

NAPA COUNTY AGREEMENT NO. 270068B

LEGAL SERVICES AGREEMENT

This Legal Services Agreement (“Agreement”) is made and entered into in Napa County, California, this ____ day of _____, 2026, (“Effective Date”) by and between Napa County, a political subdivision of the State of California, hereinafter referred to as “County,” and Lozano Smith, LLP whose address is 7404 N. Spalding Ave., Fresno, California, 93720, hereinafter referred to as “Firm” Collectively (“Parties”).

RECITALS

WHEREAS, Firm specializes in public agency defense of claims and civil litigation and has significant experience and recognized expertise in that area, and specifically has specialized knowledge in the defense of employment, tort, and civil rights claims against public entities and law enforcement; and

WHEREAS, County, through its County Counsel and Risk Manager, has identified that there is a need to retain the services of outside legal counsel with expertise and specialized knowledge in areas of law identified above; and

WHEREAS, after researching law firms with experience in the relevant areas of law, soliciting further information and rates for services, and completing interviews with different firms for this position, County, through its County Counsel, determined that Firm’s experience and expertise would benefit the County;

NOW THEREFORE, in consideration of mutual covenants contained herein, the Parties agree as follows:

AGREEMENT

ARTICLE I – SCOPE OF SERVICES

1.1 Scope of Services. Firm shall furnish legal and other related services to County through the appropriate Authorized Representative as follows: Provide legal representation of County in the areas of law described in **Exhibit A**, as directed by County Counsel in consultation with the Risk Manager. Legal services will be provided in accordance with the professional standards and diligence required of attorneys in the legal profession, and Firm shall provide all legal services reasonably required to represent County in the defense of actual or potential litigation and claims against the County, as well as any individually named County employees, as directed by County Counsel. Firm understands and agrees that the County is the client, acting by and through the Board of Supervisors. Firm shall competently provide those legal services reasonably required to represent the County’s interests in such matters. All litigation matters will be handled consistent with the PRISM Defense Counsel Standard, attached hereto as **Exhibit D**.

1.2 Schedule. [reserved]

1.3 Standard of Care. Firm represents that the professional services rendered under this Agreement shall be performed in accordance with the standards customarily adhered to by an experienced and competent professional using the degree of care and skill ordinarily exercised by reputable professionals practicing in the same field of service in the State of California. Firm shall correct any professional services falling below this standard at its sole cost and expense, if notified by County within one year after completion of such services. This remedy is in addition to any other remedies that may be available to County in law or equity.

1.4 Key Personnel and Attorney Assignment. The individuals identified in this section as the key legal personnel providing professional services under this Agreement are key persons, whose services are a material inducement to County to enter into this Agreement, and without whose services County would not have entered into this Agreement. Key personnel shall be as listed below. Changes to the key personnel may be approved by written authorization from the County Counsel or designee. Firm shall identify any additional attorneys, other than the Lead Attorneys listed below, who will be providing legal services on each matter in its letter of acknowledgment of receipt of assignment of the matter. The assignment of a matter to an attorney within Firm shall be based on the nature and complexity of the case, the experience and ability of the attorney, as well as other relevant factors. The County retains the right to approve or disapprove any and all assignments of attorneys to a matter.

Lead Attorney Team: Wiley Driskill
 Cyril Yu
 Ryan Ichinaga
 Matthew Mendoza
 Karmdeep “TJ” Gill

ARTICLE II – DURATION OF AGREEMENT

2.1 Term of the Agreement. The term of this Agreement shall commence upon the Effective Date and shall terminate on June 30, 2029, unless terminated earlier in accordance with this Article. Prior to the expiration of the initial term, the County may elect to extend this Agreement for an additional two-year period by giving notice, in writing, of the intent to exercise the two-year extension, with the rates outlined in the escalator on **Exhibit B** and subject to a not to exceed amount set forth therein for the extension period.

2.2 Suspension for Convenience. [reserved]

2.3 Termination for Convenience. County may terminate all or any portion of this Agreement at its sole option and for its convenience. After receipt of notice of termination of all or any portion of this Agreement, Firm shall immediately discontinue all affected performance (unless the notice directs otherwise) and complete any additional work necessary for the orderly transfer of documents and closing of Firm's affected performance under this Agreement. Firm may keep copies for its own records. County shall pay Firm for services satisfactorily provided and authorized before the effective date of termination.

Firm shall not be compensated for lost or anticipated profit or overhead on the terminated portion of this Agreement.

2.4 Termination for Cause. County may terminate this Agreement for default if Firm fails to satisfactorily perform any material obligation required by this Agreement. If Firm fails to satisfactorily cure a default within 10 days of receiving written notice from County specifying the nature of the default, County may immediately terminate this Agreement, and terminate each and every right of Firm, and any person claiming any rights by or through Firm under this Agreement. The rights and remedies of County enumerated in this paragraph are in addition to and independent of County's rights under any other provision of this Agreement and any right or remedy available to County at law or in equity.

2.4.1 Absence of Default. If after County gives notice of termination for cause, it is determined that Firm was not in default of a material obligation of this Agreement, the termination shall be deemed to be a termination for the convenience of County under paragraph 2.3.

2.5 County Counsel's Authority. The County Counsel or their designee is hereby authorized to make all decisions and take all actions required under this Article to suspend or terminate this Agreement.

ARTICLE III – COMPENSATION

3.1 Amount of Compensation. County shall pay Firm for satisfactory performance of the scope of services, as follows:

3.1.1 Rates. County shall pay Firm at the hourly rates set forth in **Exhibit B**.

3.1.2 Expenses. Travel or other expenses will only be reimbursed by County if such expenses are specifically identified in **Exhibit B**. Any travel expenses must comply with the Napa County Travel Policy found in the Napa County Policy Manual, Part I, Section 43, regardless of anything to the contrary in **Exhibit B**.

3.1.3 Maximum Amount. Notwithstanding paragraphs 3.1.1 and 3.1.2, the maximum payments under this Agreement shall not exceed a total of five hundred thousand dollars (\$500,000) per fiscal year; provided, however, that such amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually provided and reimbursable expenses actually incurred.

3.2 Payment Process. Firm may submit one invoice per calendar month in arrears for services provided pursuant to this Agreement. Invoices shall be sent to County Counsel's Office, with copies sent to County's third-party administrator. County Counsel will review the invoice to confirm its contents match the services provided during the period covered by the invoice. County Counsel shall refer any issues with the invoices to Firm to address. County Counsel approval shall be required prior to payment of the invoice, and shall not be unreasonably withheld.

3.2.1 Content of Invoices. Invoices shall contain the information required by the PRISM Defense Counsel Guidelines in **Exhibit D**, including detailed descriptions of the work performed.

3.2.2 Expenses. If this Agreement provides for reimbursement of expenses, invoices shall describe the nature and cost of the expense, and the date incurred. The Firm must include receipts with the invoice.

3.3 Annual Appropriation of Funds. Firm acknowledges that the term of this Agreement may extend over multiple County fiscal years, and that compensation under this Agreement is contingent on the Board of Supervisors appropriating funding for this Agreement for those fiscal years. This Agreement may be terminated at the end of the fiscal year for which sufficient funding is not appropriated and authorized. County is not obligated to pay Firm, nor is Firm obligated to provide further services if sufficient funds have not been appropriated and authorized by the Board of Supervisors.

3.4 Price Adjustments. [Reserved.]

ARTICLE IV – INSURANCE

4.1 Insurance. Prior to commencing the scope of services, Firm shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the insurance coverage set forth in **Exhibit C**.

4.2 Inclusion in Subcontracts. Firm shall require its subcontractors and any other entity or person providing services under this Agreement to comply with the Workers Compensation and General Liability insurance requirements set forth in **Exhibit C**.

ARTICLE V – INDEMNIFICATION

5.1 Indemnification and Hold Harmless. To the fullest extent permitted by law, Firm shall defend at its own expense, indemnify, and hold harmless, the County and its officers and employees, from and against any liability, claims, actions, proceedings, losses, injuries, damages or expenses, including litigation costs and reasonable attorney's fees incurred in connection therewith, brought for or on account of personal injury (including death) or damage to property, arising from the negligence or willful misconduct of Firm or its officers or employees providing services under this Agreement, excluding, however, such liability, claims, actions, proceedings, losses, injuries, damages or expenses to the extent arising from the active or sole negligence or willful misconduct of County. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The Parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement.

5.2 Effect of Insurance. The provisions of this Article are not limited by the requirements of Article IV related to insurance.

5.3 Enforcement Costs. Firm shall reimburse any and all costs County incurs enforcing the indemnity, hold harmless, and defense provisions set forth in this Article.

5.5 Survival. This Article shall survive termination or expiration of this Agreement and continue in effect so long as a viable claim may exist.

ARTICLE VI – MANDATORY COUNTY PROVISIONS

6.1 Compliance with County Policies. Firm and its officers and employees shall comply with the following policies, copies of which are available on County’s website at <https://www.countyofnapa.org/771/Purchasing> and are incorporated herein by reference.

6.1.1 Napa County “Waste Source Reduction and Recycled Product Content Procurement Policy,” which is found in the Napa County Policy Manual Part I, Section 8D.

6.1.2 Napa County “Discrimination, Harassment and Retaliation Prevention Policy,” which is found in the Napa County Policy Manual Part I, Section 37K.

6.1.3 Napa County “Drug and Alcohol Policy,” which is found in the Napa County Policy Manual Part I, Section 37O.

6.1.4 “Napa County Information Technology Use and Security Policy” which is found in the Napa County Policy Manual Part I, Section 31A.

6.1.5 Napa County “Workplace Violence Policy,” which is found in the Napa County Policy Manual Part I, Section 37U.

6.2 Inducement of County Employees. Firm shall not permit its officers, agents, or employees to engage in any activities during the performance of any of services under this Agreement that would interfere with compliance or induce violation of these policies by County employees or Firms.

ARTICLE VII – COMPLIANCE WITH LAWS

7.1 Compliance with Controlling Law. Firm shall comply with all laws, ordinances, regulations, and policies of federal, California, and local governments applicable to this Agreement. Firm shall comply immediately with all directives issued by County or its authorized representatives under authority of any laws, statutes, ordinances, rules, or regulations. Nothing contained herein shall be construed to relieve Firm and its attorneys of their obligations under the Rules of Professional Conduct.

7.2 Conflict of Interest. Firm acknowledges that they are aware of the provisions of Government Code sections 1090, *et seq.*, and sections 87100, *et seq.*, relating to conflict of interest of public officers and employees. Firm hereby covenants that it presently has no interest not disclosed to County and shall not acquire any interest, direct or indirect, which would conflict in any material manner or degree with the performance of the scope of services under this Agreement. Firm further warrants that it is unaware of any financial or economic interest of any public officer or employee of County relating to this

Agreement. Violation of this paragraph by Firm is a material breach of this Agreement which may result in termination of this Agreement for cause.

7.3 Taxes. Firm shall file federal and state tax returns, or applicable withholding documents, and pay all applicable taxes, or make all required withholdings on amounts paid pursuant to this Agreement. Firm shall be solely liable and responsible to make such withholdings and pay such taxes and other obligations including, without limitation, state and federal income and Federal Insurance Contributions Act taxes. Firm shall indemnify and hold County harmless from any liability it may incur to the United States or the State of California if Firm fails to pay or withhold, when due, all such taxes and obligations. If County is audited for compliance regarding any withholding or other applicable taxes or amounts, Firm shall furnish County with proof of payment of taxes or withholdings on those earnings within 10 business days after notice from County.

ARTICLE VIII – DISPUTE RESOLUTION

8.1 Mandatory Non-binding Mediation. [reserved]

ARTICLE IX – GENERAL PROVISIONS

9.1 Access to Records/Retention. Firm shall provide County with access to Firm’s records which are reasonably necessary for County to review or audit Firm’s compliance with the provisions of this Agreement. Firm shall provide such access within 10 business days after written request by County, either by providing copies of the requested records to County or allowing County to inspect and photocopy the records at Firm’s place of business where the records are kept. Firm shall maintain all records related to this Agreement for at least four years after expiration or termination of this Agreement.

9.2 Notices. All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. The Parties may send notices by email, instead, if the Parties mutually agree to do so in writing. Any mailed notice, demand, request, consent, approval, or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

COUNTY

Jason M. Dooley, Esq.
Chief Deputy County Counsel
Napa County
1195 Third Street, Suite 301
Napa, CA 94559

FIRM

Andy Garcia, Executive Director
Lozano Smith, LLP
7404 N. Spalding Avenue
Fresno, CA 93720

9.3 Independent Contractors. Firm and its subcontractors, if any, are independent contractors and not agents of County. Any provisions of this Agreement that may appear to give County any right to

direct Firm concerning the details of performing the scope of services, or to exercise any control over such performance, shall mean only that Firm shall follow the direction of County concerning the end results of the performance.

9.4 Contract Interpretation. This Agreement shall be deemed to be made under, and shall be construed in accordance with and governed by, the laws of the State of California without regard to the conflicts or choice of law provisions thereof. It is the intent of the Parties that this Agreement completely describes the goods and services to be provided. Any work, materials, or equipment that may reasonably be inferred from this Agreement or from prevailing custom or trade usage as being required to produce the intended result shall be supplied whether or not specifically called for or identified in this Agreement. When words or phrases which have a well-known technical or industry or trade meaning are used to describe work, materials, equipment, goods, or services such words or phrases shall be interpreted in accordance with that meaning unless a definition has been provided in this Agreement.

9.5 Drafting Ambiguities. The Parties acknowledge that they have the right to be advised by legal counsel with respect to the negotiations, terms, and conditions of this Agreement, and the decision of whether to seek advice of legal counsel with respect to this Agreement is the sole responsibility of each party. This Agreement shall not be construed in favor of or against either party by reason of the extent to which each party participated in the drafting of this Agreement.

9.6 Third Party Beneficiaries. Unless expressly set forth in this Agreement, none of the provisions of this Agreement are intended to benefit any third party not specifically referenced herein. No person other than County and Firm shall have the right to enforce any of the provisions of this Agreement.

9.7 Force Majeure. In the event either party's performance is delayed due to causes which are outside the control of both Parties and their subconsultants, contractors and employees, and could not be avoided by the exercise of due care, which may include, but is not limited to, delays by regulating agencies, wars, floods, adverse weather conditions, labor disputes, unusual delay in transportation, epidemics abroad, earthquakes, fires, terrorism, incidence of disease or other illness that reaches outbreak, epidemic and/or pandemic proportions, unusual delay in deliveries, riots, civil commotion or other unavoidable casualties, and other acts of God, both Parties will be entitled to an extension in their time for performance equivalent to the length of delay. Neither party will be entitled to compensation from the other for force majeure events. The party claiming its performance is delayed must demonstrate to the reasonable satisfaction of the other party that a force majeure event is causing the delay; the mere occurrence of a force majeure event is insufficient to extend the time for performance.

9.8 Confidentiality of Services. All services performed by Firm and any subconsultants, including but not limited to all drafts, data, information, correspondence, proposals, reports of any nature, estimates compiled or composed by Firm, are for the sole use of County. Neither the documents nor their contents shall be released by Firm or any subconsultant to any third party without the prior written consent of County. Firm shall not disclose records or other information provided by County under this Agreement to any third party, except as necessary to perform the scope of services, unless the records or information: (1) were publicly known, or otherwise known to Firm, at the time it was disclosed to Firm by County; (2) subsequently become publicly known through no act or omission of Firm; or (3) otherwise become known to Firm other than through disclosure by County.

9.9 Insolvency. Firm shall notify County if Firm enters into bankruptcy proceedings. This notice shall be furnished within five days of the initiation of the proceedings relating to bankruptcy filing. This notice shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of County contract numbers and contracting offices for all County contracts against which final payment has not been made. This obligation remains in effect until final payment is made under this Agreement.

9.10 Attorney's Fees. If either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

9.11 Venue. This Agreement is made and entered into in Napa County, California. Venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa. Venue for any legal action in federal court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Northern District of California.

9.12 Exhibits Incorporated. All Exhibits referenced in this Agreement are hereby incorporated into this Agreement by this reference.

9.13 County Powers. Nothing contained in this Agreement shall be construed as a limitation upon the powers of County as a subdivision of the State of California. Nothing in this Agreement shall be interpreted as limiting the rights and obligations of County in its governmental or regulatory capacity.

9.14 Survival of Obligations. All indemnifications, warranties, guarantees and other obligations that by their nature involve performance after the early termination or expiration of this Agreement or after completion and acceptance of the scope of services, shall survive the early termination or expiration of this Agreement. Such obligations include, but are not limited to, paragraphs 9.1 (Access to Records/Retention), 9.8 (Confidentiality of Services), and Article VIII (Dispute Resolution). Obligations related to insurance or indemnity shall continue in full force and effect after the date of early termination or expiration of this Agreement, but only with regard to acts or omissions that occurred during the term of this Agreement.

9.15 Severability. Should any provision of this Agreement be held invalid or illegal by a court of competent jurisdiction, such invalidity or illegality shall not invalidate the whole of this Agreement, but rather, this Agreement shall be construed as if it did not contain the invalid or illegal provision, and the rights and obligations of the Parties shall be construed and enforced accordingly, except to the extent that enforcement of this Agreement without the invalidated provision would materially and adversely impact either or both Parties' consideration for entering into this Agreement.

9.16 Amendment/Modification. This Agreement may be modified or amended only in writing and with the prior written consent of the Parties. Failure of Firm to secure such authorization in writing in

advance of performing any extra or changed work shall constitute a waiver of any and all rights to adjustment in compensation or contract time.

9.17 No Waivers. Any failure by either party to insist upon the strict performance by the other of any obligation of this Agreement, or any failure to exercise any right or remedy for a breach of any term or condition of this Agreement, shall not constitute a waiver of any such failure to perform or breach of any term or condition. A waiver must be express and in writing. The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

9.18 No Assignments. Firm may not assign the obligations under this Agreement, nor any monies due or to become due under this Agreement, without County's prior written approval. Any assignment in violation of this paragraph shall constitute a default and is grounds for termination for cause of this Agreement at County's sole discretion. In no event shall any putative assignment create a contractual relationship between County and any putative assignee.

9.19 Successors in Interest. All rights and obligations created by this Agreement shall be in force and effect whether or not the Parties to this Agreement have been succeeded by another entity, and all rights and obligations created by this Agreement shall be vested and binding on any party's successor in interest.

9.20 Entirety of Contract. This Agreement, including the exhibits, and any documents expressly incorporated herein by reference whether or not attached hereto, constitutes the entire agreement between the Parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings, and negotiations, whether written or oral, among the Parties with respect to the subject matter hereof.

9.21 Counterparts. This Agreement may be executed in counterparts, which when taken together, shall constitute a single signed original as though the Parties had executed the same page.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement is executed by County, acting by and through the Chair of the Board of Supervisors, and by Firm through its duly authorized officer(s).

Lozano Smith, LLP

By *Karen M Rezendes*
Karen M. Rezendes, Managing Partner

NAPA COUNTY, a political subdivision of the State of California

By _____
Amber Manfree, Chair of the Board of Supervisors

APPROVED AS TO FORM
Office of County Counsel

APPROVED BY THE NAPA
COUNTY BOARD OF
SUPERVISORS

ATTEST: NEHA HOSKINS
Clerk of the Board of Supervisors

By: Jason M. Dooley
Chief Deputy County Counsel

Date: _____
Processed By: _____

By: _____

Date: May 29, 2026

Deputy Clerk of the Board

EXHIBIT A
SCOPE OF SERVICES

In consultation with County Counsel or their designee, Firm shall act as counsel to County and its officers and employees in matters or cases assigned to Firm by County Counsel. Firm shall provide a variety of services, including, but not limited to:

1. Legal consultation services as requested by County Counsel, the County's Risk Manager, or other designated staff.
2. Litigation services as requested by County Counsel, the County's Risk Manager, or other designated staff.
3. Provide written work plans for all litigation and on request for other assignments.
4. Provide advice to County Counsel and Risk Management in matters of law and changes or developments therein affecting management of general liability claims and related subjects
5. Performance of such other duties as may be prescribed by the contract or under direction of the County Counsel, the County's Risk Manager, or other designated staff.
6. Have the ability to work effectively with the County Counsel, the County's Risk Manager, or other designated staff.

Firm shall provide such legal services as are necessary to competently, effectively, and ethically carry out the duties assigned. Firm shall do so in accordance with the standards set forth in the PRISM Defense Counsel Standards, attached as Exhibit D.

EXHIBIT B
COMPENSATION AND FEE SCHEDULE

B.1 Rates. County will pay Firm in accordance with the hourly rates, costs, and expenses, set forth herein:

See Professional Rate Schedule for Napa County, attached and incorporated by reference.

B.2 Fiscal Stewardship. Firm recognizes that acting as the County's legal counsel imbues it with the same responsibility as other servants of the public to act as a steward of the public fisc. Firm shall take all reasonable measures to use resources judiciously and control costs.

B.3 Routine Costs. Routine out-of-pocket costs to provide legal services in County matters, including but not limited to costs incurred when filing documents in court, using copying services, issuing subpoenas, engaging delivery services, and arranging for court reporters are reimbursable costs that do not require advance approval except as set forth in paragraph B.4.

B.4 Extraordinary Costs. Costs for goods or services likely to exceed \$5,000, including but not limited to the cost of consultants, studies, investigations, legislative history services, experts, trial exhibits, mediation, arbitration, or engaging a discovery referee, require the advance approval of the County Counsel's Office.

B.5 Administrative Costs. County anticipates that routine administrative costs, such as overhead, the cost for routine use of standard office equipment or legal research services, and the performance of standard business tasks such as invoicing and budgeting, are already accounted for in Firm's standard hourly rates. Administrative costs are not separately reimbursable except in extraordinary circumstances and with County Counsel's prior written approval.

EXHIBIT C INSURANCE REQUIREMENTS

C.1 Workers Compensation Insurance. To the extent required by law during the term of this Agreement, Firm shall provide workers compensation insurance for the performance of any of Firm's duties under this Agreement as required by the State of California with statutory limits, and employer's liability insurance with a limit of no less than TWO MILLION DOLLARS (\$2,000,000) per accident for bodily injury or disease, all with a waiver of subrogation. Firm shall provide County with certification of all such coverages upon request by County's Risk Manager.

C.2 Liability Insurance. Firm shall obtain and maintain in full force and effect during the term of this Agreement the following occurrence-based liability insurance coverages, issued by a company admitted to do business in California and having an A.M. Best rating of A:VII or better, or equivalent self-insurance:

C.2.1 General Liability. Commercial general liability (CGL) insurance coverage (personal injury and property damage) of not less than TWO MILLION DOLLARS (\$2,000,000) combined single limit per occurrence, covering liability or claims for any personal injury, including death, to any person and/or damage to the property of any person arising from the acts or omissions of Firm or any officer, agent, or employee of Firm under this Agreement. If the coverage includes an aggregate limit, the aggregate limit shall be no less than twice the per occurrence limit.

C.2.2 Professional Liability/Errors and Omissions. Professional liability (or errors and omissions) insurance for all activities of Firm arising out of or in connection with this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000) per claim. If the coverage includes an aggregate limit the aggregate limit shall be no less than twice the per occurrence limit.

C.2.3 Comprehensive Automobile Liability Insurance. Comprehensive automobile liability insurance (Bodily Injury and Property Damage) on owned, hired, leased and non-owned vehicles used in conjunction with Firm's business of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence. Coverage shall be business auto insurance coverage using Insurance Services Office (ISO) form number CA 0001 06 92 including symbol 1 (any Auto) or the exact equivalent. If Firm owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the General Liability Insurance described in paragraph C.2.1, above. If Firm or Firm's employees, officers, or agents will use personal automobiles in any way in the performance of this Agreement, Firm shall provide evidence of personal auto liability coverage for each such person upon request.

C.3 Certificates of Coverage. All insurance coverages referenced in paragraph C.2, above, shall be evidenced by one or more certificates of coverage or, with the consent of County's Risk Manager, demonstrated by other evidence of coverage acceptable to County's Risk Manager,

which shall be filed by Firm with the County Department administering this Agreement prior to commencement of the Scope of Services.

C.3.1 Notice of Cancellation. The certificate(s) or other evidence of coverage shall reference this Agreement by its County number or title and department; shall be kept current during the term of this Agreement; shall provide that County shall be given no less than thirty (30) days prior written notice of any non-renewal, cancellation, other termination, or material change, except that only ten (10) days prior written notice shall be required where the cause of non-renewal or cancellation is non-payment of premium.

C.3.2 Multiple Insureds. The certificate(s) shall provide that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, the coverage afforded applying as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

C.3.3 Waiver of Subrogation and Additional Insured Endorsements. For the commercial general liability insurance coverage referenced in subparagraph C.2.1 and, for the comprehensive automobile liability insurance coverage referenced in subparagraph C.2.3 where the vehicles are covered by a commercial policy rather than a personal policy, Firm shall also file with the evidence of coverage an endorsement from the insurance provider naming Napa County, its officers, employees, agents, and volunteers as additional insureds and waiving subrogation. For the Workers Compensation insurance coverage, Firm shall file an endorsement waiving subrogation with the evidence of coverage.

C.3.4 Additional Requirements. The certificate or other evidence of coverage shall provide that if the same policy applies to activities of Firm not covered by this Agreement, then the limits in the applicable certificate relating to the additional insured coverage of County shall pertain only to liability for activities of Firm under this Agreement, and that the insurance provided is primary coverage to County with respect to any insurance or self-insurance programs maintained by County. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94.

C.4 Copies of Policies. Upon request by County's Risk Manager, Firm shall provide or arrange for the insurer to provide within thirty (30) days of the request, certified copies of the actual insurance policies or relevant portions thereof.

C.5 Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by County's Risk Manager, which approval shall not be denied unless the County's Risk Manager determines that the deductibles or self-insured retentions are unreasonably large in relation to compensation payable under this Agreement and the risks of liability associated with the activities required of Firm by this Agreement. At the option of and upon request by County's Risk Manager if the Risk Manager determines that such deductibles or

retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects County, its officers, employees, agents, and volunteers or Firm shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.



PROFESSIONAL RATE SCHEDULE FOR NAPA COUNTY

HOURLY PROFESSIONAL RATES

Client agrees to pay Attorney by the following standard hourly rate*:

Partner**/ Senior Counsel/ Of Counsel	\$ 350 - \$ 410 per hour
Associate	\$ 275 - \$ 340 per hour
Paralegal/ Law Clerk	\$ 225 - \$ 300 per hour
Consultant	\$ 125 - \$ 395 per hour

* Rates for individual attorneys within each category above vary based upon years of experience. Specific rates for each attorney are available upon request. ** Rates for work performed by Senior Partners with 20 years of experience or more may range from \$395 - \$450 per hour.

SALE OR LEASE OF REAL PROPERTY WORK

Partner/ Senior Counsel/ Of Counsel	\$ 450 per hour
Associate	\$ 375 per hour
Paralegal/ Law Clerk	\$ 225 per hour

BILLING PRACTICE

Lozano Smith will provide a monthly, itemized Statement for services rendered. Time billed is broken into 1/10 (.10) hour increments, allowing for maximum efficiency in the use of attorney time. Invoices will clearly indicate the department or individuals for whom services were rendered.

Written responses to audit letter inquiries will be charged to Client on an hourly basis, with the minimum charge for such responses equaling .5 hours. Travel time shall be prorated if the assigned attorney travels for two or more clients on the same trip.

COSTS AND EXPENSES

Facsimile	No Charge
Copying and Printing	\$0.25 per page
Postage	Actual Usage
Mileage	IRS Standard

Other costs, such as messenger, meals, and lodging shall be charged on an actual and necessary basis.

EXHIBIT D
PRISM Defense Counsel Standards

[Attached]

Adopted: July 1, 2025



PRISM

LIABILITY DEFENSE COUNSEL STANDARDS

I. INTRODUCTION

Public Risk Innovation, Solutions, and Management (“PRISM”) has established the following Standards for Defense Counsel to follow in representing PRISM’s member entities and/or the entity’s employees in claims and lawsuits asserted against the entity and/or its employees.

Each PRISM member entity (hereafter “Member Entity” or “Member Entities”) has a self-insured retention, which can vary in amount from year to year. Each Member Entity also purchases from PRISM excess insurance above their self-insured retention. The amount of the excess limits also varies from year to year.

Representatives of PRISM, each Member Entity, and Defense Counsel function as a team. The Member Entity understands that as the attorney of record, Defense Counsel has a duty to provide the Member Entity and any assigned individually named defendants with appropriate representation. Defense Counsel should work directly with the Member Entity¹ and PRISM staff to obtain appropriate approvals and authority throughout the matter. It is critical that the Member Entity and PRISM staff be kept informed of all developments in the matter. All significant legal strategy and other important decisions must be raised with appropriate advance notice and discussed with the Member Entity and PRISM staff before any substantive decision is made.

Please note that PRISM may decide to waive or modify some or all of the below Standards as the situation requires. However, Defense Counsel is expected to adhere to the Standards as written, unless specifically exempted from any of them in writing.

II. GENERAL EXPECTATIONS OF DEFENSE COUNSEL

Defense Counsel hourly rates are approved by the Member Entity. Questions regarding rates or rate adjustments should be raised directly with the person so designated at the Member Entity.

The Defense Counsel who is assigned to the case is responsible for the supervision of all partners, associates, and paralegals on their litigation team. To ensure efficient case handling, no more than two (2) attorneys and one (1) paralegal may be assigned to work on any one file absent unusual circumstances. Any requests to use additional staffing must be approved in writing by the Member Entity prior to adding or changing personnel on a particular case. The Member Entity should not be billed for costs and fees associated with new personnel learning about a particular case (see Section XII.F., Disallowed Charges).

Member Entity will typically only pay for one (1) attorney from a firm to attend trials, court appearances, depositions, interviews, conferences, and meetings. If Defense Counsel

¹ Member Entities may have in-house claims staff handle claim, utilize a Third-Party Claims Administrator (TPA) to handle claims, or utilize a combination of both in-house claims staff and a TPA. All references to Member Entity or Member Entities hereafter refer to all claims staff involved in a particular claim.

believes additional attorneys are needed to attend an event, then Defense Counsel must obtain written authorization from Member Entity and/or its representative in advance of such an event occurring.

Defense Counsel firms must carry Errors & Omissions Insurance with limits, per individual attorney, of at least \$2,000,000 per claim and \$5,000,000 in the aggregate. Certificates of Insurance must be provided to Member Entity on an annual basis no later than July 1st of each year.

III. CASE ASSIGNMENT AND DEFENSE STRATEGY

A. Case Assignment

Cases are assigned to specific attorneys in the Defense Counsel firm and/or Member Entity's legal department and shall not be reassigned to others without the prior written approval of the person responsible for overseeing defense counsel at the Member Entity. Upon receipt of a new case assignment, Defense Counsel must send an acknowledgement of the assignment to the person responsible for overseeing defense counsel at the Member Entity.

The litigation philosophy of the Member Entity is to defend against non-meritorious claims and lawsuits, and to resolve as soon as is practical claims and lawsuits where liability is reasonably clear. The Member Entity want the defense attorneys to take a proactive approach to defending cases, meaning that once an assignment is received, Defense Counsel should direct their efforts towards collecting and analyzing necessary information about the case so as to assess and resolve cases at the earliest possible stage. Defense Counsel is then expected to provide the Member Entity with a realistic evaluation of the case and an appropriate litigation plan and budget. Defense Counsel should not simply be reactionary to the opposing side or to case developments, but should instead actively gather the information necessary to evaluate the case.

To provide the best defense strategy possible, the Member Entity expects Defense Counsel to master the facts, circumstances, and legal issues as soon as possible and to prepare a litigation plan that details the specific objectives Defense Counsel intends to achieve. The litigation plan should take into consideration the fact that in some cases a more streamlined approach to discovery and investigation may be appropriate to help achieve an early resolution, whereas other cases require a more in-depth approach. As the case progresses, Defense Counsel is expected to reevaluate the defense position, particularly as new facts, legal issues, or other matters are discovered.

B. Tenders of Defense

Throughout the life of a case, Defense Counsel must determine whether there are responsible parties in the case, other than Member Entity, or whether Member Entity was named as an additional insured on any applicable insurance policy by any entity, in order to make appropriate and timely tenders of defense.

Defense Counsel should identify other responsible parties, including insurance companies, as soon as is practicable. The possible tender of defense to that party should be discussed with the Member Entity as soon as is practicable. Tender letters should demand a written response within twenty (20) days and Defense Counsel is expected to follow up on all tenders.

C. Member Entity Employees as Defendants

It is expected that upon receipt of the defense assignment in a case where Defense Counsel is assigned to represent the Member Entity and a Member Entity employee, Defense Counsel will immediately ascertain facts necessary to determine if there is a conflict, or potential conflict, which may preclude Defense Counsel from jointly representing all Member Entity related defendants. The Member Entity will assign separate Defense Counsel to those individual defendants for whom separate counsel is deemed appropriate.

Defense Counsel is expected, consistent with the Rules of Professional Conduct, to facilitate cooperation with separate counsel for individual defendants wherever possible, so as to maximize success for all defendants and avoid unnecessary duplication of work.

If at any time during the litigation a conflict of interest develops between or among any of the Member Entity's jointly represented defendants, the conflict must be immediately disclosed to the person responsible for oversight of defense counsel at the Member Entity.

Defense Counsel is required to develop a plan to obtain dismissal of individually named Member Entity's employees. Such strategy should be discussed with the Member Entity. It is not appropriate to secure dismissal of an individual defendant through an agreement to substitute the Member Entity as a named defendant. If a dismissal of an individually named defendant is obtained, Defense Counsel must obtain in writing the individual's agreement to continue to cooperate with the defense of the case after his or her dismissal. A copy of the written agreement must be provided to Member Entity.

D. Miscellaneous

Defense Counsel may not accept service on behalf of the Member Entity or its employees, absent prior express approval.

IV. DEFENSE REPORTING REQUIREMENTS

Reporting by Defense Counsel is an extremely important part of the litigation management process. Defense Counsel needs to report on all significant developments as they occur, including newly discovered information. When reporting, correspondence (either letters or emails) should be directed to the person at the Member Entity who is designated to receive such reports with copies to the entity's excess insurer, PRISM.

Reports should be concise and analyze the relevant facts and law. Each report in which factual development is being summarized should also contain an updated analysis of the case explaining how the newly learned information impacts the legal assessment. If the report contains a summary of information pertaining to damages, then the report should contain an updated assessment of the damages exposure in the case. The updates should also briefly summarize the strengths and weaknesses of the plaintiff's case.

A. Specific Reports

Defense Counsel is required to provide the following reports either via correspondence or email. All such reports should be marked "Attorney-Client Privileged Communication."

- Immediately upon receipt of defense assignment, a written acknowledgment of receipt of the assignment of the case for defense handling.
- A written initial case evaluation and litigation budget within sixty (60) days of receipt of the assignment.
- A written status report every ninety (90) days during the litigation or as warranted by new case developments.
- A written Defense Evaluation summarizing the facts, the liability aspects of the case, the claimed damages, and Defense Counsel's thoughts regarding the settlement value of the case at least thirty (30) days before a mediation, settlement conference, or any other event during which potential settlement of the case will be discussed.
- A written Defense Evaluation at least forty-five (45) days prior to the first day of trial.

B. Topics to Include in Initial Case Evaluation

The following topics should be included, under separate headings, in the initial case evaluation:

- Pleadings – Identify the court and filing date, all parties and their attorneys, provide a brief evaluation of the opposing attorney, and

list the causes of action alleged against each Member Entity defendant.

- Factual Background – Briefly summarize all file materials reviewed, relevant history, and any other pertinent documents used by Defense Counsel to develop the factual background of the case. This should include, but is not limited to, the following:
 - Information about actual or potential co-defendants and their counsel
 - Age, education, employment status, and marital/family status of the plaintiff(s)
 - Age, education, employment status, and marital/family status of all individual defendants
 - A summary of all witness interviews conducted
 - A summary of all relevant documents reviewed
- Liability Analysis – Provide an opinion on potential liability including a review of any statute of limitations issues, an analysis of the likelihood of success as to each of the causes of action alleged, and a description of applicable affirmative defenses.
- Strength and Weakness Analysis – Summarize the strengths and weaknesses of the plaintiff's case.
- Discovery Plan – Provide a summary of the discovery Defense Counsel anticipates conducting in the case and the reason for it.
- Motion Practice – Describe any motion practice Defense Counsel anticipates.
- Damages – Provide any known information on potential general and special damages.
- Settlement History and Potential for Early Resolution – Provide a summary of any prior settlement discussions and/or discuss any thoughts regarding early settlement including the use of statutory offers to compromise.
- Likelihood of Success – Provide a low, medium, and high range of expected verdicts if the plaintiff(s) were to prevail and the percentage likelihood that the verdict ends up in each range.
- Attorneys' Fees – If the plaintiff(s) can recover fees, provide an estimate of the fees Defense Counsel expects the plaintiff(s) has incurred to date, as well as what is expected to be incurred through trial. Also provide an estimate of future defense attorneys' fees and costs.
- Litigation Timeline – Describe the anticipated litigation timeline for the matter.
- Experts and Consultants – Identify the types of experts and/or consultants needed and the name and expertise of any experts and/or consultants Defense Counsel suggests retaining.

C. Budget Report

A Budget Report is required for each case on which Defense Counsel is retained. Although budgets are intended to be estimates of the scope, cost, and duration of a matter, the Member Entity will rely on these reports in setting adequate reserves. An initial budget report must be submitted to the Member Entity's person responsible for oversight of defense counsel within sixty (60) days of assignment of the case. If Defense Counsel becomes aware of any changes to the budget estimate, an Updated Budget Report should be provided immediately.

The Budget Report should include attorneys' fees and cost estimates for the following areas: 1) Initial Pleadings; 2) Factual Investigation (including discovery, review of subpoenaed records, witness interviews, and depositions); 3) Law and Motion; 4) Alternative Dispute Resolution; 5) Experts (includes expert fees for record review, deposition, and trial, and fees and costs incurred by Defense Counsel in taking and defending expert depositions); 6) Pre-Trial Preparation; and 7) Trial.

D. Defense Evaluation Report

The Defense Evaluation Report is designed to provide the reader the best and most current information on a litigated matter prior to any mediation, settlement conference, arbitration, or trial. The report must be provided to Member Entity and PRISM at least thirty (30) days before the mediation, settlement conference, arbitration, or start of trial or, in any event, promptly upon request by PRISM.

The following headings should be used in the Defense Evaluation Report. A brief description of what is expected under each heading is set forth after the name of the heading below.

- Plaintiff(s) and Defendant(s) – Identify each plaintiff and defendant by name. Describe the age, education, relevant employment history, and the role in the case of each individual. Also, describe the witness potential of each Plaintiff and each individual Defendant, including Defense Counsel's opinion as to how each will be viewed by a jury.
- Claims – Provide a summary of all claims asserted by each Plaintiff against each Defendant.
- Actual or Potential Co-Defendants and Cross-Defendants – Identify each co-defendant/cross-defendant and the causes of action asserted against each of them. Also identify any other potential parties and the causes of action that could be asserted and explain why contribution has not been pursued.

- Factual Background – Provide a summary of facts pertinent to the case.
- Percipient Witnesses – Identify each percipient witness to be called by each party, their affiliation (if any) with the Member Entity, and Defense Counsel’s opinion regarding how they will be viewed by a jury.
- Expert Witnesses – Describe the expected testimony and opinions of the experts for all parties. If Plaintiff(s) have not yet disclosed experts, describe their anticipated testimony and opinions.
- Liability – Provide a thorough discussion of the critical liability issues, including the Plaintiff’s theories and the Member Entity’s defenses, whether the Plaintiff was comparatively negligent and the liability of all actual and potential Defendants. If applicable, this section should include discussion about the likelihood of success of affirmative defenses, statutes of limitations issues, mitigation, and immunities to be raised through summary judgment or trial. Also, include a reasonable prediction of which party(ies) are likely to prevail on which claims at trial and a probability of an overall defense verdict.
- Special Damages – Provide a summary of the critical damages issues including an analysis of the amount and type of special damages the Plaintiff(s) will claim and an analysis of whether these damages are appropriate. This analysis should reflect what you expect the Plaintiff(s) will attempt to “blackboard” and provide a likelihood of success on each item of special damages you expect to be claimed. If there is a claim for past or future lost earnings, please include dates of birth, life and work life expectancies, mitigation and off-set issues, and analysis regarding lost retirement benefits.
- General Damages – Discuss the Plaintiff’s general damages claim including an analysis of what facts support or detract from a general damages award. Provide Defense Counsel’s estimate of a likely general damages award.
- Punitive Damages – Identify who a punitive damages claim is alleged against, analyze the Plaintiff’s likelihood of success in obtaining such an award, and provide an estimate of what you expect such an award might be. The Member Entity is immune from punitive damages under California Government Code Section 818.8, but individually named Defendants are not immune. Discuss Defense Counsel’s plan for handling the punitive damages aspect of the case.
- Injunctive/Equitable Relief and Non-Monetary Damages – If the Plaintiff is seeking such relief, provide Defense Counsel’s analysis regarding their likelihood of success on such a claim.
- Attorneys’ Fees and Costs – In cases involving claims based upon statutes authorizing fees, such as employment and civil rights cases, provide an estimated calculation of the Plaintiff(s)’ attorneys’ fees and costs to date, as well as Defense Counsel’s anticipated amount through trial.

- Settlement Discussions/Demand – Report on any settlement discussions with opposing parties including any CCP Section 998 or Rule 68 Offers to Compromise.
- Trial/Settlement Conference/Mediation Information – Provide the dates, times, and locations for any scheduled trial, settlement conference and/or mediation. Please also provide the estimated length of trial and a brief outline of expected defense fees and costs through the conclusion of trial.
- Case Evaluation – Summarize the overall position of the case (strengths and weaknesses of the Plaintiff’s case) and make recommendations regarding a resolution or continued defense of the case. Provide a low, medium, and high range of expected verdicts if the Plaintiff(s) were to prevail and the percentage likelihood that the verdict ends up in each range. Provide Defense Counsel’s recommendations regarding an appropriate settlement range.
- Conclusion – Provide any additional thoughts not expressed above and identify additional work that needs to be completed.

V. PLEADINGS

A. Responsive Pleadings

Defense Counsel should review the Complaint for possible Demurrer/Motion to Dismiss or Motion to Strike based on governmental or other statutory immunities and make recommendations to the Member Entity. Defense Counsel must obtain authority from the Member Entity before filing any motion including, but not limited to a Demurrer, Motion to Dismiss, Motion for Judgment on the Pleadings, or Motion to Strike. Defense Counsel must provide to the Member Entity a final copy of the points and authorities in support of, in opposition to, or in reply to any motion filed in the case.

B. Cross-Complaints

Consider in every case whether a Cross-Complaint is necessary or appropriate. Defense Counsel must obtain approval from the Member Entity prior to filing a Cross-Complaint and a copy of the Cross-Complaint must be provided to Member Entity after filing.

C. Law and Motion/Research

Appropriate pre-trial motions are encouraged when they can result in the early conclusion of the case or reduce triable issues. Defense Counsel is selected for their expertise in their particular areas of practice; therefore, the Member Entity does not expect to be billed for basic research in the practice area. All attorney or paralegal research time in excess of five (5) hours per case must be preapproved by the Member Entity.

VI. DISCOVERY

Defense Counsel should refrain from conducting discovery that amounts to abuse. It is critical that Defense Counsel be aware of the facts concerning relevant documents and their availability, including electronically stored information, and to properly preserve and assert appropriate privileges.

In addition, Defense Counsel shall conduct a thorough investigation, working with Member Entity's Defense Counsel Liaison to ensure that all persons with relevant information are identified and contacted, and shall conduct a thorough search for all relevant documents, ensuring that all reasonable leads are followed. Defense Counsel shall also determine what electronically stored information has been preserved, if any, where it is located, whether the information is securely stored, and confirm the chain of custody. Defense Counsel needs to understand the basics of the information systems where relevant electronically stored information resides. It is important to resolve any issues regarding production of electronically stored information early in discovery, including forms of production and what is not reasonably accessible.

When providing discovery responses, Defense Counsel should consider potential evidentiary issues at trial, including the possibility of limiting instructions based upon the failure to produce requested documents. Potential discovery problems should be raised with Member Entity immediately. Counsel must notify the Member Entity of any motion to compel and/or request for sanctions against the Member Entity and/or Defense Counsel, and provide a copy of any such motion, request, or order.

A. Interrogatories and Requests for Admission and Documents

At the beginning of each case, Defense Counsel should send form discovery requests and, if appropriate, special interrogatories and requests for admission to the Plaintiff. Upon receiving responses, Defense Counsel should provide a written summary of the relevant responses.

Upon receiving discovery requests in a case, Defense Counsel should immediately provide the requests to the Member Entity. Defense Counsel should then: 1) identify appropriate objections; 2) review all documents requested to determine if any privileges are applicable; 3) prepare draft responses with the information available to Defense Counsel at that time; 4) identify requests that require additional information from Member Entity employees; 5) meet with Member Entity employees, as needed, to assist in formulating responses or gathering and reviewing documents; and 6) prepare the responses in final form and forward to the Member Entity for approval and verification. It is important to finalize discovery responses sufficiently in advance of the due date to allow time to obtain the necessary verifications.

B. Depositions

The Member Entity must be given advance notice of all depositions that occur in a case. Generally, the approved trial attorney is encouraged to take or defend the depositions of the Plaintiff, any individually named Member Entity Defendants, critical witnesses, and experts.

It is expected that Defense Counsel will thoroughly prepare Member Entity's Defendants and witnesses. This includes providing them with general background relating to the deposition process, information regarding the significance of their testimony and demeanor, and prepare them for questions regarding the facts of the case. It is not appropriate to wait until the day of the deposition to prepare the witness to testify.

If Defense Counsel believes that a deposition should be video-taped, Counsel must obtain authorization from the Member Entity before scheduling a video-taped deposition.

C. Damages Defense

Defense Counsel should use any forms of discovery to fully develop and verify all claimed economic damages, including a review of all available collateral sources such as: 1) private health insurance; 2) workers' compensation; 3) Medicare/Medi-Cal (even if inadmissible); 4) income replacement sources; 5) Social Security and Supplemental Social Security; and 6) other available jobs the Plaintiff could have pursued (for mitigation).

In litigated cases involving complex economic damages, assistance of economic experts may be appropriate. Prior to trial, a decision to not present a damage defense must be discussed with and approved by Member Entity.

VII. EXPERT REVIEWS AND WITNESSES

At the outset of each case, Defense Counsel should evaluate what areas of expert testimony may be needed to assist in the defense of the case and should, at the earliest possible time, determine whether expert witnesses need to be retained and advise Member Entity regarding same. Evaluations conducted by defense experts should be completed early enough in the case where they can assist Defense Counsel in evaluating the liability and damages issues in the case.

Requests to consult with or retain expert witnesses and/or conduct Independent Medical/Psychological Examinations should be discussed with the Member Entity and authorization obtained before retention.

If at all possible, if there is more than one defendant in a case, the sharing of experts should be explored wherever practical and in the best interests of the Member Entity. A

decision to share experts should be made in writing to ensure the availability of such experts in the event a Co-Defendant is dismissed or settles.

Once it has been decided to use an outside expert, Defense Counsel is expected to:

- Contact the proposed expert to determine the expert's willingness to conduct the review or examination.
- Obtain an estimate regarding the amount of time that will be required for the review or examination. If time is subsequently expected to exceed the initial estimate, then Defense Counsel must obtain an updated estimate.
- Obtain the hourly rate and obtain approval from the Member Entity regarding the rate requested.
- Confirm the agreement on fees and costs with the expert in writing.
- Provide all relevant records to the expert.
- Instruct the expert not to prepare a written report before discussion with Defense Counsel. At that time, counsel should determine if a written report is necessary.

After receiving billing from an expert, Defense Counsel shall review the bill. Any inconsistencies should be discussed with the expert. Defense Counsel is not authorized to advance expert fees unless prior approval has been obtained from the Member Entity.

When formal disclosure of expert witnesses is required, Defense Counsel should provide the Member Entity with a copy of the disclosure, as well as any disclosures provided by other parties in the case. Any retention and disclosure of supplemental witnesses must be discussed with the Member Entity before the supplemental disclosure occurs.

VIII. TRIAL PREPARATION

As soon as a trial date is assigned, Defense Counsel should notify in writing all witnesses, the Member Entity, and PRISM of the date, time, and location of the trial. Defense Counsel should advise the witnesses whether their attendance is necessary on the first day of trial and coordinate the scheduling of testimony with the witnesses.

Defense Counsel should timely provide information on the judge assigned for trial. The decision to challenge a judge can only be made by the Member Entity and will require an analysis of other potential judges that could be assigned. Any request to waive a jury must also be discussed with and approved by the Member Entity.

In advance of trial, Member Entity witnesses should be well prepared by Defense Counsel to testify, including familiarity with any prior statements of testimony made by them or others pertaining to them. Witnesses should also be prepared regarding likely cross-examination, personal demeanor, how to "connect" with the jury, and appropriate dress. If witnesses are being asked about documents, they should be instructed on the foundation for the admissibility of documents, so they can understand why they are being asked certain questions.

Questions about important objections or issues to be raised in motions *in limine*, trial briefs, or other pleadings, should be discussed with the Member Entity before trial.

IX. TRIALS

Unless previously approved by the Member Entity, only one attorney may try a case on behalf of the PRISM.

Attendance at trial by the proper representative from Member Entity is critical to the successful defense of cases. It is important to identify and propose to the Member Entity well in advance of trial an appropriate trial representative.

During trial, Defense Counsel is expected to provide brief daily email updates, including an assessment of the jury, the Court, and the testimony of witnesses and experts. As significant developments occur, more detailed updates should be provided. Any settlement offers must be conveyed immediately.

If requested, Defense Counsel shall provide a post-trial report. After the trial has concluded, Defense Counsel is expected to make recommendations to the Member Entity on appropriate post-trial motions or appeals. Any agreement to waive costs in exchange for an agreement not to appeal must be authorized by the Member Entity. The Member Entity's policy is to pursue costs and attorneys' fees when awarded. Defense Counsel shall report on the amount of costs and fees awarded and provide an assessment of the financial resources and ability of the Plaintiff to pay the award.

X. WRITS AND APPEALS

Following trial, Defense Counsel shall consult with the Member Entity regarding appropriate post-trial motions and appeals. All petitions for writs of mandate must be authorized by Member Entity.

XI. SETTLEMENTS

Defense Counsel is encouraged to explore the settlement of cases informally with opposing counsel early in the litigation after obtaining the appropriate authorization. Member Entity also encourages mediations and participation in voluntary settlement. Approval to mediate a case must be given by the Member Entity. A representative from the Member Entity will attend mediations and mandatory settlement conferences on behalf of the Member Entity.

Defense Counsel may not enter into negotiation, agreement, or binding settlement without first obtaining the appropriate authorization from the Member Entity. Settlements over a certain amount are contingent upon approval by the Member Entity's board, PRISM, and potentially reinsurers. In cases in which the potential settlement will exceed the entity's self-insured retention, the entity will need to obtain authority from PRISM in advance of any settlement discussions. The need to obtain approvals from an entity's Board and/or PRISM should be communicated to the Plaintiff's counsel during any settlement

negotiations. In cases involving claims for statutory attorneys' fees, all settlement offers, including statutory offers to compromise, should be structured to resolve all claims including attorneys' fees. All potential causes of action should be included in the settlement and release.

All settlements must consider the existence of any potential liens or right of recovery by Medicare, ERISA plans, Medi-Cal, workers' compensation insurers, etc. Defense Counsel is expected to determine who paid for any medical treatment provided to the Plaintiff in the case and how much was actually paid.

Upon reaching an oral settlement, Defense Counsel should immediately prepare a written settlement agreement. Defense Counsel is responsible for assuring that the settlement agreement is accurate and legally enforceable. If a case is resolved at mediation, it is important to have the parties and their attorneys sign, at the least, a written document that contains the material terms and conditions. Plaintiff's counsel should be advised that it usually takes approximately thirty (30) days for the Member Entity to issue a settlement check after the final agreement has been signed by all parties and their attorneys.

After a dismissal is obtained, Defense Counsel must forward a copy of the filed dismissal to the Member Entity and PRISM as well each named Defendant.

XII. BILLING PROCEDURES

All invoices are to be submitted on a monthly basis and directed to the Member Entity's Defense Counsel Liaison. Billings that do not comply with the billing guidelines will not be paid. Payment of any bill by the Member Entity does not constitute a waiver of the Member Entity's right to question, dispute, obtain reimbursement, compromise, or request repayment or future credit, for any bill or invoice previously paid.

Invoices for counsel fees and expenses should be submitted monthly, within thirty (30) days of the end of the billing period. Final invoices should be submitted within thirty (30) days from receipt of a filed Dismissal. Defense Counsel is responsible for obtaining all outstanding invoices from outside vendors, including experts, before submitting the final bill. Receipts must be submitted for all travel and other expenses.

Firm staffing on all cases should be as limited as possible. Absent prior approval, the Member Entity will not pay for more than one (1) attorney performing the same task. For example, the Member Entity will not pay for two (2) or more attorneys to attend the same deposition. Work should be assigned to those individuals who are most appropriate for the task in terms of their competency and experience.

There should be no more than two (2) attorneys and one (1) paralegal performing work on a case at any given time. Other firm personnel may occasionally have to work on a case due to job departures, vacations, illnesses, schedule conflicts, etc., but this is the exception, not the rule. Member Entity will not pay for "training" time for new attorneys or "learning" time or "orientation" time as new billers become involved in a matter and are

learning the facts and issues. If a firm has summer associates, their time should not be billed to a case without first being approved by the Member Entity.

A. Invoices

Invoices should accurately itemize, in detail, all work performed on a matter. Each invoice must include the following:

- Law firm name and address
- Date of the bill
- Law firm tax identification number
- The Member Entity and/or TPA and/or their respective claim number
- Plaintiff(s) name(s)
- Each billing entry must state the name or initials of the timekeeper who performed the work, the date the work was performed, the hours billed, a detailed description of the services performed, and the total amount billed for that entry
- Attorneys and paralegals should bill actual time spent in increments, no greater than 1/10th of an hour for each entry
- Summarize at the end of the bill, the number of hours for each specific biller
- Summarize at the end of the bill the totals for fees, costs, and experts
- Narrative or block/bundled billing is not permitted
- Final bills should be clearly marked
- Invoices must reflect activity for only one (1) case
- Billing entries should be listed chronologically in order of occurrence and not sub-divided by individual or task
- If a number of different tasks are undertaken in one day, each task must be separately identified with a specified time for performing that task, e.g., “telephone conference with John Doe (.30); Attend conference with Jane Doe (1.20), etc.”
- Entries regarding telephone conferences must specify the participants and the subject matter discussed

Vague descriptions such as “work on file,” “telephone call,” “conference,” and “research,” without further explanation, are not acceptable and will not be paid.

Vendor invoices (e.g. experts, mediators, photocopy services, court reporters, and others) in an amount up to two thousand dollars (\$2,000) per case should be paid by the law firm and included with the monthly attorney billing. Defense Counsel must review and approve all vendor invoices.

B. Maximum Allowable Charges and Travel

The following guidelines are provided regarding maximum allowable charges:

- The Member Entity will only pay the actual cost incurred for reasonable expenses without any markups.
- A firm may conduct necessary and appropriate research up to five (5) hours per case without prior approval by the Member Entity.
- Photocopy costs should not exceed ten cents (\$0.10) per page. Firms are expected to limit the making of photocopies and, wherever cost effective, to use the resources of designated copy services. Billing entries for photocopies must provide the number of copies made, the per page rate, and the total amount billed.
- Mileage should be billed at the applicable Federal rate at the time of travel. The invoice should state the number of miles actually driven.
- Telephone and Fax: Actual long distance charges only. No charges for an incoming fax and no per-page fax charge.
- Virtual Court Appearances: Member Entity will pay for reasonable charges charged by a court for Defense Counsel to appear virtually at appearances.
- Air travel is limited to coach or economy rate. Receipts for airfare should allow a reviewer to identify the fare as economy/coach class.
- Rental cars are acceptable only if such vehicles are the most economical means of accomplishing necessary business. Reimbursement is limited to the mid-size class.
- Incidentals, such as movies, alcohol, and entertainment are not allowed.
- Travel time shall be pro-rated if the travel includes time spent on non-Member Entity business.

C. Disallowed Charges

In addition to items listed above in sections A and B, the Member Entity will not reimburse for the following:

- Local telephone calls and all cellular phone charges.
- Routine postage, such as the U.S. Postal Service rates for letters. Any necessary extraordinary postage charges (such as certified mail, overnight service, or oversized packages) must be delineated on the bill with an explanation of the nature and purpose of the charge. Any postage charges that are not explained will not be reimbursed.
- File opening, file organization, or other administrative charges.
- Interoffice conferences between members of the firm, including assigning files or tasks to members of the firm.
- Case administration (e.g. reviewing status of assignments given to associates and paralegals; directing associates, paralegals, or secretaries; preparing or reviewing bills).
- Clerical tasks (e.g. transcription, pulling files, photocopying documents, arranging for copying, labeling documents for production,

communication with court clerks, updating master case caption, preparing proofs of service, indexing pleadings, faxing).

- Meals, except in conjunction with out-of-town travel (alcohol will not be reimbursed in conjunction with any travel).
- Routine legal research, including issues considered to be common knowledge among reasonably experienced counsel in the local jurisdiction.
- All work customarily performed by secretaries and other administrative personnel including but not limited to, photocopying/bates stamping documents, scanning documents, transcription, retrieving files, indexing pleadings, updating case captions, making travel arrangements, calendaring, and preparing bills/invoices.
- Subscription services (e.g. Westlaw, Lexis-Nexis, or other legal database charge).
- Charges for the use of virtual conference rooms or other virtual meeting services.
- Responding to requests from Member Entity and/or their auditors relating to case file management and/or billing issues.