

PROFESSIONAL SERVICES AGREEMENT NO. 070213

PROFESSIONAL RESPONSIBILITY ADVICE SERVICES

THIS AGREEMENT, made and entered into this 18 day of JULY, 2013, by and between the Gila County, a political subdivision of the State of Arizona, hereinafter designated the "County", and Fennemore Craig, P.C., 2394 E Camelback Road, Suite 600, Phoenix, AZ 85016-3429, hereinafter designated the "Firm".

**WITNESSETH:** That the Firm, for and in consideration of the sum to be paid to the Firm by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreements herein contained, hereby agrees, for itself, its heirs, administrators, successors, and assigns as follows:

**ARTICLE I - SCOPE OF SERVICES:** The Firm agrees to provide professional responsibility advice services to Gila County, pursuant to Attachment "A" – Fennemore Craig, P.C. Representation letter dated June 28, 2013, by this mention made a binding part of this agreement as set forth herein. In the performance of these duties under the provisions of this agreement, it is mutually understood and agreed that the Firm, its agent(s), and employee(s), are at all times acting and performing as an independent contractor.

The Firm agrees to obtain and keep current any and all necessary State of Arizona licenses/certifications. If at any time during the term of the contract the Firm's licenses/certifications are revoked or rendered invalid, this Contract shall be terminated.

The Firm is an independent contractor of the County and agrees that it shall obey all state and federal statutes, rules and regulations which are applicable to provisions of the services of the agreement. Neither the Firm nor any employee of the Firm shall be deemed an officer, employee, or agent of the County.

**DUTIES AND RESPONSIBILITIES**

The Firm shall provide duties as follows:

The firm shall provide the duties described in Attachment "A" – Fennemore Craig, P.C. Representation letter dated June 28, 2013, by this mention made a binding part of this agreement as set forth herein.

**ARTICLE II - FEES:** For the services provided by the Firm under this agreement, financial compensation from the County will be as follows:

Fees shall be paid as provided in Attachment "A" – Fennemore Craig, P.C. Representation letter dated June 28, 2013, by this mention made a binding part of this agreement as set forth herein.

**ARTICLE III -TERMINATION:** This Agreement shall terminate thirty (30) days after written notice is received by either party to the other. Upon receipt of the notice, work in progress will be completed and any summaries and/or status reports shall be prepared and submitted, all within thirty (30) days. The County's financial obligation shall cover only the work performed up to the notice to terminate plus thirty (30) days, and not work completed thereafter.

**ARTICLE IV- INSURANCE REQUIREMENTS:** The Firm agrees to take out and keep in force during the term of this agreement at its expense, professional liability insurance and general liability insurance. The Firm agrees to provide the County with certificates evidencing the coverage specified upon request.

**ARTICLE V - ASSIGNMENTS AND SUBCONTRACTS:** No rights or obligations of the Firm under this agreement shall be assigned. No rights or obligations of the Firm under this agreement shall be subcontracted by the Firm without prior approval of the County. All subcontracts shall incorporate the laws, rules, and regulations governing this agreement. The approved subcontracts shall forward copies of such to the County Office of Health and shall retain originals on file.

**ARTICLE VI - LEGAL, ARIZONA WORKERS ACT COMPLIANCE:** Pursuant to A.R.S. § 41-4401, Firm hereby warrants that it will at all times during the term of this Agreement comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws")- Firm shall further ensure that each approved subcontractor who performs any work for Firm under this Agreement likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Firm and any approved subcontractor performing services under this Agreement in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any approved subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Agreement subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by an approved subcontractor, and the subcontractor is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain an approved replacement subcontract as soon as possible so as not to delay completion of Firm's obligations.

Firm shall advise each approved subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that

Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

**ARTICLE VII - LAWS AND ORDINANCES:** This Agreement shall be enforced under the laws of the State of Arizona. Firm shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Firm. The Firm shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336,42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE VIII - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. § 38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered by the County before the effective date of termination.

**ARTICLE IX -TERM:** The term of the contract shall commence on upon approval of both parties to this agreement and continue in full force and effect up through and including June 30, 2013, unless terminated, canceled or extended as otherwise provided herein.

**ARTICLE XI - PAYMENT:** Firm shall be paid fees stated in Article II of this agreement, but in no event shall payment exceed \$ 5,000.00 for the contract term without prior written approval from the County.

Gila County employs a "Net 15" payment term for professional services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Firm. Purchase orders sent to the Firm reflect these terms and conditions and they apply to all invoices received by the County.

The Firm shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Firm does not have a current W-9.

Invoices: All invoices shall be submitted to Gila County Accounts Payable at 1400 E. Ash St., Globe, Arizona 85501, and contain the purchase order number, contract number, and description of services performed.

**ARTICLE XII – Representation Letter of June 28, 2013**

The terms and conditions contained in the Representation Letter of June 28, 2013, Attachment "A", are incorporated by this reference into this Agreement. In the event of any conflict between the terms and conditions of the representation letter or the terms and conditions of this Agreement, the terms and conditions of this agreement shall control.

By signing this Agreement, the Gila County Gila County Manager is giving the County's consent to the Firm to allow it to undertake the above-described representation.

IN WITNESS WHEREOF, two (2) identical counterparts of this agreement, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the date and year first above written.

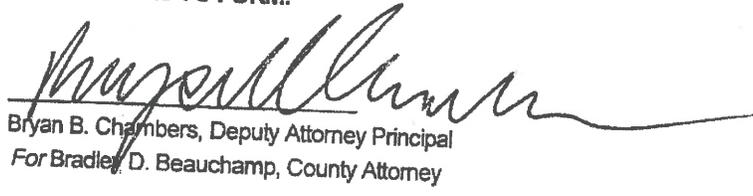
GILA COUNTY:

FENNEMORE CRAIG, P.C.

  
Don E. McDaniel, Jr., County Manager

  
Signature

APPROVED AS TO FORM:

  
Bryan B. Chambers, Deputy Attorney Principal  
For Bradley D. Beauchamp, County Attorney

## FENNEMORE CRAIG, P.C.

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June 28, 2013

Don E. McDaniel, Jr.  
Gila County Manager  
1400 E. Ash Street  
Globe, AZ 85501

Re: Representation

Dear Mr. McDaniel:

I would like to thank you for the opportunity to represent Gila County regarding the dispute with AJP Electric and ATL Incorporated. This letter will provide you with Fennemore Craig's representation terms.

My current hourly rate is \$525 but I have agreed to work on this matter for \$385 given the size of the dispute. In addition, we may involve other attorneys, if needed, who will be billed at hourly rates which currently range from \$215-\$385, depending on levels of experience. Certain tasks may be assigned to paralegals at hourly rates that currently range from \$145-\$185. Our rates may change periodically. Billings for services will be based on the factors described in the enclosed Terms of Engagement.

To the extent reasonably possible, and especially for research and routine legal work, we delegate responsibility to younger associates at lower hourly rates, limiting the role of more senior lawyers to needed supervision and consultations on matters of strategy or significance. We also may assign non-lawyer tasks to legal assistants at hourly rates that range from \$90 to \$130 depending on the skill and experience required.

We will bill and expect to receive payment on a monthly basis. We will pay, itemize and bill along with our services, all out-of-pocket expenses directly and necessarily incurred. Illustrative expenses are those for necessary travel, messenger and express services, computer research, document reproduction and printing, telecopying and long distance calls and night or weekend secretarial services, if required by circumstances beyond our control. I would appreciate it if you would contact me about any questions you may have concerning the details of our representation or our billing for services or expenses incurred.

## FENNEMORE CRAIG, P.C.

Don E. McDaniel, Jr.

March 26, 2013

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Because Gila County is a political subdivision, we must request and confirm the County's consent to Fennemore Craig being adverse to the County on matters and issues unrelated to AJP Electric and ATL. Your signature below will confirm your consent.

Please review this letter and the enclosed Terms of Engagement, which are incorporated herein. If the terms and conditions of the engagement are satisfactory, please sign and return to me the enclosed copy of this letter. Please contact me with any questions or comments you may have regarding this letter or our statements or services.

Thank you for selecting our firm. I look forward to working with you.

Very truly yours,

FENNEMORE CRAIG, P.C.

A handwritten signature in black ink, appearing to read "John R. Jefferies", written over a horizontal line.

John R. Jefferies

JRJ/kp  
Enclosures

I have reviewed this letter and the enclosed Terms of Engagement and I agree to the terms and conditions in both.

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Don E. McDaniel, Jr.  
Gila County Manager on behalf of Gila County

## TERMS OF ENGAGEMENT

### TO OUR CLIENTS:

Fennemore Craig's standard terms of engagement for providing legal services are summarized below. These terms are an integral part of our agreement to provide you with legal services. Please contact us promptly after reading these terms if you have any questions.

1. Who is Our Client? It is our policy to represent only the person or entity identified in our engagement letter. Unless specifically stated in that letter, our representation of you does not extend to any of your affiliates, employees, officers, shareholders, or any entities in which you own an interest. If you are a partnership, our representation does not extend to the individual partners of the partnership. If you are a trade association, our representation excludes members of the trade association. If you are an individual, our representation does not include your spouse, siblings, or other family members. In addition, the advice and communications which we render on your behalf are not intended to be disseminated to or relied upon by anyone else without our written consent.

2. Conflicts.

(a) The firm represents many other companies and individuals. It is possible that during the time that we are representing you, some of our present or future clients will have disputes or transactions with you. You agree that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to your interests, including in litigation. We agree, however, that the above consent shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that if known to such other client, could be used in any such other matter by such client to your material disadvantage. In similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

(b) In addition, you agree that we may disclose the fact of our representation of you, without disclosing the nature of such representation, to other current or future clients that may be adverse to you for the purpose of obtaining such other clients' consent to any conflict of interest that may be presented by our representation of you and such other client. We will not disclose to the other client any confidential information pertaining to our representation of you.

3. Fees. We encourage you to discuss with us at any time any questions you might have concerning our billing procedures. We charge fees that are reasonable based on criteria for reasonableness set forth in the Arizona Rules of Professional Conduct, which include the time, effort and skill required to perform the services properly, the novelty and complexity of the issues, time constraints imposed by the client or by the nature of the matter, the degree of risk imposed on the lawyer, the amount involved and the results achieved. In many cases, the fees

billed will be based in substantial part on our standard hourly billing rates. Standard hourly rates may change periodically, and any changes will be reflected in our monthly billing statements.

4. Billing and Costs.

(a) We ordinarily bill monthly. We request that you review any billing statements promptly upon receipt to determine if you have any questions or comments. Payment is due within 30 days from the date of our billing statements. We bill for all costs advanced for items such as filing fees, expert witness fees and travel expenses. Bills will also include charges for other costs, such as long distance telephone charges, outgoing telecopier charges (\$.75 per page for transmission plus long distance charges), document reproduction costs (\$.20 per page), messenger charges, and under certain circumstances, secretarial overtime, including related overhead in appropriate instances. Any changes in these routine charges will be reflected in our monthly billing statements.

(b) We make every effort to include disbursements in the statement for the month in which the disbursements are incurred. However, some disbursements, such as telephone charges, are not available to us until sometime after the month in which the service related to the charge was performed, in which case either a supplemental statement will be prepared, or an estimated amount will be included in the initial billing and an adjustment made when the actual disbursement information is available.

(c) We may request and you agree to pay certain large disbursements, such as appraisal fees and expert witness fees, directly to the third party provider.

(d) We look to the client for payment regardless of whether the client is insured to cover any particular risk. From time to time, we assist clients in pursuing third parties for recovery of attorneys' fees and other charges resulting from our services. These situations include payments under contracts, statutes or insurance policies. However, it remains the client's obligation to pay all amounts due to us within 30 days of receiving our statement.

5. Funds Deposited with Fennemore Craig.

(a) Retainers. We frequently obtain an advance retainer from new clients, and from existing clients under certain circumstances, to secure the payment of our fees and recoverable expenses. The amount and terms of the retainer arrangement are determined after consultation with the billing attorney. It occasionally may be appropriate to require an additional retainer after the commencement of the engagement, depending on payment history or on the scope of the work. The retainer will be held in a general firm trust account, with interest payable to the Arizona Foundation for Legal Services and Education, and will be applied to our fees and expenses as we incur them. These retainer disbursements will be detailed on our billing statements sent to you, and we may ask you to maintain the advance retainer at the amount of the initial retainer or some other amount.

(b) Other Funds. Occasionally, funds due to the client will be deposited with Fennemore Craig for the benefit of the client. Absent other agreement with the client, such funds will be deposited in a general firm trust account, with interest payable to the Arizona Foundation for Legal Services and Education.

6. Estimates. Any estimates of anticipated fees that we provide, for budgeting purposes or otherwise, are, due to the uncertainties involved, necessarily only an approximation of potential fees. Such estimates are not a maximum or minimum fee quotation.

7. Opinions. During the course of our representation of you, we may express opinions or beliefs concerning litigation or various courses of action and the results that might be anticipated. Any such statement is intended to be an expression of opinion only, and should not be construed by you as a promise or guarantee.

8. Client Responsibilities. Recognizing that we cannot effectively represent you without your cooperation and assistance, you agree to cooperate with us and to provide promptly all information known or available to you that is relevant to the subject matter of our representation or otherwise requested by us, including any changes in the name, address, telephone number, contact person, e-mail address, state of domicile or other relevant changes regarding you or your business. Failure to provide requested information could reduce the effectiveness of our representation. It is essential that we be able to reach you when needed. If you affiliate with, acquire, or are acquired by or merge with another company, you agree to provide us with sufficient notice to permit us to determine whether such affiliation, acquisition or merger creates a conflict of interest between any of our clients and the other party to such affiliation, acquisition or merger.

9. Credit Checks. Depending on the nature of our representation of you, we may from time to time request information from credit reporting agencies for the purpose of verifying or considering your credit status. Your engagement of Fennemore Craig will constitute your authorization to perform such credit checks.

10. Representation of Lawyers. We sometimes represent lawyers and law firms, and we are sometimes represented by other lawyers and law firms in matters unrelated to our representation of you. Because we do not believe these representations will materially limit our responsibilities to you or will otherwise adversely affect our representation of you, we do not believe these representations present conflicts of interest, including where any such firm also represents a client whose interests are opposed to yours in either a litigation or transactional setting. If, however, you have any concerns about whether such a relationship exists between this firm and the law firm that represents a client whose interests are adverse to yours in connection with this representation, please ask us whether there is any such relationship and we will attempt to address your concerns. Otherwise, you agree that we may represent or be represented by lawyers or law firms that also represent clients whose interests are adverse to yours.

11. Renewals and Updates. We do not undertake to renew or maintain any trademarks, trade names, patents, UCC financing statements, judgments or other filings unless (i) otherwise specifically agreed upon in writing, and (ii) we are currently representing you at the time such renewal is required. As a matter of courtesy only, we may from time to time voluntarily provide you with notices of future events or activity affecting your rights related to such filings or other documentation we have prepared, but any such notices shall not be regarded as evidence of an obligation to provide them to you or any assurance that such notices will be provided in the future.

12. Termination. Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct and our obligation to give you reasonable notice to arrange for alternate representation. The engagement shall also terminate on the completion of our services hereunder. Our relationship will also be considered terminated if no matters are pending and there have been no communications between us for three months or more, unless otherwise agreed to in writing. You will remain obligated to pay for fees and costs incurred prior to termination.

13. Post-Engagement Matters. Unless our engagement is by its nature a continuing one (as when we are initially engaged to handle one of a series of separate matters that will be referred to us in connection with an ongoing project) or unless the engagement letter specifically reflects that our engagement is intended to continue beyond the current matter, our engagement will cease upon completion of the matter for which you have engaged us. Upon conclusion of the tasks we have been asked to perform in connection with this engagement, we will have no duty to inform you of future developments or changes in the law affecting any of your interests including your interests in the matter subject to this engagement. To the extent that we voluntarily provide you with newsletters, documents or information concerning such matters following the conclusion of this engagement, such provision shall be considered a matter of courtesy only and shall not be considered the fulfillment or basis of any duty or the re-establishment of any attorney-client relationship.

14. Retention and Destruction of Documents. Following the conclusion of this engagement, any otherwise nonpublic information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, your papers and property will be returned to you promptly upon receipt of payment of outstanding fees and costs. Our own files pertaining to the matter, which include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, and internal lawyers' work reports, prepared by or for the internal use of lawyers, will be retained by the firm. If you do not request the return of your records, your records will be destroyed following the period of time specified by our document retention / destruction policy. This period may vary depending on the nature of the engagement involved. In any event, all files may be destroyed seven years following the conclusion of the engagement.

15. Fee Arbitration. In the unlikely event of any dispute regarding the amount or payment of fees, we have the right to terminate our legal representation in this matter, subject

to our obligation to give you reasonable notice to arrange for alternate representation. We mutually agree that any such fee dispute shall be submitted to mandatory binding arbitration. While arbitration is a faster, less costly and less publicized avenue for resolving disputes, you should know that in agreeing to arbitration, you are waiving your right to a trial by jury. Because of this, you are encouraged to seek the advice of independent counsel before agreeing to these terms. Such arbitration shall be conducted in accordance with procedures established by the State Bar of Arizona before an arbitrator or arbitrators selected in accordance with those procedures, who shall hear and resolve the dispute in Maricopa County, Arizona. The decision of the arbitrator(s) shall be final and binding on the parties. Judgment on any arbitration award may be entered in accordance with the provisions of the Uniform Arbitration Act, as adopted in Arizona, A.R.S. §§12-1501 *et seq.*, and of the Arizona Rules of Civil Procedure. The prevailing party in any such arbitration shall be entitled to an allowance of reasonable attorneys' fees and other costs incurred as a result of the action or proceeding.

16. Mediation. As to any claim or dispute arising out of or connected with our services, other than a fee dispute covered by the preceding paragraph, we mutually agree to attempt in good faith to settle the dispute by non-binding mediation before commencing any legal action or other dispute resolution procedure.

17. Affiliations. Fennemore Craig is a member of one or more networks of independent law firms, such as The Toledo Group, a national network of independent law firms that seeks to share experiences and best practices in law firm administration, management, technology and service. Although a member of one or more such organizations, Fennemore Craig is completely independent and does not have common operations, share fees or collaborate on a pre-arranged basis with other member firms. If collaboration with other independent members of organizations is appropriate to serve your needs, Fennemore Craig will discuss the specific engagement with you.

18. Confidentiality. We will maintain all information regarding your representation confidential in accordance with the Arizona Rules of Professional Conduct. From time to time we may have discussions with other lawyers for the purpose of considering their employment by Fennemore Craig, or law firms for the purpose of considering a potential combination with such law firms. During the course of those discussions it may be necessary to disclose your identity as a client or fee and billing information relating to our representation of you. Such disclosure shall be subject to a confidentiality agreement between us and such other lawyers or law firms, and you agree that we may disclose such limited information for these purposes.

19. Multi-Party Representation.

(a) Under the Rules of Professional Conduct, we are permitted to represent multiple clients in a matter as long as we can adequately represent the interests of each client and each client knowingly consents to the joint representation. If this matter involves our representation of multiple clients, either at the commencement or during the course of the representation, we believe, based on the information available to us at the time of undertaking

the joint representation, that there are no conflicts of interest among the clients that would prevent us from undertaking their joint representation. Accordingly, we will share all material information relating to the representation with all clients; although our communications with one or more of you are protected by the client-attorney privilege vis-a-vis all third parties, information any one of you shares with us is not protected by the privilege among yourselves. While the interests of the multiple clients may be similar in many respects, they may not be identical and a conflict may develop at some later date. If at any time you become aware of any conflict or potential conflict between your interests and those of another client, you agree to communicate with us immediately so that we can determine whether we can continue to represent any of the clients. If the parties disagree on any issue, we will ask you to resolve your differences among yourselves, without our assistance. If you cannot resolve your differences, we will not be able to represent any one of you as to that issue. If the differences are serious enough, we may be required by applicable ethics rules to withdraw from the matter completely.

(b) While our bills may only be sent to one party of the multi-party representation, all parties to the representation are jointly and severally responsible for payment of our fees and costs, unless otherwise agreed to in writing.

(c) If fewer than all parties have agreed to pay our fees and costs for the benefit of all, those clients who will not be responsible for payment of our fees and costs have consented to our joint representation of all clients notwithstanding that our fees and costs will be paid by one or more of the other clients.

20. Local Counsel. If you have engaged us as Arizona counsel to work with lawyers outside Arizona whom you have engaged for the specific purpose of having overall responsibility for the matter for which you have engaged us ("nonresident counsel"), our responsibility will be limited to consulting with nonresident counsel about matters of Arizona law and procedure. Notwithstanding this limitation, we will undertake any tasks necessary to comply with our obligations under state and federal rules and, pursuant to direction from nonresident counsel, we will undertake other tasks and responsibilities necessary to accomplish the goal of the representation. Performing services as local counsel requires us to review correspondence and pleadings sufficient to understand the tasks we may be requested to perform, fulfill our obligations under state and federal rules, and respond to inquiries from parties, counsel, courts, and governmental agencies. The reasonable time required for these activities will be billed and paid in accordance with these Terms of Engagement.

21. Representation of Attorneys. If you are an attorney or a law firm, our work on your behalf will be limited to the work described in the accompanying engagement letter. Because we may represent clients in business and litigation matters where your firm represents a party with interests adverse to those of our other clients, the potential exists that actions taken by Fennemore Craig on behalf of its clients could directly or indirectly impact you and your firm. Examples are claims of conflict of interest, requests for discovery sanctions, and objections to fee applications. Accordingly, our representation of you and your firm is with the understanding

that you consent to any conflict of interest with respect to our representation of other clients with respect to such matters.

22. Representation of Spouses. Spouses can have differing, and sometimes sharply conflicting, interests and objectives regarding matters such as estate plans. If each spouse had their own separate attorney, each would have an "advocate" for their position and each would receive totally independent and confidential advice from their own attorney. All information given to the separate attorney would be confidential, and none of that information could be disclosed to the other spouse without consent. This is not the case when one firm advises both spouses jointly. If we represent both spouses, we cannot be an advocate for one against the other. Information that either spouse gives to us cannot and will not be kept by us from the other spouse. If you have asked us to advise you jointly, our effort will be to assist you jointly and encourage the resolution of any differences of opinion or conflicting interests in an equitable and logical manner. As to those matters on which your individual interests may differ, we will attempt to explain to both of you the interests of each of you, and the effect on each of you of a particular course of action. If at any time during our representation of you either spouse wishes to retain separate counsel, the one desiring separate counsel may terminate our representation and we will be free to continue to represent the other spouse. However, we will be unable to continue to represent either spouse, without the consent of the other, in this or any substantially related matter in which your interests may be adverse. If we conclude that a serious or potentially serious conflict of interest between the spouses has developed, or is likely to develop, and that we should therefore not continue to represent either spouse, we will promptly notify both of you that we can no longer continue to represent either of you. In that event we will not be obligated to disclose to either spouse the precise reason or reasons why we have concluded that we should discontinue the representation.

23. Representation of Employees and Employers. If we are representing both an employer and employee as joint clients, we have formed a judgment that employee's and employer's interests are sufficiently aligned that no conflict of interest is presented by the joint representation. If employer has agreed to pay our fees and expenses for both employer and employee, employee consents to such payment by employer. We urge employee, however, to consult with another attorney of her or his choice about our representing both employee and employer. Either party has the right to discharge us at any time, for any reason. If we learn something from either employee or employer that is relevant and material to the other concerning this matter, each agrees that we will share such information with the other, even if it is something employee or employer would otherwise want to be kept secret. If at some point we believe a conflict exists or is likely to develop between employee and employer, employee agrees that we may withdraw from representing employee and continue representing employer. Moreover, employee agrees that we will be permitted to use information gained from employee to defend employer, even if the information is something employee would want to be kept secret. Employee also agrees that we will be permitted to use this information if employee discharges us.

24. Insurance Coverage. If the services we are engaged to perform relate to the defense of your intellectual property rights, or other interests in litigation, your comprehensive general liability or other liability insurance may provide some reimbursement for the associated legal fees. You should contact your insurer or broker to determine the nature and extent of any applicable coverage. Our representation does not include responsibility for review of your insurance policies to determine the possibility of coverage for the matters subject to our representation, or for notification of your insurance carriers about the matter. It is the client's responsibility to pay the firm for services rendered and to obtain reimbursement from any insurer, unless we have otherwise agreed with you and your insurer.

25. Representation of Insureds. If our representation of you arises out of a matter for which you have insurance, and your insurance company has agreed to pay our fees and costs, you consent to our representation of you in such matter notwithstanding the payment of our fees and costs by an insurance company. We have accordingly formed a judgment that such payment will not interfere with our independent professional judgment or our relationship with you, our client. Moreover, information relating to your representation will be kept confidential unless you consent to its disclosure.

26. Federally Regulated Financial Institutions. If you are a federally regulated financial institution, our engagement, unless expressly described otherwise in the accompanying engagement letter, will be limited to assisting you with the structuring, negotiation, documenting and closing of your financing transactions, and conducting a legal review (the scope of which will be defined at the commencement of each separate transaction) of certain due diligence matters pertaining to each prospective borrower's business. In connection with the foregoing, we will also assist you with the federal regulatory aspects of your receipt of equity enhancements (e.g., warrants and success fees) in connection with your financing transaction and the effect on, and applicability to, your financing transaction of federal margin stock laws and regulations; however, if we are not your counsel with respect to general corporate compliance matters, we will not otherwise undertake any responsibility for assuring that, with respect to any of the financing transactions, you will be complying with applicable state or federal laws and regulations because of your legal or regulatory status or because of the general nature of your business, including, without limitation, capital adequacy requirements, lending limits, restrictions on affiliate and insider transactions, rules regarding interlocking boards of directors, governmental reporting and licensing requirements, and federal, state or local tax matters. Of course, you may limit or expand the scope of our representation from time to time, provided that any such expansion is agreed to by us.

We are pleased to represent you and we look forward to a mutually satisfying relationship. Again, if at any time you have a question or concern, please feel free to bring it to the attention of the attorney or attorneys responsible for your representation at Fennemore Craig.