

# **NOTICE OF MEETING & AGENDA**

**Friday, September 22nd, 2023**

**11 a.m. – 12:00 p.m.**

**1100 K Street, Suite 101  
Sacramento, CA 95814**

## **REMOTE LOCATIONS**

Yolo County  
625 Court St., Room 103  
Woodland, CA 95695

Humboldt County  
825 5th Street  
Eureka, CA 95501  
Room 111

San Luis Obispo County  
Auditor-Controller-Treasurer-Tax Collector  
1055 Monterey St. Rm D-290  
San Luis Obispo, CA 93408

Santa Barbara County Admin building  
105 E Anapamu Street  
Santa Barbara, CA 93101  
4<sup>th</sup> floor – Room 413

Inyo County  
Office of the Treasurer-Tax Collector  
168 N. Edwards Street  
Independence, CA 93526

County of Monterey  
1441 Schilling Place,  
Cayenne Conference Room  
Salinas, CA 93901

## **Zoom Access**

<https://zoom.us/j/8267160176>

Meeting ID: 826 716 0176

Call in Number: +1 (669) 900-9128 Code: 8267160176#

## **PUBLIC COMMENT:**

The Board welcomes and encourages public participation in its meetings. The public may take appropriate opportunities to comment on any issue before the Board. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment. Each speaker is limited to two minutes. If you are addressing the Board on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report.

If you would like to receive Notices and Announcements from CCA, please send an email to [subscribe@cca.ca.gov](mailto:subscribe@cca.ca.gov) and a subscription form will be sent to you or fill out our online subscription form at <http://cca.ca.gov/subscribe/>

## AGENDA

- I. 11:00 am Opening Remarks & Roll Call  
*Tom Haynes, President*
- II. 11:05 am Approval of Minutes (See Attached)  
*Tom Haynes, President*
- III. 11:10 am Legislative Update  
*Greg Turner, Executive Director / Counsel CCA*  
*Cara Martinson, Public House Consulting*
- IV. 11:20 am Organizational Update  
*Greg Turner, Executive Director / Counsel CCA*
  - A. FY 23-24 Budget (See Attached) – Board Action
  - B. 2023-23 Work Plan (See Attached)
- V. 11:40 am Platform Update  
*Adam Crabtree, NCS Analytics*
- VI. 11:50 pm Public Comment
- VII. 11:55 pm Closed Session

Except where noticed for a time certain, all times are approximate and subject to change. The meeting may be canceled or changed without notice. For verification, please contact [gturner@cca.ca.gov](mailto:gturner@cca.ca.gov). Action may be taken on any item on the agenda. Items may be taken out of order, tabled or held over to a subsequent meeting, to accommodate speakers, or to maintain a quorum



CCA Board Meeting  
Via Video / Teleconference Call/In-Person  
June 16, 2023  
**MINUTES**

**June 16, 2023 via Video / Teleconference Call/In Person** - Meeting called to order at 11:02am

**1. Roll Call**

- X Rex Bohn , Supervisor Humboldt County
- X Jim Hamilton, Treasurer-Tax Collector, San Luis Obispo County, CCA Treasurer
- X Tom Haynes, Assistant Chief Financial Officer, Yolo County  
Alisha McMurtrie, Treasurer-Tax Collector, Inyo County
- X Brittany Odermann, Deputy CEO Santa Barbara County

Others: Greg Turner, Adam Crabtree, Christy Higgins, Tim Townsend, Cara Martinson, Alan Fernandes, Bob Roach, Detra Williams, Harinder Kapur, Ethan Turner, Travis Cleveland, Michael Yun, Natalynne DeLapp

**2. Approval of Minutes**

Motion for approval of prior two meeting minutes by Jim Hamilton, 2<sup>nd</sup> by Tom Haynes with a unanimous vote in favor of approval.

**3. Legislative Update – Cara Martinson, Public House Consulting**

CCA's contract lobbyist Cara Martinson provided updates and discussion of AB687, AB1448, AB1616 and SB622.

**4. Organization Update**

A. FY 23-24 Budget – Two options presented by Greg Turner.

Option 1 - Adopt the budget for Q1 (July-Sept) and carry over the existing fee structure.

Option 2 - Adopt the budget for the entire year with anticipation of revisiting the budget in September.

The motion to approve Option 1 by Brittany Odermann, 2<sup>nd</sup> by Rex Bohn with unanimous vote in favor of approval.

**5. Close Session**

The meeting was moved to closed session.



CCA Board Meeting  
Via Video / Teleconference Call/In-Person  
August 25, 2023  
**MINUTES**

**August 25, 2023 via Video / Teleconference Call/In Person** - Meeting called to order at 11:02am

**1. Roll Call**

- X Rex Bohn , Supervisor Humboldt County
- X John Cooley for Jim Hamilton, Treasurer-Tax Collector, San Luis Obispo County, CCA Treasurer
- X Tom Haynes, Assistant Chief Financial Officer, Yolo County
- Alisha McMurtrie, Treasurer-Tax Collector, Inyo County
- X Brittany Odermann, Deputy CEO Santa Barbara County

Others: Greg Turner, Adam Crabtree, Christy Higgins, Tim Townsend, Cara Martinson, Supervisor Michael Green, Amy Christensen, Joann Iwamoto

**2. Approval of Minutes**

This item was moved to the next BOD meeting.

**3. Organization Update**

A. FY 23-24 Budget and FY 23-24 Planning - Greg Turner

The budget was presented by Greg Turner for consideration. The formal approval is set for the September board meeting.

B. Retail Licensing Webinar with CPPC – Tim Townsend

The Webinar had 25 attendees and focused on retail and what CCA can do including a platform update. Andrew Freedman was the speaker and outlined the issues. The webinar educated and shared how CCA can be a value add.

**4. Legislative Update – Cara Martinson, Public House Consulting**

Cara Martinson advised the status of AB687. It has moved to the suspense file. The cost associated with the bill will be next up for negotiation.

**5. Platform Update – Adam Crabtree**

NCS is making plans to outreach to counties and meet with all users to get feedback on pain points and how it can be more useful.

**6. Public Comment - None**

**7. Adjourn at 12:00**





## Budget Update

### Sources:

#### BEGINNING YEAR FUND BALANCE AVAILABLE

Adjustments for Timing on A/R and A/P

#### CASH AVAILABLE

### REVENUES:

Base Membership Dues

Platform Usage Charges

Total From Membership Fees

Other Funding (Grants / FC)

Interest

#### TOTAL SOURCES

### Uses:

#### EXPENDITURES:

#### Codes

Professional Services

Outside Legal Services

Insurance

Audit

Program Marketing

Website Management

Sponsorship Fees (Misc Exp)

Data Platform Fees (Data Communications)

Board Travel

Telephone / Telecommunications

Board Meetings

Credit Card Fees

Office Expenses

#### TOTAL EXPENDITURES:

#### Fixed Costs

#### Variable Costs

### Exigencies

#### TOTAL USES

	FY 2021-22 Actual	F/YE 2022-23 Actual	Qtr 1 FY 23-24	Qtr 2 - 4 FY 23-24	FY 23-24 TOTAL
BEGINNING YEAR FUND BALANCE AVAILABLE	96,524	171,284	206,751	216,218	206,751
Adjustments for Timing on A/R and A/P			54,704		
CASH AVAILABLE			261,455		
REVENUES:					
Base Membership Dues		168,000	35,000	133,000	168,000
Platform Usage Charges		759,500	82,625	330,500	413,125
Total From Membership Fees	967,755	927,500	117,625	463,500	581,125
Other Funding (Grants / FC)					
Interest	843	3,007	350	850	1,200
TOTAL SOURCES	968,598	930,507	117,975	464,350	582,325
EXPENDITURES:					
Professional Services	5050340 135,800	242,405	58,950	144,000	202,950
Outside Legal Services	5050320 96,000	96,000	24,000	72,000	96,000
Insurance	5050160 -	4,853	-	2,500	2,500
Audit	5050030 -	24,250	1,800	8,500	10,300
Program Marketing	5050010 5,000	123	1,100	2,500	3,600
Website Management	5050100 4,744	5,412	1,500	4,000	5,500
Sponsorship Fees (Misc Exp)	5050270 675	1,000	-	-	-
Data Platform Fees (Data Communications)	5050100 638,091	513,359	74,363	223,088	297,450
Board Travel	5050450 -	359	-	4,500	4,500
Telephone / Telecommunications	5050440 -	-	-	-	-
Board Meetings	5050125 5,622	1,097	-	768	768
Credit Card Fees	5050095 835	695	-	-	-
Office Expenses	5050280 2,690	5,487	1,500	5,500	7,000
TOTAL EXPENDITURES:					
Fixed Costs	250,691	381,681	88,850	244,268	333,118
Variable Costs	638,766	513,359	74,363	223,088	297,450
	889,457	895,040	163,213	467,355	630,568
Exigencies	79,141	35,467	(45,238)	(3,005)	(48,243)
TOTAL USES	968,598	930,507	117,975	464,350	582,325



CALIFORNIA  
CANNABIS  
AUTHORITY

DATA ANALYTICS DRIVING EFFICIENT AND EFFECTIVE  
COMMERCIAL CANNABIS OVERSIGHT FOR LOCAL GOVERNMENT

## 2023-24 Work Plan

In preparation for the remainder of this fiscal year, you asked that I prepare a work plan that included specific goals and objectives and estimate their time for completion. Along with this road map I am including a bit of a review of where CCA is and where I think we ought to be going.

## CCA Status Report

Since our inception, CCA's mission has been to assist local governments with efficiently and effectively implementing and administering commercial cannabis regulatory and tax programs. In pursuit of this goal, we have focused primarily on providing access to track and trace (TT) data and a sophisticated analytics platform provided by our contract partner NCS Analytics.

The Platform is a sophisticated data analytics tool, providing a level of insight into commercial cannabis activity the State itself seems to be lacking. Premised on the idea of providing tiered alerts to users of anomalies within the TT data set, the Platform makes understanding what is going on in the local commercial cannabis market possible in near real time. The system also includes a public portal which aggregates commercial cannabis transactional activity into a visually appealing display for local constituents to get a glimpse into their local cannabis market.

To obtain TT data on behalf of a CCA Member, CCA must rely on the Member to obtain a unique code (an "API Key") from each of their licensees that is readily available in the licensee's METRC account. Because TT does not require wholesalers to report sales data, CCA must also ingest wholesale pricing data independently of TT via monthly submissions from individual licensees. This process is workable, but inefficient. The API Key method also accesses a data set which is less than all the licensees' TT data reported to the State and leaves gaps with respect to inter-jurisdictional transactions. Consequently, inversion and diversion as well as the exploitation of a local market from out-of-jurisdiction licensees is difficult to discover. In addition, lacking access to the complete, statewide data inhibits our ability to provide locally relevant research on key trends and insights on a statewide basis.

While initial efforts with the Brown Administration were hopeful, the Newsom Administration has appeared unwilling to entertain the idea of providing access to the statewide data in any regard and without much interest in engaging with CCA in any manner to facilitate local access to TT data. CCA has proposed a variety of ideas to obtain access and provide data to all local governments for the State, starting with a budget proposal, and more recently sponsoring legislation.

Notwithstanding having received no “no” votes in its house of origin or in its first policy hearing in the Senate, CCA’s sponsored legislation seeking access to statewide METRC data for local governments (AB 687 (Hart)) garnered formal opposition from the Department of Cannabis Control and as a result the measure became stalled on the Senate Appropriations Committee’s Suspense File.

## 2023 Successes

### DCC Responds

Although AB 687 failed to move to the Governor’s desk, the endeavor appears to have accelerated the State’s long promised local direct access to TT data (METRC Viewer). Though lacking in many useful features, even rudimentary data access is progress. Also, despite requests from industry and local governments, the Department’s proposed delivery regulations failed to require delivery licensees to record the zip code into which deliveries are made making regulatory and tax compliance substantially more difficult. AB 687 would have required delivery licensees record the zip code to which deliveries are made leading to a recent revision in the Department’s regulations to include the zip code and city of destination.

### Policy Consulting Services

This past year has also seen the integration of Cannabis Public Policy Consulting (CPPC). CPPC is a national firm that assists policy makers in addressing cannabis public policy issues via a unique comprehensive survey methodology, provide predictive modeling to evaluate policy outcomes before implementation, and assist in the development of data-informed policies to promote equitable and efficient cannabis markets while protecting public health and safety.

We hosted two separate webinars this year with CPPC for CCA Members and to raise awareness about our organization with local cannabis programs. The first focused on the basics of setting up a local cannabis program while the second was about local retail policy—a top priority for the state.

Perhaps the simplest way to understand a slice of CPPC’s capabilities is the work they do to support retail access. Instead of guessing optimal retail license density, CPPC provides actual market data to support policy decision making helping not only determine optimal density, but also predict revenues to be raised. CPPC has helped develop regulatory structures to implement comprehensive commercial cannabis oversight as well.

## Lake County Joins CCA

Earlier this year, Lake County's Board of Supervisors voted to join CCA and we are excited to welcome them to our organization. While increasing CCA's membership has proven to be a slower process than we would like, Lake County's entry will bring positive momentum and Supervisor Michael Green to our board who brings some unique cannabis policy expertise.

### Organizational Matters

Our challenges are largely associated with cost. Any organization requires funding to operate, CCA's data analytics platform comes at a cost, as do any consulting services, whether to the benefit of an individual member or the organization collectively by way of publications or public policy change. But with any request for funding there is a natural question about the value of the expenditure; a question more acute in these times of tight revenues and the substantial retrenchment of the legal commercial cannabis market and the tax revenues they pay.

Our present structure which includes a base Membership fee with additional services at additional cost has served its function to an extent, but the level of our base Membership fee appears to be inhibiting expanding the membership.

Additionally, while the Joint Powers Authority (JPA) structure is an innovative tool for local governments to use in pursuit of common goals, "Membership" in a JPA brings with it at least a perception of substantial obligation and uncertainty. Membership in a JPA certainly brings with it a cumbersome pre-requisite to providing CCA's service offerings requiring the Governing body of each new member to pass a resolution agreeing to the provisions of the joint powers contract. Though we have attempted to accommodate cities via an alternative mechanism, the structure we chose was largely a product of concerns over potential federal scrutiny which is certainly no longer a meaningful concern.

Finally, is our engagement in public policy. Cannabis public policy is a bit of a morass of participants and venues. From the Department's various committees and individual interfaces with local governments, to local government organizations like CSAC, RCRC, and Cal Cities, as well as *ad hoc* forums like the Coastal Cannabis Forum, and various industry groups both at the state and local levels. While CCA is not currently the focal point of local government cannabis public policy engagement, the expertise CCA has at its disposal both to develop cannabis public policy and pursue means of implementing it is significant. Exploiting and operationalizing that expertise for the benefit of the membership would not only add to the organizations "value proposition" but could be an additional effective tool for local governments wanting to spur public policy change.

## FY 23-24 Work Plan

### Funding

- **Fall of 2023:** We have a unique capability to provide local governments meaningful insights into commercial cannabis activity in their jurisdictions. Seeking additional resources through grants and other venues will be a priority.
- **Fall of 2023:** We have existing contracts with NCS and CSAC Finance Corp. that need to be revisited.
- **Fall / Winter 2023-24:** Working with Finance Corp and our contract partners to review our existing revenue structure for possible revisions.
- **Winter/Spring 2023:** Though our budget will be set for 2023-24, there will be planning for 2024-25 and beyond.

### Organizational Structure

- **December 2023:** Revisit the JPA structure with an eye toward possibly revising the Membership / Participant model both from a legal structure and financial one. Possibly propose revisions to the JPA.
- **Spring 2024:** Strategic planning for fiscal and organizational goals for 2024-25 and beyond.

### Public Policy

- **Fall 2023:** Convene stakeholder groups to discuss policy endeavors for the second half of the 2023-24 legislative session and possible administrative actions.
- **Fall/Winter 2023:** Work the our local government partners to chart a path CCA engagement in relevant policy initiatives.
- **Winter/Spring 2024:** Identify and pursue legislative / administrative action identified as a priority to CCA Members.
- Be a voice for counties and local government generally within DCC to advance changes to track and trace data inputs to serve local purposes (e.g., add wholesale pricing data, etc.)

### Service Delivery

- **Beginning November 2023:** Host a quarterly meeting with CCA Member staff to discuss the Platform, how it is used, how it can be used more efficiently and effectively, how it might be modified or updated to address the needs of users and a price point that makes its integration into local regulatory and/or tax administration viable.
- **Fall/Winter 2023:** Restarting quarterly committee discussion with specific topics and work plans.

### Outreach

- **Ongoing:** Continue to expand our communications tools (newsletters, surveys, etc.) and opportunities to engage with state and local cannabis stakeholders.
- **November, 2023:** CSAC Annual Conference (Oakland)
- **Fall 2023:** Revise marketing materials and strategy to bring attention to CCA's work with CPPC; specifically, as it relates to retail access programs and grant writing.

CONTRACT FOR EXECUTIVE DIRECTOR SERVICES  
BETWEEN THE CALIFORNIA CANNABIS AUTHORITY AND  
WM. GREGORY TURNER

This Agreement for Executive Director Services ("Agreement"), dated as of October 1, 2023 ("Effective Date"), is made and entered into by and between the California Cannabis Authority (the "CCA"), a California joint powers authority created pursuant to the Joint Powers Agreement, dated January 12, 2018 and effective January 23, 2018 (the "JPA Agreement") and Wm. Gregory Turner ("Contractor"), sometimes individually referred to herein as a "Party" and collectively, as the "Parties."

**RECITALS**

WHEREAS, pursuant to Section 8 of Article III of the JPA Agreement, the Board of Directors of the CCA is required to appoint an Executive Director who shall be responsible for the general administration of the business and activities of the CCA as directed by the Executive Committee; and

WHEREAS, the Board of Directors desires and is empowered by Section 8 of Article III of the JPA Agreement to retain a person or firm to provide Executive Director Services as an independent contractor to fulfill the Executive Director's duties; and

WHEREAS, Contractor has served in various capacities representing California counties and through such experience has acquired special skills, abilities and knowledge regarding the role counties play in California government and public policy and specifically in regard to the role of state and local governments in regard to the legalization, regulation and taxation of recreational cannabis; and

WHEREAS, the CCA acknowledges Contractor has and continues to serve CCA as General Counsel and also engaged in the practice of law as a member of the California State Bar with clients unrelated to the activities and interests CCA; and

WHEREAS, Contractor warrants that he is qualified, competent, and desiring to render these services,

NOW THEREFORE, the Parties agree as follows:

**1. SCOPE OF SERVICES**

Contractor agrees to provide all of the services described in **Exhibit A** attached hereto and by this reference made a part hereof.

**2. FURNISHED SERVICES**

CCA agrees to:

- 2.1 Provide access to any facilities or property necessary for the performance of this Agreement.
- 2.2 Make available all pertinent data and records for Contractor's use and review in performing services under this Agreement.

**3. FEES AND PAYMENT SCHEDULE**

Contractor shall be paid the Monthly Retainer representing compensation for the Basic Services as specified in Exhibit A to this Agreement. Contractor's Monthly Retainer shall be inclusive of any

travel and lodging expenses incurred in fulfilling duties as Executive Director. Additional services which are beyond the scope of the Basic Services described in Exhibit A or services that require more than an estimated average of 80 hours per month, shall be arranged by separate agreement. Contractor shall provide CCA with his Federal Tax I.D. number or social security number.

#### **4. TERM OF AGREEMENT**

This Agreement shall commence on October 1, 2023, and shall continue in effect until June 30, 2024, unless renewed or otherwise terminated as provided herein. The Board shall review this Agreement and the compensation arrangements provided for herein on or before June 30, 2024, and at least annually thereafter on or before each subsequent fiscal year of CCA.

This Agreement may be terminated without cause upon thirty (30) days prior written notice by either party. This Agreement may be terminated by CCA immediately for cause. For the purposes of this Agreement, cause shall mean conviction of a misdemeanor involving the services provided under this Agreement or conviction of any felony. Cause also shall mean the unexcused failure to satisfactorily perform services required by this Agreement after CCA provides written notice to correct such failure and Contractor continues to fail to satisfactorily perform such services for a period of fifteen (15) days or more. The notice to correct shall specifically describe the services that Contractor has failed to perform satisfactorily. Upon termination without cause, Contractor shall be paid for all services performed to the date of termination.

#### **5. INSURANCE**

All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to CCA. The auto liability policy shall be endorsed naming CCA as an additional insured. The certificate(s) of insurance and required endorsement shall be furnished to the CCA prior to commencement of work hereunder. Each certificate shall provide for thirty (30) days advance written notice to CCA of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only.

Nothing herein shall be construed as a limitation on Contractor's indemnification obligations under Section 14 of this Agreement.

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach. In addition to any other available remedies, CCA may suspend payment to the Contractor for any services provided during any time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required coverage.

- 5.1 Commercial Liability Insurance (bodily injury and property damage - \$1,000,000)
- 5.2 Comprehensive Automobile Liability Insurance (\$500,000/accident)
- 5.3 Worker's Compensation Insurance (should employees be hired)

The Contractor acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Contractor has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to CCA prior to commencement of work.

#### **6. NONDISCRIMINATORY EMPLOYMENT**

Contractor and/or any permitted subcontractor shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Contractor and/or any permitted subcontractor understands and agrees that Contractor

and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

## **7. SUBCONTRACTING**

The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without the prior written approval of the Board of Directors of CCA. If Contractor is authorized to hire a subcontractor under this Agreement, Contractor shall require subcontractor to provide and maintain insurance coverage(s) identical to what is required of Contractor and shall require subcontractor to name Contractor and CCA as additional insureds. It shall be Contractor's responsibility to collect and maintain current evidence of insurance provided by its subcontractors and forward such evidence of insurance to CCA.

## **8. ASSIGNMENT**

The rights, responsibilities and duties under this Agreement are personal to the Contractor and may not be transferred or assigned without the express prior written consent of the Executive Committee of CCA.

## **9. BOOKS OF RECORD AND AUDIT PROVISION**

Contractor shall maintain on a current basis complete books and records relating to this Agreement. These documents and records shall be retained for at least five years from the completion of this Agreement. Contractor will permit CCA to audit all books, accounts or records relating to this Agreement or all books, accounts or records of any business entities controlled by Contractor who participated in this Agreement in any way. Any audit may be conducted on Contractor's premises or, at CCA's option, Contractor shall provide all books and records within a maximum of fifteen (15) days upon receipt of written notice from CCA. Contractor shall refund any monies erroneously charged within 30 days after such erroneous charges are discovered.

## **10. OWNERSHIP OF RECORDS**

Any and all documents, information and reports prepared by the Contractor in performing services under this Agreement, shall be the property of the CCA. The Contractor may retain copies of these documents. In the event of the termination of this Agreement, for any reason whatsoever, Contractor shall promptly turn over all information, documents, and records to CCA without exception or reservation.

## **11. RELATIONSHIP BETWEEN THE PARTIES**

It is expressly understood that in the performances of the services herein, the Contractor, and the agents and employees thereof, shall act in an independent capacity and as an independent contractor and not as employees or agents of the CCA. Contractor shall be solely responsible to pay all required taxes, including but not limited to, all withholding social security, and workers' compensation. Contractor's authority to act on behalf of CCA shall be defined by a Resolution Conferring Powers by the Board of Directors and Contractor shall have no power or authority to enter into any contracts or other obligations on behalf of CCA unless expressly authorized by the Executive Committee of CCA as appropriate.

## **12. AMENDMENT**

This Agreement may be amended or modified only by written agreement of both parties.



### **13. JURISDICTION AND VENUE**

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Sacramento County, California.

### **14. INDEMNIFICATION**

CCA agrees to indemnify and defend Contractor from any claims and liabilities that arise from the performance of the services required by this Agreement. Contractor agrees to indemnify, defend, and hold harmless CCA, its employees, officers, contractors, consultants and agents, from any claims or liabilities arising from any acts, omissions or other wrongful conduct of Contractor outside the scope of services required by this Agreement.

### **15. COMPLIANCE WITH APPLICABLE LAWS**

The Contractor shall comply with any and all Federal, State and local laws and regulations affecting services covered by this Agreement.

### **16. FORCE MAJEURE**

A Party shall not be considered in breach of or in default under this Agreement on account of, and shall not be liable to the other Party for, any delay or failure to perform its obligations hereunder by reason of fire, earthquake, flood, explosion, strike, riot, war, terrorism, or similar event beyond that party's reasonable control (each a "Force Majeure Event"); provided, however, if a Force Majeure Event occurs, the affected Party shall, as soon as practicable: (a) Notify the other Party of the Force Majeure Event and its impact on performance under this Agreement; and (b) Use reasonable efforts to resolve any issues resulting from the Force Majeure Event and perform its obligations hereunder.

### **17. NOTICES**

This Agreement shall be managed and administered on CCA's behalf by the President of the CCA. All invoices shall be submitted to and approved by the President as Contract Manager. All notices shall be given to CCA at the following location:

Contract Manager:	President, California Cannabis Authority
Address:	California Cannabis Authority 1100 K Street Suite 101 Sacramento, CA 95814

Notices shall be given to Contractor at the following address:

Contractor:	Wm. Gregory Turner
Address:	1021 L Street, No. 146 Sacramento, CA 95814

### **18. Entire Agreement: Modification.**

This Agreement constitutes the entire agreement and understanding between the Parties regarding the subject matter addressed herein. No modification or extensions of this Agreement shall be effective unless in writing and signed by the parties hereto, excepting therefrom the areas of discretion reserved by CCA as set forth herein.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CONTRACTOR

CALIFORNIA CANNABIS AUTHORITY

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Wm. Gregory Turner

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Tom Haynes  
Assistant Chief Financial Officer, Yolo County  
President, California Cannabis Authority

**EXHIBIT A**  
**SCOPE OF SERVICES FOR EXECUTIVE DIRECTOR**

Under the general direction of the Executive Committee, the Executive Director shall be responsible for the operation and the general management of CCA's activities and services.

The Monthly Retainer shall be: \$6,500 per month, inclusive of any travel and lodging expenses incurred in fulfilling duties as Executive Director.

The Executive Director's specific duties and responsibilities shall include the following:

1. Act as agent of CCA for the administration of all CCA functions and policies;
2. Give direction and leadership to the formulation and achievement of the organization's philosophy, mission, and its annual goals and objectives, including analysis and interpretation of financial and program data relating to CCA activities;
3. Attend meetings of the CCA in person, as needed, or telephonically, and make recommendations on all actions submitted to the Board of Directors or Executive Committee for consideration
4. Work with the Board of Directors, Executive Committee, and staff to develop and implement policies, procedures, and long- range strategic plans;
5. Management of the services provided by any CCA Contractors
6. Oversee administrative, financial and program operations, and all personnel matters (design of staff organizational structure, hiring and firing responsibilities, etc.);
7. Monitor and respond to written and telephonic correspondence in a timely manner;
8. Prepare and, following Board approval, administer the CCA's annual budget, including reviewing and approving disbursements on behalf of CCA, performing a continuous review of CSCDA expenditures throughout the fiscal year to determine that expenditures are necessary and in accordance with CCA policy;
9. Negotiate and ensure compliance with CCA's contracts;
10. Manage overall CCA operations;
11. Pursue growth of Members and Participants while ensuring continued service delivery to existing Members and Participants;
12. Manage and Maintain a close working relationship with other local, state, and federal agencies, as well as representatives of the cannabis industry;
13. Manage CCA's response to Public Records Act requests and coordinate such responses with the General Counsel Administrators
14. Keep informed of trends, issues, events and developments within the cannabis industry as well as state and federal regulation of cannabis, through professional peer contacts, conference attendance, etc.
15. Develop an annual work plan for the CCA to include specific goals and objectives and estimated timelines for their completion.

## **LEGAL SERVICES AGREEMENT**

### **BY AND BETWEEN**

### **THE CALIFORNIA CANNABIS AUTHORITY**

### **AND**

### **TURNER LAW**

This Legal Services Agreement ("Agreement") is made and entered into on this 1<sup>st</sup> day of October, 2023 (the "Effective Date") by and between the **CALIFORNIA CANNABIS AUTHORITY**, the authority created by the Joint Powers Agreement, dated January 12, 2018 (the "Authority") and **TURNER LAW** comprised of attorneys licensed to practice law in the State of California ("General Counsel" or "the Firm"), with its principal place of business located at 1017 L Street, No. 146, Sacramento, CA 95781. The Authority and General Counsel may be referred to herein individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

### **RECITALS**

The following recitals are a substantive portion of this Agreement:

- A. The Authority desires to secure professional services from Turner Law to serve as General Counsel for the Authority, as more fully described in this Agreement.
- B. The Firm represents that it has the professional qualifications, expertise, necessary licenses, and desire to provide legal services of the quality and type, which meet objectives and requirements of the Authority.

### **AGREEMENT PROVISIONS**

The Parties agree as follows:

#### **1. RETENTION OF FIRM.**

The Authority hereby confirms, retains, and authorizes General Counsel to represent the Authority and provide legal services as may be requested, from time to time, orally or in writing, by authorized representatives of the Authority on an as-needed basis. By this Agreement, the Authority is retaining Turner Law and not individual members of the firm. General Counsel's client is the Authority, as a public entity, and not any of its individual Members, groups of individuals or any other person or entity. General Counsel shall report to and receive direction from the Executive Committee.

General Counsel shall perform such legal services for and on behalf of the Authority under the primary direction of the Executive Committee. General Counsel shall undertake, subject to the written approval of the President or the Executive Committee, additional duties as the Authority may authorize from time to time under the terms and conditions of this Agreement.

## **2. DESCRIPTION OF GENERAL COUNSEL SERVICES.**

These services may include, but are not limited to, providing advice and counsel on legal matters affecting the Authority, attending and advising at Authority meetings, including Board of Director, and Executive Committee and other meetings at the direction of the Executive Director, performing legal research, representing Authority in administrative proceedings before administrative agencies, overseeing services provided to the Authority by other outside counsel, negotiating and drafting contracts, correspondence and other legal documents as may become necessary. The services shall also include the preparation and delivery of status reports to the Authority as specified in this Agreement.

## **3. TERM OF AGREEMENT.**

The services of General Counsel commence upon the Effective Date of this Agreement and shall terminate on June 30, 2024, unless earlier terminated by one of the Parties. The Parties may extend the term by a written agreement, following approval of such agreement by the Authority. The General Counsel shall provide services as of the Effective Date. All the General Counsel's services pursuant to this Agreement shall be undertaken and completed in such sequence as to assure their completion as expeditiously as is consistent with professional skill and care.

## **4. THIRD PARTY REIMBURSABLE COMPENSATION**

Third Party Reimbursable Legal Services shall include legal services provided to the Authority for which the Authority receives reimbursement from a third party. The Authority shall pay for Third Party Reimbursable Legal Services at General Counsel's then current published standard private client rates. Upon execution of any agreement providing for reimbursement of legal services by a third party, General Counsel shall provide a copy of its published rate schedule to the Authority. General Counsel shall also provide annual updates to the Authority when changes are made to the published rate schedule. Third Party Reimbursable Legal Services shall not be considered payments within the Monthly Retainer.

## **5. PUBLIC FUNDING.**

General Counsel and the Authority mutually recognize that tax dollars from citizens and taxpayers of Counties pay for General Counsel's services under this Agreement. Given this fact, a heightened duty of care exists in both General Counsel and the Authority to ensure that General Counsel scrupulously adheres to principles of moderation, frugality, and cost consciousness in carrying forth the goals of this Agreement. General Counsel and each of its attorneys pledge themselves to scrupulously observe a duty of reasonableness and cost-effective representation in all aspects of this Agreement and to carry forth the ends of achieving the goals set forth herein while entailing the expenditure of only a reasonable sum for General Counsel's representation under this Agreement.

## **6. PAYMENT FOR SERVICE.**

In consideration for General Counsel's performance of legal services on behalf of the Authority under the terms of this Agreement, and upon review and approval of General Counsel's bill by the President, General Counsel shall be compensated at the preapproved hourly rates and for authorized expenses set forth in the "Scope of Work and Schedule of Fees and Charges" set forth in Exhibit "A," attached and incorporated by this reference. Fees for services performed by these attorneys are shown in Exhibit "A." Fees for

services performed by other retained consultants, subcontractors, experts or other personnel for other legal services may be billed to the Authority only if approved in writing by the President.

## **7. BILLING INVOICES.**

The Monthly Retainer specified in Exhibit "A," attached and incorporated hereto by this reference, shall be due on the first of each month, prior to the delivery of services. If any services are rendered in addition to the Monthly Retainer, under the terms and conditions specified in this Agreement, General Counsel shall, within fifteen (15) days after the end of each calendar month in which services are performed under this Agreement, submit to the Authority an itemized bill, describing in detail the specific services performed as set forth in this Agreement. General Counsel shall adhere to the Protocols and Guidelines set forth in Exhibit "B," attached and incorporated by this reference. The bill shall be submitted to:

California Cannabis Authority  
1100 K Street, Suite 101  
Sacramento, CA 95814

## **8. PROJECT PLAN, BUDGET AND RESERVES.**

Upon request of the Executive Director or President, General Counsel shall provide a project plan or budget, or both, for any project or case assigned to General Counsel under this Agreement. Project plans and budgets shall conform to the guidelines set forth in Exhibit "C" (Project Plan and Budget) of this Agreement. Counsel understands and agrees that major unjustified deviations from the project budget, or failure to timely submit a project budget or revisions, if requested, or status reports may constitute a breach and result in termination of this Agreement.

## **9. LITIGATION GUIDELINES.**

When litigation is included in the scope of work, the Firm must follow the litigation guidelines specified in Exhibit "D."

## **10. PERSONNEL BILLING.**

General Counsel shall scrupulously examine all bills submitted for services rendered under this Agreement to assure that the General Counsel and firm has employed appropriate billing judgment in billing the Authority for service. General Counsel shall not bill for hours other than those hours expressly devoted to the tasks approved in advance by the President or Executive Committee. General Counsel agrees it will not bill for time, which is not specifically devoted to the task(s). General Counsel shall not use legal professionals for secretarial work and under no circumstances shall General Counsel have lawyers billing for making copies, scheduling appointments or taking care of matters or work which would otherwise be work performed by a law clerk, assistant or secretary. The General Counsel shall submit its bills in a format that readily allows detailed review by any Authority retained auditors.

## **11. STATUS REPORTS.**

In addition to the reporting set forth in Section 9, if required, General Counsel shall, within fifteen (15) days of the end of each month thereafter, submit to Authority a written report setting forth a summary of services performed on behalf of Authority during the preceding month, the current status of each

significant pending matter or proceeding, results obtained or expected to be obtained, a summary of invoices for the preceding month and other information relating to the services rendered as Authority may reasonably request.

## **12. TERMINATION.**

Either Party may terminate this Agreement by providing written notice to the other. Any termination hereunder shall become effective immediately upon receipt of written notice of termination; provided, however, that General Counsel may exercise its right of termination only to the extent and under terms and conditions consistent with the obligations of General Counsel under the Rules of Professional Conduct of the State Bar of California; and provided that in the event of termination, the amount due General Counsel for services rendered and costs and expenses incurred prior to termination shall remain due and payable. General Counsel agrees to turn over to any attorney substituted in its place, the entire file and attorney work product regarding any such matter within seven (7) days of any such termination.

## **13. CONFLICTS OF INTEREST.**

No member of the governing body of the Authority, and no other officer, employee or agent of the Authority who exercises any discretion, function, or responsibility in connection with the carrying out of any project, to which this Agreement pertains, shall have any personal interest, direct or indirect, in this Agreement.

General Counsel agrees to secure the informed written consent of the Authority before accepting any representation adverse to the Authority (actual or apparent) during the term of this Agreement, and to forego the representation if the Authority, in its sole discretion, declines to grant such consent.

## **14. ASSIGNMENTS AND SUCCESSORS IN INTEREST.**

Authority and General Counsel bind themselves, their partners, successors, assigns, executors and administrators to the terms of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the services provided for in this Agreement shall be assigned or transferred, voluntarily or by operation of law, without the prior written approval of the Authority.

## **15. AUDITS, RECORDS, AND DOCUMENTATION.**

The Authority and any other federal, State or local governmental agency, and any of their authorized auditors or representatives, including the Authority's external auditor, shall have access to, and the right to audit and reproduce any of General Counsel's records related to work done for the Authority but only to the extent the Authority or such other governmental agency deems such access necessary to ensure that Authority is paying only the amounts to which General Counsel is properly entitled or for other purposes relating to the Agreement.

General Counsel shall maintain complete and accurate records of the services provided to Authority and expenses incurred on behalf of Authority. General Counsel shall maintain and preserve all such records for at least three (3) years after termination of the Agreement or until an audit has been completed and accepted in writing by Authority. Upon written notice by the Authority, the General Counsel shall promptly make all such records available to auditors or other representatives of the Authority or other governmental agencies.

## **16. NON-DISCRIMINATION.**

No discrimination will be made in the employment of any person under this Agreement because of the age, race, color, national origin, ancestry, religion, disability, sexual preference, or gender of that person.

If General Counsel, based upon acts related to the Authority, is found to be in violation of the nondiscrimination provisions of the State of California Fair Employment and Housing Act or any other provisions of federal law or executive order in the performance of this Agreement, General Counsel and the Firm are in default of this Agreement.

## **17. HOLD HARMLESS/INDEMNIFICATION.**

General Counsel agrees to indemnify, hold harmless, release and defend (even if the allegations are false, fraudulent or groundless), to the maximum extent permitted by law, and covenants not to sue, the Authority, its Executive Committee and each member thereof, and its officers, employees, commission members and representatives, from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation) which in whole or in part result from, or arise out of, or are claimed to result from or to arise out of any negligent performance under this Agreement, or any negligent acts, errors or omissions (including, without limitation, professional negligence) of General Counsel, its employees, representatives, subcontractors, or agents in connection with the performance of this Agreement. This Agreement to indemnify includes, but is not limited to, personal injury (including death at any time) and property or other damage (including, but without limitation, contract or tort or patent, copyright, trade secret or trademark infringement) sustained by any person or persons (including, but not limited to, companies, or corporations, General Counsel and its employees or agents, and members of the general public).

## **18. INSURANCE REQUIREMENTS.**

General Counsel shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Agreement, including any extensions thereto. The policies shall state that they afford primary coverage. Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, General Counsel immediately shall notify the Authority and cease all performance under this Agreement until further directed by the Authority.

- 18.1 **General Liability.** General Liability with minimum limits of at least \$1,000,000 combined single limits written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence @ form or its equivalent for coverage on an occurrence basis. Premises/Operations and Personal Injury coverage is required.
- 18.2 **Professional Liability.** Professional errors and omissions coverage in a sum of at least \$1,000,000. If a claims-made policy is obtained, a "tail" of at least three years shall be purchased if non-renewed within three (3) years of completion of performance under this Agreement. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate.
- 18.3 **Workers' Compensation.** Counsel shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following ways: A) Provide copy of permissive



self-insurance certificate approved by the State of California; or B) Secure and maintain in force a policy of workers' compensation insurance with statutory limits and employer's liability insurance with a minimal limit of \$1,000,000 per accident; or C) Certify in writing that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Agreement.

## **19. CONFIDENTIALITY AND DISCLOSURE.**

The data, information and reports acquired or prepared by General Counsel in connection with matters upon which the Authority has retained General Counsel shall not be shown or distributed to any other public or private person or entity except as authorized by the Executive Director and in no event prior to having been first disclosed to the President. All information, documents, records, reports, data or other materials furnished by Authority to General Counsel or other such information, documents, records, data or other materials to which the General Counsel has access during its performance pursuant to this Agreement are deemed confidential and shall remain the property of Authority. General Counsel shall not make oral or written disclosure of such documents or materials, other than as necessary for its performance under this Agreement, without the prior written approval of the President.

## **20. AMENDMENTS.**

This Agreement, including any Exhibits attached to it, represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. The Parties may modify this Agreement only by a written amendment duly executed by the Parties. All agreements with Authority are subject to approval of the Executive Committee before Authority shall be bound thereby.

## **21. ENGAGEMENT OF OTHER COUNSEL, SPECIALISTS, OR EXPERTS.**

General Counsel will not engage or otherwise incur an obligation to pay other counsel, specialists, or experts for services in connection with this Agreement without the prior approval of the President.

## **22. NOTICES.**

All notices, invoices, reports, or other communication to the Parties shall be properly given if delivered in person or sent by First Class mail, facsimile, or overnight delivery and addressed as follows:

California Cannabis Authority  
1100 K Street, Suite 101  
Sacramento, CA 95814

In addition, to the Firm at its principal place of business listed on page one of this Agreement.

Either Party may change its address for receipt of notices under this Agreement by notice given in the manner provided herein.

### **23. LAW GOVERNING AGREEMENT.**

This Agreement shall be interpreted under the laws of the State of California. All claims or controversies arising out of or related to performance under this Agreement shall be submitted to and resolved in a forum within Sacramento County Superior Court.

### **24. INVALID PROVISIONS.**

If any provision of this Agreement is held to be illegal, invalid or unenforceable, in full or in part, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid and enforceable, and the other provisions of this Agreement shall not be affected thereby.

### **25. LICENSE REQUIREMENTS.**

General Counsel shall demonstrate that the attorney(s) who provide legal services to Authority under this Agreement are licensed to practice law in the State of California and, if not, indicate to the satisfaction of the President why such license is not required to perform the services required.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. The Parties agree that this Agreement shall become operative on the Effective Date.

APPROVED:

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Wm. Gregory Turner, Founder  
Turner Law  
General Counsel

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Tom Haynes  
Assistant Chief Financial Officer, Yolo County  
President, California Cannabis Authority

## **EXHIBIT "A"**

### **SCOPE OF WORK AND SCHEDULE OF FEES & CHARGES**

The Firm shall provide legal services as General Counsel for the Authority.

#### **SCHEDULE OF FEES & CHARGES:**

Monthly Retainer amount: \$ 8,000, inclusive of any reasonable travel and lodging expenses incurred in fulfilling duties as General Counsel.

Monthly retainer services: attendance at Authority meetings and such other meetings with Members, Participants (including potential Members and Participants), and other stake holders as requested by the Executive Director or President; Brown Act, Public Records Act, and general municipal/public law advice and legal counsel; conflict of interest advice; supervision of any outside counsel, standard document/opinion preparation and review; monitoring/update reporting of new and pending laws and legislation to ensure compliance; open meeting guidance; standard communications with Authority officials and staff.

Services not included in Monthly Retainer: Litigation services and other non-routine advice on taxes, assessments, and fees.

#### **COMPENSATION**

General Counsel services in excess of 20 hours per month would be \$450 per hour. Services outside of the defined Monthly Retainer services would be billed at \$550 per hour, subject to annual rate adjustments or supplemental agreement among the Parties for the conduct of the work.

Expense reimbursement shall be at actual costs and conform to the requirements and limitations of Exhibit "B" attached hereto. Reimbursement for mileage shall be at the Standard Mileage Rate for Employees set annually by the Internal Revenue Service.

## **EXHIBIT "B"**

### **BILLING PROTOCOLS/GUIDELINES**

The Authority ("Authority") has adopted the following protocols for billing, budgeting, and planning for projects involving General and outside Counsel. All Counsel are required to comply with this protocol. If you have questions concerning it, please contact the Executive Director for clarification. In the event you wish to negotiate changes due to the internal operation of your firm, please raise them in writing as soon as possible. Any changes to this protocol will need prior, written approval from the President. In the interest of fairness, all firm attorneys are required to comply with this protocol. This protocol is also to be used in conjunction with any new proposal for services.

These protocols and guidelines are instituted to ensure that Counsel conveys the information necessary for the Authority to manage special projects and litigation. In addition, because these guidelines are set out in advance, they are designed to minimize any confusion or misunderstanding. Compliance with these guidelines should enhance the attorney-client relationship. If you have any comments or suggestions that could improve this system, please feel free to contact the Executive Director at the above-listed address.

#### **BILLING FORMAT**

Unless otherwise agreed, the following information must be provided in monthly bills:

1. A detailed description of work, in time increments of .1 hour (one-tenth of an hour) for and by each and every individual billing entry.
2. Identification of the lawyer who is in charge of the matter.
3. Reasonably detailed disbursement breakdowns with backup documentation of any individual charge exceeding \$100.00.
4. Each billing item must be separately stated on a separate line identifying the attorney, the time spent and the exact nature of the service rendered.
5. When charges are made for conferences, the specific reason for each conference will be stated. Conferences between attorneys shall be justified in detail.
6. When charges are made for research time, the specific issue being researched and the need for the research must be identified.
7. Each item billed should be coded to a specific litigation budget line item, if applicable.
8. A comparison of the percentage of work completed to the percentage of the litigation or project budget absorbed.
9. The President reserves the right to request various levels of detail and specific formats (such as columnar comparisons with established budgets).

## **BILLING GUIDELINES**

1. All tasks set forth in Counsel's billing documentation shall be specific and detailed. Overly generalized listings of task descriptions such as "review contract" or "prepare for negotiations" are not acceptable.
2. Billings under this Agreement shall not be provided in more than six (6) minute increments and shall represent the devotion of a full six minutes before an increment is billed. Under no circumstances shall Counsel use "block billing" procedures, wherein a list or series of activities is done each day with only an aggregate amount of time specified.
3. Counsel shall keep the Authority advised of the identity and billing rates of the personnel working on the project account.
4. Counsel shall submit statements with every invoice covering the previous month's activities, not to exceed 31 days. The statement should identify the matter, current charges, and any past due or outstanding charges.
5. All bills must be submitted to the Authority within 15 days of the end of the prior month during which service was performed.
6. Counsel shall advise Authority whenever it anticipates the amount of services necessary to properly execute the task will exceed the amount of the contract. Counsel acknowledges the fiscal constraints on Authority funding and therefore Counsel assumes risk of non-payment for services rendered in the event the amount of services rendered exceeds the amount of the contract unless prior written authorization is received. Authorization to exceed the amount of the contract may be given only by the President in writing.
7. Only those attorneys approved by the Authority may bill on a matter.
8. The Authority expects any attorney assigned to a matter to handle all significant matters in the litigation. The General Counsel must approve in advance the assignment of other attorneys to the litigation or project. The Authority may request that the assigned work be instead handled by the primary attorney.
9. Counsel shall not charge for more than one attorney at any hearing, deposition, or meeting of any kind without advance approval of the General Counsel.
10. No more than one paraprofessional may bill on a particular matter without the prior approval of the Authority.
11. The Authority has retained Counsel for its expertise, and therefore expects not to be billed for introductory or background research. Authority appreciates when Counsel has researched an issue previously and uses that research on present cases or projects. Counsel may not charge the Authority for work Counsel has done and billed another client for in the past.
12. The Authority does not allow "double billing" of any sort. If Counsel is working on another client's matter, the Counsel may not bill Authority for that time. This applies to travel time or any other matter.
13. Training time is not billable. Law clerks may be used only with prior approval.
14. Authority will not pay for new attorneys to "get up to speed" on a file unless it has been pre-approved.

15. If a matter arises that requires Counsel to open a new file, the General Counsel should be informed immediately.
16. Authority reserves the right to require additional substantiation of any item of claimed expense.

## **REIMBURSEMENTS**

1. The Authority will reimburse Counsel for the following expenses, and for no other expenses:
  - ☐ Actual printing costs;
  - ☐ Actual copying costs when billed by a third-party and Firm copying costs, but at no more than at \$.12 / page for legal documents and file materials, but not library materials;
  - ☐ Actual cost of postage (including express mail delivery charges);
  - ☐ Transcription and reporter's fees; and
  - ☐ Reasonable travel. The Authority does not pay for meals unless Counsel is required to be away from office for one full day. All meals and/or travel reimbursements will be subject to approval by the President. Travel expenses are limited to the lesser of actual expenses or expenses that would be authorized for Authority employee travel pursuant to Authority policy.
  - ☐ The Authority will not reimburse for facsimile charges.
  - ☐ The Authority will not reimburse for computer research support services (e.g., Westlaw, LEXIS or computer timer or services). Such costs are properly the administrative overhead of the Firm.
2. The President must approve in advance any single reimbursement item in excess of \$250.
3. Any expense other than those listed in section "a." must be approved by the President in writing and in advance in an approved budget.
4. No compensation shall be allowed for administrative overhead or premiums added to the direct cost of research support or other services.
5. Court filings shall be prepared in a timely manner so that "rush" or "expedited" messenger fees are not incurred.
6. Messenger and other charges in excess of actual costs are not permitted. Authority does not allow cost, plus a percentage, for actual costs
7. Authority does not pay for secretarial time or secretarial overtime. Authority does not pay attorneys or paralegals for secretarial tasks or tasks that should not be included in Counsel's overhead. For example, faxing, mailing, arranging for messengers and calendaring are not acceptable charges.
8. Authority does not pay for billing or discussions of bills, including discussions initiated by the Authority or Authority's requests for additional information about a bill.
9. The practice of charging minimum billing charges is unacceptable. Please charge for actual time spent. For example, a minimum of .2 for phone calls or .4 for letters is unreasonable unless it is an accurate measure of time spent.
10. Do not charge for file opening or file closing. These are not true legal services, tasks or adequate descriptions of legal activities.

## **EXHIBIT "C"**

### **PROJECT PLAN AND BUDGET**

Project plans and budgets should conform to the following guidelines:

1. The project plan shall include a projection of recommended strategies and actions to be taken in the project and a range of costs for each such strategy or action.
2. If the scope of work includes representation of the Authority in litigation, the project plan shall include the following elements, with explanations:
  - ☐ Anticipated total costs;
  - ☐ The primary issues;
  - ☐ The probability of success; and
  - ☐ A settlement/trial recommendation.
3. The project plan will be modified during the litigation as the need arises.
4. The project budget shall include an estimate of the attorneys' hours and fees and disbursements during each phase and/or activity. All anticipated expenses must be listed and costs estimated.
5. In the event of litigation, the project budget shall include, but not be limited to, estimates for:
  - ☐ Pre-commencement (legal and factual research for the complaint or answer);
  - ☐ Pleadings;
  - ☐ Preliminary Motions;
  - ☐ Initial discovery;
  - ☐ Factual Investigation of merits (interviewing clients, employees and third parties);
  - ☐ Review and abstract Authority's documents;
  - ☐ Expert (non-medical) Investigation and reports;
  - ☐ Medical experts and examinations;
  - ☐ Legal research on merits;
  - ☐ More thorough discovery (including the identity of deponents and expected costs of each deposition and preparation);
  - ☐ Settlement negotiations;
  - ☐ Trial preparation; and
  - ☐ Trial.
6. The project budget should include the anticipated cost of each line item, the time allotted to complete it and the professional level of the person handling it.
7. The project budget is not a fixed fee agreement and is subject to revision.
8. Counsel shall provide revisions to the project plan or budget at the request of the Executive Director or President.
9. Counsel understands and agrees that major unjustified deviations from the project budget, or failure to timely submit a project budget or revisions, if requested, may constitute a breach and result in termination of this Agreement.

## **EXHIBIT "D"**

### **LITIGATION GUIDELINES**

The following guidelines should be followed when the scope of work includes representing the Authority in litigation:

1. The General Counsel shall consult the Board of Directors regarding the component parts of litigation handled so that the President, in consultation with the Executive Committee, if necessary, can determine whether a particular activity is reasonable in light of its costs and benefits.
2. The President must approve the identity and number of personnel assigned to the litigation, and any changes.
3. Copies of major work product, pleadings, motions, orders, decisions, research memoranda, reports on significant developments, and quarterly status reports shall be submitted to the President to advise of any major developments in the lawsuit.
4. Generally, the President will rely upon General Counsel for guidance on litigation strategy. Nonetheless, prior approval from the President is necessary for demurrers, motions for summary judgment and discovery motions.
5. Authority expects that General Counsel will resolve all discovery disputes without court intervention. If this is impossible due to the conduct of others, please inform the President immediately. Authority's intent is to have discovery be fair and open with the money spent on reviewing relevant items that are discovered, not on discovery battles.
6. Provide full descriptions of legal tasks performed. This will help the President and the Board follow case development and understand the firm's strategy.
7. Some types of litigation-related expenses require prior approval by the President, including, but not limited to, experts and investigators. Expenses over a certain dollar amount also require prior approval. See Section III (Reimbursements) of Exhibit "B" (Billing Protocols and Guidelines) of this Agreement for a list of those expenses that the Authority will reimburse.