



JOHN H. RICE
(228) 214-0407
(866) 230-9970
jrice@balch.com

November 17, 2017

Ms. Mary Jo Thompson
Director
West Virginia Community Advancement
and Development Office (WVAD)
1900 Kanawha Boulevard East
Building 3, Suite 700
Charleston, WV 25305

Mr. Steven A. Travis
Deputy General Counsel
Office of the West Virginia Attorney General
State Capitol - Building 1, Room E-26
Charleston, WV 25305

Re: **Legal Representation to WVAD for Implementation of CDBG-DR HUD Grant Programs - Pursuant to Written Determination by State of West Virginia, Office of the Attorney General Dated November 13, 2017**

Dear Ms. Thompson and Mr. Travis:

Thank you for providing us with an opportunity to be of service to the State of West Virginia and WVAD. We sincerely appreciate your providing us with this opportunity to work with the WVAD, the AG's Office, and the firm of Gianola, Barnum, Bechtel, and Jecklin. I am taking this opportunity to submit an engagement letter along with a copy of the firm's billing policies and Balch contact information. If you would like to go forward later with a more formal contract for legal services, we are fine with that concept but wanted to get you something quickly. Harper, Raines & Knight Company (HRK) will address the integrity monitoring portion of this response by separate letter, and separate contract as needed.

This letter will confirm that Balch & Bingham LLP has been engaged to assist you with the legal services outlined in your RFP # 059, our Balch Response, and specifically those matters outlined in your Written Determination Appointing Outside Counsel On Behalf of the West Virginia Advancement and Development Office (WVAD), attached hereto as Exhibit "A". Balch contact information is attached as Exhibit "B".

As recited in the referenced Balch Response to RFP #059, our attorneys will be billed at a flat rate of \$350.00/hour, with the exception of special circumstances for areas requiring unique expertise (e.g. HUD related CDBG environmental matters). Any such special circumstances will be identified

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and notice given to WVAD and the Office of the AG for prior written approval prior to any such legal fees being incurred. Paralegals will be engaged as needed at an hourly rate of \$175.00. Travel will be billed at 50 per cent (50%) of the hourly rate, plus reasonable and necessary expenses related to travel.

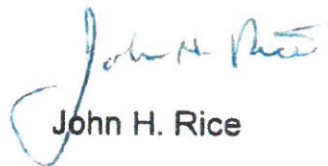
For this particular matter, the firm will not require a retainer. The attached summary (Exhibit "C") also provides the full range of fees for services available at Balch and, in the event other attorneys are called upon to assist in your representation, we will discuss those hourly rates with you in advance of incurring charges outside of the range which is reflected above.

If the terms of our engagement are acceptable, please indicate by signing and returning this letter via fax or PDF.

We thank you again and look forward to working with you. If, at any time, you have any questions concerning the scope or terms of our engagement or about the fees and expenses, please do not hesitate to call.

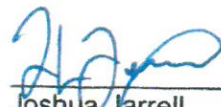
Very truly yours,

BALCH & BINGHAM LLP


John H. Rice

JHR:km

I HAVE READ AND AGREE TO BE BOUND BY THE FOREGOING TERMS OF ENGAGEMENT AND THE TERMS OF THE ATTACHED STATEMENT REGARDING BILLING POLICIES AND PAYMENT TERMS:



Joshua Jarrell
Deputy Secretary and General Counsel
West Virginia Department of Commerce

Date: 1/5/18

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Exhibit "A"
Written Determination dated November 13, 2017



State of West Virginia
Office of the Attorney General

Patrick Morrissey
Attorney General

(304) 558-2021
Fax (304) 558-0140

**WRITTEN DETERMINATION APPOINTING
OUTSIDE COUNSEL ON BEHALF OF
THE WEST VIRGINIA ADVANCEMENT AND DEVELOPMENT OFFICE**

The West Virginia Community Advancement and Development Office (WVCAD) has requested legal representation to provide various legal services for implementation of the US Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) and Community Development Block Grant (CDBG) funding. Firms with expertise in federal grants (with emphasis on HUD programs including CDBG), compliance/grant oversight, monitoring/auditing, contract law, construction/engineering, and procurement are encouraged to apply.

Pursuant to the written determination issued on May 9, 2017, the Office of the Attorney General determined that it was both cost-effective and in the interest of the public to appoint outside counsel to assist the WVCAD with the needed legal services. A Request for Proposal (RFP # 059) was issued in accordance with Section (D) of the Attorney General's Policy on Outside Counsel (Policy #WVAGO-004).

As of the May 19, 2017, deadline for proposals, the Office of the Attorney General received three timely proposal for legal services. After a review of the proposals received, the Office has determined that the law firms of Balch & Bingham LLP, partnered with Harper, Rains, Knight, & Co., and Gianola, Barnum, Bechtel, and Jecklin, L.C. are the most competitive proposals for legal services pursuant to Section E of Policy # WVAGO-004. Specifically, it has been determined, in consultation with the WVCAD that the law firm of Balch & Bingham LLP, partnered with Harper, Rains, Knight, & Co.'s be appointed in order to provide the following legal services as outlined in RFP # 059:

- A. Support and assistance with oversight monitoring activities to review administrative, programmatic, and financial compliance with Federal and State Laws, regulations, and policies, including but not limited to: financial management, national objectives, citizen participation, environmental review records, procurement, labor standards, and fair housing and equal opportunity, as related to the CDBG-DR program;

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- B. Support and assistance with oversight and monitoring of vendors contracted by WVCAD for the CDBG and CDBG-DR program, including but not limited to: development and implementation of benchmarks as applicable, as well as quality improvement plans corrective actions, and other necessary oversight actions. Ensure that all vendors comply with all regulations governing their administrative, financial and programmatic operations and achieve their performance objectives on schedule and within budget

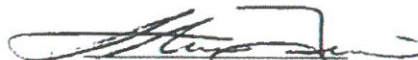
Further, that the law firm of Gianola, Barnum, Bechtel, and Jecklin L.C. be appointed in order to provide the following legal services as outlined in RFP # 059:

- C. Review and/or draft contracts with construction contractors, inspectors, engineers, architects, and other service providers;
- D. Provide advice on procurement issues; review and ensure compliance with state and federal procurement statutes and regulations;
- E. Represent WVCAD in litigation, as requested;
- F. Provide advice on other various issues, including but not limited to: compliance matters, real or potential conflict of interest situations, statute interpretation and legal interpretations as needed; and
- G. Provide such other legal services as may be requested by WVCAD from time to time.

This split appointment is the most effective and efficient method of providing the needed legal services pursuant Section E of Policy # WVAG0-004, based on the following factors:

- The law firms possess the requisite skills and expertise in federal grants (with emphasis on HUD programs including CDBG), compliance/grant oversight, monitoring/auditing, contract law, construction/engineering, and procurement to handle the legal matter in question.
- The law firms possess the requisite experience, staffing and support to handle the scope of the respective legal matters in question, and can perform the legal services in the time frame needed.

Based on the factors set forth above, the Office of the Attorney General authorizes the appointment of B Balch & Bingham LLP, partnered with Harper, Rains, Knight, & Co., and Gianola, Barnum, Bechtel, and Jecklin, L.C. to serve as outside counsel for the legal matters cited herein pursuant to Section (E) of Policy # WVAGO-004.



Steven A. Travis
Deputy General Counsel

Date Signed: November 13, 2017

Exhibit "B"

**BALCH & BINGHAM LLP
Contact Information**

John H. Rice

Phone: 228.214.0407
Cell: 228.596.2654
Fax: 866.230.9970
E-Mail: jrice@balch.com
Address: P. O. Box 130, Gulfport, MS 39502
Physical Address: 1310 25th Ave., Gulfport, MS 39501

Legal Assistant: Kathy Murray
Phone: 228.214.0375
E-Mail: kmurray@balch.com

P. Ann Bailey

Phone: 228.214.0418
Cell: 228.596.7458
Fax: 228.864.8221
E-Mail: abailey@balch.com
Address: P. O. Box 130, Gulfport, MS 39502
Physical Address: 1310 25th Ave., Gulfport, MS 39501

Legal Assistant: Tiffany Logan
Phone: 228.214.0389
E-Mail: tlogan@balch.com

JOHN H. RICE
t: (228) 214-0407
f: (866) 230-9970
e: jrice@balch.com

January 25, 2018

Mr. Russell Tarry
Deputy Director
West Virginia Community Advancement
and Development Office (WVCAD)
1900 Kanawha Boulevard East
Building 3, Suite 700
Charleston, WV 25305

**Re: Amended Letter of Engagement Regarding Legal Representation to WVCAD for
Implementation of CDBG-DR HUD Grant Programs**

Dear Russell:

We are appreciative of the opportunity to be of service to the State of West Virginia and WVCAD in connection with its CDBG-DR Grant Programs. We very much enjoyed our visit to West Virginia and our meetings with you and other members of WVCAD and are looking forward to our continued relationship.

Since our visit in early January, we have discussed other aspects of CDBG and CDBG-DR work with which we have experience and in a position to provide additional assistance as you move forward with implementation of the various grant programs. Most recently, we were requested to assist with the preparation of an amendment to the Action Plan. We are delighted to assist with this activity and would like to amend our Letter of Engagement to reflect this work and any other related CDBG services that are not expressly covered in our original engagement letter.

Specifically, this letter will confirm that, in addition to the legal services outlined in our original Letter of Engagement, dated November 17, 2017, Balch & Bingham LLP has also been engaged to assist WVCAD with the following:

- Provision of advice and assistance with other various federal regulatory issues, including but not limited to: review and drafting of technical and/or substantial amendments or modifications to the CDBG-DR Action Plan; federal compliance matters; regulatory and federal statutory interpretation; and legal interpretations as needed; and
- Provision of such other legal services as may be requested by WVCAD from time to time concerning CDBG and CDBG-DR regulatory matters.

All other terms and conditions of our original Letter of Engagement regarding billing and payment matters remain unchanged.

If the terms of this amended Letter of Engagement are acceptable, please indicate by signing and returning this letter via fax or PDF.

We thank you again and look forward to working with you. If, at any time, you have any questions concerning the scope or terms of our engagement or about the fees and expenses, please do not hesitate to call.


Very truly yours,

BALCH & BINGHAM LLP

John H. Rice

JHR:km

I HAVE READ AND AGREE TO BE BOUND BY THE FOREGOING TERMS OF ENGAGEMENT:



Joshua Jerrell *Jerrell*
Deputy Secretary and General Counsel
West Virginia Department of Commerce

Date: 2/16/18

Exhibit "C"

BALCH & BINGHAM LLP **STATEMENT TO CLIENTS REGARDING BILLING POLICIES AND PAYMENT TERMS**

This statement of our billing policies and payment terms has been prepared for your information and applies to our representation, unless we otherwise agree in writing. Any such agreement must be signed by you and a shareholder of this firm. Your signature below indicates your full acceptance of the policies and terms described herein.

1. Legal Fees

For all work we perform on your behalf, the fees for our services shall be based upon our standard hourly rates quoted above and the time we devote to the case or matter, unless we have otherwise agreed in writing, in advance. Time is billed in 12-minute increments.

2. Your Retainer Payment

3. Deleted.

4. Expenses

You are responsible for all out-of-pocket expenses this firm incurs in connection with your representation, such as filing fees, long-distance telephone calls, copying charges, delivery charges, travel expenses, on-line legal research costs, database costs, and the like.

Invoices over \$2,500 for such items will be sent directly to you for payment or, if advanced by us, included in our monthly statements for reimbursement. Copying costs, computer assisted research, internal printing costs and long-distance telephone charges include a surcharge that represents a reasonable allocation of firm overhead costs incurred in providing such services.

5. Payment of Statements and Withdrawal

A statement for services rendered and expenses advanced in connection with your representation is typically sent to you on a monthly basis. Statements are due and payable upon receipt. Statements typically cover a one-month billing cycle. The firm reserves the right to bill clients on different cycles.

It is our policy not to take on new matters, and to commence withdrawal proceedings on existing matters, for any client who is more than forty-five (45) days in arrears on any outstanding bill. In addition, we reserve the right to terminate our representation if timely payment is not received. By your signature below, you agree not to contest our withdrawal if timely payment has not been received. If the firm must take action to collect its fees, you agree to pay all costs of collection, including reasonable attorneys' fees.

6. Commitment and Legal Obligations

Your consistent cooperation and communication will be required in order for this firm to represent you. Therefore, by engaging this firm, you agree to cooperate promptly with this firm's requests for documents or other information, and with other inquiries that are necessary to our representation of you in this matter.

Further, you understand you have a legal obligation to respond to any such requests in full candor and disclose all responsive documentation or information to this firm. If you fail to cooperate fully and promptly with any such request, or if you fail to comply with any of our terms of engagement, the firm reserves the right to withdraw from representation of you in this matter.

7. Resolution of Disputes

If there is a dispute in connection with our engagement or the provision of legal services by this firm, you agree to submit such dispute to binding arbitration in Gulfport, Mississippi, before a single arbitrator agreed upon by us. Such arbitration will be governed by the rules of the American Arbitration Association, and the costs of arbitration shall be borne by the party against whom the award is made. Judgment may be entered in accordance with applicable law in any court having proper jurisdiction. The resolution of the arbitration shall be kept confidential by the parties and the arbitrator.

Notwithstanding the foregoing, the firm may bring any action to enforce payment on account in any court of proper jurisdiction without having to arbitrate. You consent to personal jurisdiction of the courts of the State of Mississippi for all such purposes. Our engagement and this agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Mississippi. This Statement and our accompanying written engagement letter constitute the entire agreement between us with respect to our engagement for this matter, and any changes thereto must be made in writing and signed by this firm and you.

8. Questions about Billing

You are encouraged to discuss any questions you have about billing statements with the member of the firm responsible for your account or our controller. **You agree to bring to our attention any questions or disputes you have about your bill within 30 days of the date of the invoice being questioned. We request this so that communication will be clear and so that we will not be asked to continue to do work when there is an outstanding dispute that requires resolution. Accordingly, you agree that an invoice will be deemed acceptable and liquidated if no dispute or concern over particular items in the invoice is brought to our attention within 30 days of your receipt of the invoice. Any disputes or claims you may have regarding service performed are waived if not raised within 30 days of your receipt of a bill.**