

RESOLUTION

WHEREAS, the Yellow Jacket Water Conservancy District ("District") and White & Jankowski LLP (hereinafter collectively, "the Parties") entered into an Engagement Agreement dated December 1, 2010, a copy of which is attached hereto as Exhibit A; and

WHEREAS, it was at all times as of December 1, 2010, both Parties' intention that any payments made to White & Jankowski by the District would be subject to annual budget and appropriations requirements consistent with the Colorado Budget Law, as set forth in Colorado Revised Statutes, Section 29-1-101, *et seq.*, and the Taxpayer's Bill of Rights, as set forth in the Colorado Constitution at Article X, Section 20; and


WHEREAS, White & Jankowski confirmed its intent consistent with that understanding by letter dated October 18, 2013, a copy of which is attached hereto as Exhibit B; and


WHEREAS, the District has in fact at all times since December 1, 2010, acted consistent with that understanding and has never made an unappropriated or unbudgeted payment of any amount to White & Jankowski.

NOW THEREFORE, this Resolution is adopted to confirm the Parties' mutual understanding of the terms of the District's engagement of White & Jankowski and to avoid any potential ambiguity arising therefrom.

ADOPTED, this 25<sup>th</sup> day of October, 2013, by a unanimous vote of the Yellow Jacket Water Conservancy District Board of Directors

Attest:

  
Ed Coryell, President  
Yellow Jacket Water Conservancy District

  
David Smith, Vice-President  
Yellow Jacket Water Conservancy District

# White & Jankowski

Lawyers

December 1, 2010

Edward Coryell, President,  
Yellow Jacket Water Conservancy District  
PO Box 2440  
Meeker, CO 81641

Re: Engagement for legal services regarding the pending Yellow Jacket Water Conservancy District diligence applications in Water Division No. 6

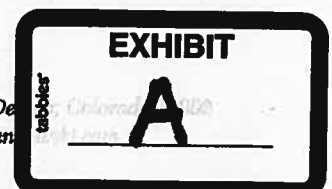
Dear Mr. Coryell:

We have had the pleasure of discussing with Trina Zagar-Brown the pending applications for diligence filed by the Yellow Jacket Water Conservancy District ("Yellow Jacket") in the Division 6 Water Court, and possible assistance our firm could provide in litigating those cases. We initially had concerns that our representation of Conoco-Phillips on their oil shale diligence matters in Division 5 Water Court might raise a conflict that would preclude our representation. However, we recently learned that Conoco-Phillips does not perceive a current conflict and so we have no conflicts that preclude our representation of Yellow Jacket. We reported this yesterday in a phone call with Trina, and she asked us to provide a letter describing our terms of engagement for purposes of providing legal services—specifically litigation-related assistance—with the Yellow Jacket diligence applications. We are pleased to do so, and would be honored to represent Yellow Jacket in its pending Water Court matters.

We understand that Yellow Jacket has four pending water court cases for diligence on its various water rights, Case Nos. 09CW48, -49, and -50 and 08CW26. We also understand that Yellow Jacket has commenced an engineering study, with the assistance of a CWCB/Round Table grant, to evaluate the existing components of the Yellow Jacket system, and that Applegate Group, Inc. has been asked to do that work. Finally, we understand that the next setting in these cases is a status conference with Judge O'Hara on December 13, 2010. It would be our intention to enter an appearance as co-counsel with Trina in the pending diligence cases in advance of that date in order to represent Yellow Jacket at the status conference. We are prepared to assist Yellow Jacket in all phases of litigation related to these matters.

Our firm charges fees on an hourly basis. Because Yellow Jacket is a governmental entity we have discounted our normal hourly rates for representation of the District on the pending diligence matters. Dave Taussig and I will be the attorneys primarily responsible for the Yellow Jacket work, but we will use our best efforts to assign and complete all legal work in the

White & Jankowski, L.L.P.  
Kittredge Building, 511 Sixteenth Street, Suite 500, Denver, CO 80202  
(303) 595-9441 Fax (303) 825-5632 mail@white-jan



Edward Coryell, President,  
Yellow Jacket Water Conservancy District  
December 1, 2010  
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most efficient and economical manner possible. Our senior partners, Bill Hillhouse and Dave Jankowski are not expected to be involved in this matter; however, we have two junior partners, Matthew Merrill and Alan Curtis, who may assist as well as a number of very able associates who may assist on these matters. The hourly billing rates for the attorneys vary, based primarily on each attorney's knowledge and experience. Hourly rates for lawyers who may work on these Yellow Jacket matters will be as follows: David Taussig (partner)- \$230; Sarah Klahn (partner) - \$225; Matthew Merrill (partner) - \$215; Alan Curtis (partner) - \$210, Mitra Pemberton (senior associate) - \$200, Phil Lopez, Chris Hudson and Ryland Hutchins (associates) \$185. We charge the time of our paralegal, Melanie Cabral, at \$110 per hour and of our legal interns at \$85 per hour.

Please note that the firm revises its hourly rates from time to time, and it is possible that the stated rates will increase during the course of our representation. We also may add attorneys or legal assistants to the firm and, if we do so, their time would be billed at hourly rates commensurate with those stated above, depending upon their experience and expertise. Our firm requires payment of all fees and costs within 30 days after you receive your monthly statement. We reserve the right to charge interest on all overdue accounts at a rate of 1.5% per month or 18% annually.

Yellow Jacket will be billed monthly for all work on your behalf performed during the previous month. We will direct the bills to Trina, in her role as the Board's secretary-counsel, unless you direct otherwise. In addition to the attorney or paralegal fees, each statement will also include charges for routine disbursements, including, for example, filing fees, witness fees, long distance telephone charges, photocopying, mileage and other similar charges. These are considered "costs" and while you are obligated to pay these as well as the attorney fees, we generally will pay the costs as they arise and bill you for them.

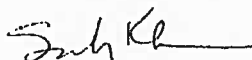
You may terminate our representation at any time, although you remain obligated to pay accrued fees and costs. We may also terminate representation pursuant to the Colorado Rules of Professional Conduct, Rule 1.16, which includes termination because continued representation would result in violation of the rules of professional conduct or other law or because you decide to discharge our firm. While the issue of termination rarely arises, we prefer to deal with it in the engagement letter to avoid confusion on this point.

We would be pleased to represent Yellow Jacket on its diligence cases and look forward to collaborating with you, the other members of the board and Trina as we move forward. If the terms of this letter meet with your approval, please sign below and return the signature page to our office and we will begin work on your behalf.

Edward Coryell, President.  
Yellow Jacket Water Conservancy District  
December 1, 2010  
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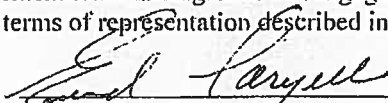
If you have any questions or comments about this letter or our firm, I hope you will give me or Dave a call.

Very truly yours,



Sarah A. Klahn

On behalf of the Yellow Jacket Water Conservancy District, I've reviewed this engagement letter and agree to the engagement of White & Jankowski for the purposes and pursuant to the terms of representation described in this letter.

  
\_\_\_\_\_  
Edward Coryell, President

12-7-10  
\_\_\_\_\_  
Date

cc:\ File  
Trina Zagar-Brown  
/sak

# White & Jankowski

Lawyers

October 18, 2013

Edward Coryell, President,  
Yellow Jacket Water Conservancy District  
PO Box 2440  
Meeker, CO 81641

Re: Confirmation of intent with regard to the engagement for legal services regarding the pending Yellow Jacket Water Conservancy District diligence applications in Water Division No. 6

Dear Mr. Coryell:

At your request, we are writing this letter to confirm that it has been at all times as of December 1, 2010, the intent and understanding of White & Jankowski, LLP, that any payment to our firm by the District would be subject to annual budget and appropriations requirements consistent with the Colorado Budget Law, as set forth in Colorado Revised Statutes, Section 29-1-101, *et seq.*, and the Taxpayer's Bill of Rights, as set forth in the Colorado Constitution at Article X, Section 20.

Very truly yours,

WHITE & JANKOWSKI, LLP

*Sarah A. Klahn by DFT*

Sarah A. Klahn, Partner

