, herein referred to as CLIENT.

Recitals. CLIENT originally entered into a Legal Services Agreement with LAW FIRM to include all services provided, and expenses advanced, by LAW FIRM commencing on June 17, 2014. This Legal Services Agreement is intended to supersede that original Agreement and all amendments thereto and to apply to services hereafter provided, and expenses advanced, on all pending and future actions and proceedings until such time as this Agreement is terminated upon written notice by either party.

1. STATEMENT AND SUBJECT EMPLOYMENT. CLIENT hereby retains and employs LAW FIRM to represent it in court cases brought against it and its directors, officers, employees, and agents, and such other related proceedings as may be pending or hereafter be initiated or arise (herein, together, the "Actions"), including but not limited to all trial and appellate work related to the following numbered Siskiyou County Superior Court cases: 14-671, 14-672, 14-797, 15-044, 14-205, 15-847, 15-982, 15-1392, 15-1393, 16-1088, 16-1089, along with legal advice to DISTRICT officers which bears upon any of these matters or their subject matter.

2. HOURLY ATTORNEY'S FEES. CLIENT shall pay LAW FIRM's usual published hourly rates for all work done by its attorneys, paralegals, and staff in furtherance of its responsibilities under this Agreement. LAW FIRM's current hourly rate is \$280.00 for attorney work and \$140.00 for paralegal work. LAW FIRM's current schedule of charges is attached to this Agreement and incorporated by reference.

3. COSTS AND OTHER EXPENSES; SECURITY FOR FEES. CLIENT shall, upon request of LAW FIRM, pay in advance for all costs and expenses, including bonds and undertakings, to be incurred by LAW FIRM in its services performed pursuant to this Agreement. LAW FIRM shall not be required to advance any such costs and expenses, but if LAW FIRM does so CLIENT shall reimburse LAW FIRM upon demand.

4. STATEMENT OF ACCOUNT; INTEREST. LAW FIRM shall give to CLIENT's Board of Directors periodic statements of account, showing total fees and expenses incurred, but not including itemized details of activities and expenses. All unpaid billings of LAW FIRM shall accrue interest at the rate of Ten Percent (10%) per annum, starting 30 days after the billing date, until paid. Detailed and itemized statements may be examined by authorized confidential representatives of CLIENT at LAW FIRM's office.

5. ATTORNEY'S LIEN; DISPUTES. LAW FIRM is given a lien, senior to all others, on the claim and cause of action, on any sum recovered by way of settlement, on any property recovered, on any judgment, and on the account which is the subject of this Agreement for its fees incurred and costs or other expenses advanced by it in this case or in any other work undertaken on behalf of CLIENT. Further, LAW FIRM shall have all general, possessory, or

retaining liens, and all special or charging liens known to the common law, and allowable in California.

6. EMPLOYMENT OF EXPERTS AND INVESTIGATORS. LAW FIRM may, after giving notice to CLIENT, employ technical expert consultants and expert witnesses to examine and report to it, and to testify in the proceeding which is the subject of this Agreement. LAW FIRM may also in its discretion employ investigators to inquire about the facts surrounding this case. All such experts shall report exclusively to the LAW FIRM. Fees charged by such expert witnesses and investigators may, in the discretion of LAW FIRM, be advanced by LAW FIRM or billed directly to CLIENT.

7. ASSOCIATE COUNSEL. LAW FIRM may in its discretion retain outside counsel to assist it in the representation of CLIENT, at CLIENT'S expense, and CLIENT shall be notified in advance, if practical. Such charges shall not exceed those which CLIENT would owe to LAW FIRM if LAW FIRM had provided the same service. Fees charged by such associated counsel may, in the discretion of LAW FIRM, be advanced by LAW FIRM and billed directly to CLIENT. CLIENT agrees to promptly pay for the charges of any such associate counsel.

8. RETENTION OF FEES AND ADVANCED COSTS FROM SETTLEMENT OF JUDGMENT AMOUNT. LAW FIRM shall receive any settlement or judgment amount directly from or on behalf of any adverse party payor. Before disbursing the amount to CLIENT, LAW FIRM may retain and deduct therefrom its attorney's fees and costs and other expenses advanced as herein provided, and any other sums owed to it by CLIENT. CLIENT shall, upon request, endorse any check or draft received in settlement, or payment on a judgment, and give it to LAW FIRM for negotiation with a bank.

9. SUBSTITUTION OR DISCHARGE OF LAW FIRM. CLIENT may discharge LAW FIRM at any time upon written notice to LAW FIRM, but such discharge shall not affect CLIENT'S obligation to pay LAW FIRM for services rendered, and expenses incurred, prior to the time LAW FIRM is informed of its discharge.

10. WITHDRAWAL OF LAW FIRM; RIGHT TO DECLINE. LAW FIRM may withdraw from CLIENT'S representation in this matter at any time, on written notice to CLIENT, but such withdrawal shall not affect CLIENT'S obligation to pay LAW FIRM for services rendered, and expenses incurred, prior to the time LAW FIRM informs CLIENT of the withdrawal. In addition, LAW FIRM may decline to represent, or to continue to represent, CLIENT or any officer, employee, or agent of CLIENT if at any time LAW FIRM determines, in its absolute discretion, that it would be improper, unethical, inconvenient, or for any other reason undesirable to do so.

11. CONSENT TO SETTLEMENT. CLIENT will make no settlement of the case without LAW FIRM's prior knowledge. LAW FIRM will make no settlement without CLIENT'S prior consent.

12. FAVORABLE OUTCOME NOT GUARANTEED. LAW FIRM makes no representations or warranties concerning the outcome of CLIENT'S claims or defenses and does not guarantee that it will obtain any particular relief. All statements of LAW FIRM's attorneys and staff on these matters have been statements of opinion only, and based on extremely limited information.

13. POWER OF ATTORNEY. CLIENT hereby gives the representative of LAW FIRM whose signature appears below, and each of LAW FIRM's attorneys, CLIENT'S Special Power of Attorney to execute all documents connected with the case for which LAW FIRM is retained, including pleadings, contracts, commercial paper, settlement agreements, compromises and releases, verifications, dismissals and orders, checks and drafts, and all other documents that CLIENT could properly execute. Such Special Power of Attorney shall terminate when LAW FIRM's employment hereunder ceases.

14. CONTRACT IS ENTIRE AGREEMENT. This instrument embodies the whole agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein; and this contract shall supersede all previous communications, representation, or agreements, either verbal or written, between the parties. Any amendments of the Agreement must be in writing.

15. ENTIRE LAW FIRM. LAW FIRM currently employs ROBERT D. WINSTON and ROBERT B. BOSTON, attorneys at law. LAW FIRM shall have the discretion to assign either or both of these attorneys, and any staff members, to work on the matters which are the subject of this Agreement..

16. JOINT REPRESENTATION - WAIVER. CLIENT has agreed to be jointly represented by LAW FIRM concurrently with one or more other parties in one or more of the Actions. CLIENT understands that this joint representation might result in a conflict-of-interest in the future, in which event LAW FIRM may withdraw from the Action. In any event, CLIENT understands that such joint representation might result in certain communications which would otherwise be confidential being shared by LAW FIRM with the other parties to the joint representation. CLIENT waives the potential conflict and accepts the consequences created by such joint representation, but reserves the right to terminate LAW FIRM's services hereunder at any time. Such termination of LAW FIRM by CLIENT shall not affect CLIENT's obligation to pay for services and expenses incurred by LAW FIRM prior to such termination.

17. CLIENT'S RESPONSIBILITIES. CLIENT agrees to be timely, responsive, and cooperative with regard to anything reasonably required of it by LAW FIRM in furtherance of the objectives of this Agreement. CLIENT agrees that it will not allow any director, officer, employee, or agent to disclose to any third parties any confidential communications between CLIENT and LAW FIRM.

18. APPROVAL. The persons signing below on behalf of the parties to this Agreement represent and warrant that they have the authority to do so. Specifically, CLIENT's representative states that this Agreement was approved by the vote of at least three (3) members of its Board of Directors at a duly noticed and properly held meeting on the date entered below.

19. PRIOR AGREEMENTS SUPERSEDED. This Agreement supersedes any and all prior written, oral, and implied agreements of the parties as to the subject matter, to the extent this Agreement is inconsistent therewith.

Executed at Mt. Shasta, California, on the date written last written below.

LAW FIRM:

Robert Winston, Sec./Treas., for
KIRSHER, WINSTON & BOSTON, L.C.

Date: _____

CLIENT:

HORNBROOK COMMUNITY
SERVICES DISTRICT:

Approved by District Board on: _____, 2016.

Board President

Date: _____

WEED OFFICE
150 Alamo, Suite 103
(530) 938-3438

YREKA OFFICE
216 Lane St.
(530) 842-3552

www.kwb-law.net

KWBSM
EST. 1970
KIRSHER, WINSTON & BOSTON
LAW CORPORATION

WRAY E. KIRSHER (1922-2003)
U.S. Magistrate Judge, Retired

ROBERT D. WINSTON
ROBERT B. BOSTON

STACEY L. MACK
Sr. Paralegal
JULIE A. JACKSON
Sr. Estate Administration Specialist

Please Respond To:

205 N. Mt. Shasta Blvd., Suite 400
P.O. Box 177, Mt. Shasta, CA 96067
(530) 926-3444, Fax (530) 926-3599

Dear Client:

You will be billed for our attorney services at the rate of \$280.00 per hour, plus out-of-pocket costs and expenses. However, the following minimum charges will apply:

<u>Phone Calls</u>	: Minimum of 0.2 hrs. (\$56.00)
<u>Letters</u>	: Minimum of 0.3 hrs. (\$84.00)
<u>Correspondence Received</u>	: Minimum of 0.1 hrs. (\$28.00)
<u>Court Appearances</u>	: Minimum of 1.0 hrs. (\$280.00)
<u>Office Visits</u>	: Minimum of 0.5 hrs. (\$140.00)
<u>Travel</u>	: No charge for travel to Mt. Shasta or Weed. Other travel will be billed at \$.54 per mile, and \$140.00 per hour.
<u>Email & Text Messages</u>	: Minimum of 0.1 hrs. (\$28.00)

Some document preparation and other work may be billed on a flat-rate basis using typical time in lieu of actual time keeping. The flat rates for particular tasks will be made known to you upon request as they arise.

For certain work, our firm sometimes utilizes paralegals and legal assistants who work under the supervision of our attorneys. You will be billed at the rate of \$140.00 per hour for their services.

Except in family law matters, we do not charge for ordinary secretarial work. Extraordinary secretarial services will be billed at \$ 70.00 per hour.

In addition to out-of-pocket costs, a surcharge of 5% of the total attorney and legal assistant time billed will be added to your monthly charges to cover ordinary photocopies and printing, phone tolls, FAXs, ordinary postage, scanning and ordinary secretarial. Priority, express and certified mail, and any overnight delivery services will be billed at actual costs.

All charges are payable at the time services are rendered unless other arrangements are made. Open accounts are due and payable in full within 25 days of billing, after which they accrue interest at 10% per annum.

Please see the reverse side of this sheet for further information

Thank you,

KIRSHER, WINSTON & BOSTON, L.C.

REVISED 1/07/2016 SPE

ADDITIONAL TERMS AND CONDITIONS

Set forth below are additional terms and conditions for charges and billings from Kirsher, Winston & Boston, Law Corporation. These should be considered to be a part of your contract with us.

Accounts Ordinarily Due at Time Services are Rendered

Charges for services rendered and for expenses incurred are due and payable immediately.

If you are seeing us for the first time on a "half-hour consultation" basis you will be asked to pay in advance, for the simple reason that this allows our staff to avoid multiple interruptions and work more efficiently.

If you wish to be billed for our charges you will be asked for your social security number and other identifying information. If you do not want to provide that information please tell us and we will arrange to have you pay our charges in cash as they are incurred, instead.

A report from a credit bureau may be required as a condition of allowing you to defer payment of our charges. By deferring your payment to us, or asking to do so, you will be deemed to have authorized us to obtain such a credit report.

Monthly Billing

Most clients who will be deferring their payment to us will receive a periodic statement for services rendered and expenses incurred. Other clients will instead receive only a single statement when services are complete, or statements requesting progress payments as major portions of the work are completed.

We use a calendar-month billing cycle which ends at the end of each month. Occasionally, all of the charges for a given month might not be reflected in a particular statement. In that case, they will ordinarily be included in the next statement.

You will usually receive your monthly statement between the 5th and the 15th of the month. If you pay it in full before the end of the month in which it is received, you will not be charged interest. If such interest appears anyway, please let us know about the error.

We currently accept the following credit cards for payment of our charges: Mastercard and VISA. If you are contemplating bankruptcy, please do not pay us with a credit card without discussing that with us first.

Fees not Set by Law

An Attorney's fees are not set by law or by any professional organization. They are always a matter of negotiation between the attorney and the client.

Fees and Payment Policies Are Subject to Change

Our hourly fees and our policies regarding their payment may change from time to time. If that occurs, we will notify you beforehand.

Discounts

Other than the attorney who serves you, no one at this firm has the authority to reduce or discount charges billed to you. Sometimes the attorney may determine that a discount is appropriate. If you have been notified of such a discount, it should be accurately reflected in your monthly statement. If it is not, please contact our office administrator regarding an adjustment.

Hourly Flat Rates

The time billed for certain standardized tasks might be based on an "hourly flat rate" (sometimes known as "value billing"), which is not the actual time expended on the task but is, instead, the time which would be typically and ordinarily expended. In such instances, your bill will reflect only the latter.

Such tasks include the preparation of certain contracts, leases, and forms.

Your attorney or other personnel of the firm will ordinarily notify you beforehand when you will be billed in this manner for work to be done on your behalf.

Dishonored Checks or Credit Cards

If your check to us for payment of services rendered or expenses incurred is not honored by the bank for any reason, any resulting additional bank charges will be added to your outstanding balance.

If we are required to take legal action to collect on a dishonored check or credit card, you agree to pay such collection charges including, but not limited to, attorney's fees, to other lawyers that we employ for that purpose.

Minimum Charges

The other side of this paper specifies some tasks for which we will usually impose a minimum charge. There may be others. Occasionally, you may be billed these minimum charges, or hourly charges, for tasks which are at the same time also being performed for the benefit of other clients. As examples, the minimum charges for court appearances and travel may be billed to you even if we also made the appearance, or traveled, on behalf of another client on the same occasion.

Venue

Proper venue for any court action between attorneys and client related to this agreement or to the services provided by attorneys to client shall be only in Siskiyou County, California.

KIRSHER, WINSTON & BOSTON
A Law Corporation

PRIVACY POLICY

Your privacy is important to us, and maintaining your trust and confidence is one of our highest priorities. We respect your right to keep your personal information confidential and understand your desire to avoid unwanted business solicitations. Federal law requires certain professions and institutions to disclose their Privacy Policy to their clients. Although that law might not be applicable to the kind of services we are providing to you, we are happy to provide the information nonetheless. We hope this will help you to have a better understanding of what we do with the information you provide to us and how we keep it private and secure.

TYPES OF NONPUBLIC INFORMATION WE COLLECT: We collect nonpublic information about you that is provided to us by you, by your agents, or by third parties with your authorization.

PARTIES TO WHOM WE DISCLOSE INFORMATION: We do not disclose any nonpublic information obtained in the course of our work for you except as required or permitted by law. Some examples of permitted disclosures are as follows: providing information to those of our employees who need to have it for their work; and, providing certain information to outside persons who assist us in rendering services to you, such as technical experts and consultants. In all such situations, we stress the confidential nature of the information being shared.

PROTECTING THE CONFIDENTIALITY AND SECURITY OF CURRENT AND FORMER CLIENTS' INFORMATION: We retain documents and other records relating to the professional services we provide to our clients for at least five (5) years, and sometimes for much longer than that. After that, records that will be destroyed will be handled in such a manner that the confidential information in them will not be inadvertently disclosed to third parties.

USING EMAIL

Please be aware that email is not always a confidential method of communication. Even when precautions are taken, a "hacker" may be able to access and read yours and ours.

News articles about such breaches occurring even with highly secured governmental systems are common. Ordinary email services such as those our firm and our clients use are easier to invade.

Most clients' legal communications are of no interest to anyone else and are not so sensitive as to require extraordinary security measures, but if you believe yours are so highly confidential as to justify special precautions, we recommend that they be sent only by personal delivery, face-to-face meetings, land-line phones, express delivery, or U.S. Postal Mail. Please let us know if you believe this applies to you and we will act accordingly.

Please be aware that any email you send to, or receive from, anyone other than your attorney may be subject to being disclosed to another person upon the issuance of a subpoena or other court process and that deletion of email does not actually make it unavailable. Furthermore, deletion of email in certain instances, such as to prevent it from being used as evidence in a court case, can itself result in criminal culpability and/or civil liability of the person who does so.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
HORN BROOK COMMUNITY SERVICES DISTRICT
REAFFIRMING RETENTION OF LEGAL COUNSEL TO REPRESENT
THE DISTRICT AND DISTRICT OFFICERS, EMPLOYEES, AND AGENTS IN
ADMINISTRATIVE AND COURT PROCEEDINGS

WHEREAS, the Hornbrook Community Services District (herein, "District") and/or certain past and/or current members of its Board of Directors, its officers, employees, and agents (herein, collectively, "Directors"), have been named as defendants or respondents by Peter Harrell and/or Kimberly Olson and/or Roger Gifford, in various court and administrative proceedings, (herein, collectively, "Proceedings"); and,

WHEREAS, attorney Robert Winston and his firm of Kirsher, Winston & Boston, LC (herein, "Attorneys"), have been, and are representing the District and its Directors in actions currently pending in Siskiyou County Superior Court (herein, the "Actions") pursuant to the request of the District; and,

WHEREAS, District anticipates that Peter Harrell and/or Kimberly Olson and/or Roger Gifford, and/or other persons, may commence other and additional Proceedings with the same or other courts and/or agencies; and,

WHEREAS, the District and Attorneys have previously entered into written "Legal Services Agreements", whereby Attorneys agreed to represent District and/or its Directors in the Proceedings, and District agreed to pay Attorneys' usual and customary charges for such services and related expenses; and,

WHEREAS, on October 18, 2016, the Board adopted Resolution No. 16-23, which ratified and approved the continuing engagement of Attorneys and the agreement to compensate Attorneys for such services, but due to inadvertence the Board approved a prior form of Legal Services Agreement instead of the revised and updated version; and,

WHEREAS, the District desires that Attorneys continue to represent the District and its Directors in any current and future Proceedings on the terms and conditions as are set forth in the revised and updated Legal Services Agreement (herein, the "Agreement") attached hereto, and Attorneys have agreed to do so;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Attorneys' previous appointments to represent District and Directors, and to be compensated by District for such services, are hereby ratified and reaffirmed. Attorneys are requested and authorized, but not required, to continue to represent District and any Directors, past, present, or future, in any and all Proceedings, now pending or hereafter commenced, until notified to the contrary by District's Board of Directors.

2. If Attorneys at any time determine that any person(s) being so represented, or to be represented, are not being reasonably cooperative in such representation, or have, by their acts or omissions, created a conflict-of-interest, that, in the opinion of Attorneys, makes their defense or other representation by the Attorneys and defense by the District undesirable or impractical, or which harms or compromises Attorneys' representation of other persons represented by them pursuant to this or any previous Resolution, Attorneys may so advise this Board and thereupon file a Substitution of Attorneys with the court or agency and/or file a Motion to Withdraw from the representation of such person(s).

3. The District shall continue to compensate Attorneys and reimburse their expenses on the terms and conditions set forth in the attached revised and updated Legal Services Agreement, for legal services rendered, and expenses incurred.

4. The District President or Vice-President are hereby authorized to execute the attached revised and updated Legal Services Agreement and any other related documents, on behalf of the District, as may be necessary or appropriate to implement that Agreement and this Resolution.

5. On behalf of the District, its President, Vice-President, and Secretary are each hereby authorized to execute any and all documents relating to the Proceedings.

6. District officers may also continue consult with, and receive advice from Attorneys on any legal matter relating to the District or the Proceedings, and District shall compensate Attorneys in the manner described in the Agreement.

7. Attorneys shall not be considered to be officers of the District, nor shall they, or any member of their staff, exercise any discretion on behalf of the District except that relating to the Proceedings and which is normally attendant to and required for District's proper representation in the Proceedings, nor shall Attorneys exercise any other general

powers or authority of the District. In no event shall Attorneys or any member of its staff be deemed to be or act as the District's general legal counsel.

8. This Resolution supersedes Resolution No. 16-23, adopted on October 18, 2016.

Directors Voting:

Aye:

Nay:

Abstain:

Absent:

Attestation: we certify that this Resolution was adopted at a duly called regular meeting of the Board of Directors of the District held on _____, 2016, upon the vote indicated above.

Dated: _____

Board President

Dated: _____

District Secretary