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May 19, 2014

Honorable Peter S. Holmes
City Attorney
City of Seattle
600 4th Avenue, 4th Floor
Seattle, WA 98104

Re: Legal Representation Related to Seattle Preschool Plan

Dear Mr. Holmes:

Thank you for selecting Pacifica Law Group LLP to represent the City of Seattle ("City") in the Seattle Preschool Plan.

The principal factors in determining our fees will be the time and effort devoted to the matter and the hourly rates of the lawyers and paralegals involved. I will have primary oversight for Pacifica Law Group's representation of the City, but we assign other firm lawyers and paralegals when necessary, beneficial or cost-effective and when desirable to meet the time constraints of the matter. My hourly rate for this work will be \$245 and Paul Lawrence's hourly rate will be \$495. These rates reflect the discount off standard rates we customarily offer public entity clients. Our fees for our initial review of the Seattle Preschool Plan ordinance shall not exceed Three Thousand Dollars (\$3,000).

Billing rates may be adjusted not more frequently than annually, usually on January 1. Services performed after the effective date of the new rates will be charged at the new applicable rates. We do not charge for costs incurred internally (photocopying, long distance telephone charges, electronic legal research services and the like). However, to the extent we incur costs from outside vendors directly related to your work, these costs will be passed through to you without mark-up. We issue invoices for our fees and any disbursements on a monthly basis. These invoices include detail that most of our clients find sufficient, but please let me know at any time if more detailed information is needed on our invoices. You can reach me at the office at 206.245.1700.

As lawyers, we are of course regulated by ethical rules, including rules governing conflicts of interest, in the jurisdictions in which we practice. We would like to bring to your attention the fact that Pacifica Law Group represents the following clients with respect to projects involving the City: Associated Recreation Council; Experience Music Project; JCDecaux North America; Museum Development Authority of Seattle; Museum of History & Industry; Pike Place Market Preservation and Development Authority; Seattle Art Museum; and Seattle Chinatown International District Preservation and Development Authority. As you may recall, we previously represented the City in the now closed *Sargent v. Seattle Police Department* matter. During our work with your office on *Sargent*, we reached an understanding that we would notify and seek your consent to new matters that we may be asked to work on that are adverse to the City. With this new engagement, we will continue to do so as new matters arise.

With respect to the Seattle Preschool Plan ordinance, please let me know immediately if there are other adverse or potentially adverse party names to check, or other names that you believe we should check. If you learn about significant name changes of any of the entities or about additional adverse or potentially adverse parties, please advise us so our records can be updated. Our representation of the City does not include acting as counsel for any entity in which the City holds equity or any subsidiary, affiliate, equityholder, employee, family member or other person unless such additional representation is separately and clearly undertaken by us.

During our representation of you, there may from time to time be issues that raise questions as to our duties under the rules of professional conduct that apply to lawyers. These might include, e.g., conflict of interest issues, and could even include issues raised because of a dispute between us and a client over the handling of a matter. Under normal circumstances when such issues arise we would seek the advice of our Professional Standards Counsel, Loss Prevention partners or Professional Standards Conflicts Attorneys who are experts in such matters. Historically, we have considered such consultations to be attorney-client privileged conversations between firm personnel and the counsel for the firm. In recent years, however, there have been judicial decisions indicating that under some circumstances such conversations involve a conflict of interest between the client and Pacifica Law Group and that our consultation with Pacifica Law Group's counsel may not be privileged, unless we either withdraw from the representation of the client or obtain the client's consent to consult with Pacifica Law Group's counsel.

We believe that it is in our client's interests, as well as Pacifica Law Group's interest, that in the event legal ethics or related issues arise during a representation, we receive expert analysis of our obligations. Accordingly, as part of our agreement concerning our representation of the City, you agree that if we determine in our own discretion during the course of the representation that it is either necessary or appropriate to consult with our firm counsel (either Pacifica Law Group's internal counsel or, if we choose, outside counsel) we have your consent to do so and that our representation of you shall not, thereby, waive any attorney-client privilege that Pacifica Law Group may have to protect the confidentiality of our communications with counsel.

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This letter confirms the terms and conditions on which Pacifica Law Group LLP will provide legal services to the City. Unless otherwise agreed in writing, the terms of this letter will also apply to any additional matters that we undertake at the City's request. If this letter correctly sets forth our understanding, please sign and date a copy of this letter and promptly return it to me. If you have any questions about this letter or generally about our services or bills, please call me at any time. We look forward to working with you and thank you for placing your confidence in Pacifica Law Group.

Sincerely yours,

PACIFICA LAW GROUP LLP



Gregory J. Wong

PACIFICA LAW GROUP LLP



Paul J. Lawrence

ACCEPTED AND AGREED:

CITY OF SEATTLE

Peter S. Holmes
City Attorney

Date: _____

cc: Jean Boler