

**PROFESSIONAL SERVICES AGREEMENT
(INDEPENDENT MONITORING SERVICES)**

This Professional Services Agreement (the "Contract") is entered into and made effective as of the 8th day of August, 2018 (the "Effective Date") by and between UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah ("UTA"), and COBLENTZ PATCH DUFFY & BASS ("Monitor").

RECITALS

A. UTA desires to retain an independent monitor to verify UTA's compliance with the terms and conditions of an April 4, 2017 Non-Prosecution Agreement entered into by and between UTA and the United States Attorney's Office for the District of Utah (the "USAO").

B. On August 8, 2017, UTA issued Request for Proposal Package Number 17-2325JH ("RFP") encouraging interested parties to submit proposals to perform the services described in the RFP.

C. Upon evaluation of the proposals submitted in response to the RFP, UTA selected Monitor as the preferred entity with whom to negotiate a contract to perform the Work and such selection was approved by the USAO.

D. Monitor is qualified and willing to perform the Work as set forth in the Scope of Services.

AGREEMENT

NOW, THEREFORE, in accordance with the foregoing Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the parties to be derived herefrom, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

**ARTICLE 1.0
Definitions**

As used throughout this Contract, the following terms shall have the meanings set forth below:

- 1.1 The term "Claims" shall have the meaning set forth in Section 16.1 of this Contract.
- 1.2 The term "Monitor's Project Manager" shall mean Rees F. Morgan, or his successor as appointed or designated in writing by Monitor.
- 1.3 The term "Monitor's Proposal" shall mean the September 15, 2017 proposal submitted by the Monitor in response to the RFP.

- 1.4 The term "Contract" shall mean this Professional Services Agreement, together with all attached exhibits, all documents incorporated by reference pursuant to Article 26 hereof, and all drawings, reports, studies, industry standards, legal requirements and other items referenced in the foregoing documents.
- 1.5 The term "Scope of Services" shall mean the services described in or reasonably implied by this Contract including, but not limited to, Exhibit "A" (and all Contract requirements associated with such services).
- 1.6 The term "UTA's Project Manager" shall mean Bart W. Simmons, or his successor as appointed or designated in writing by UTA.
- 1.7 The term "Work" shall mean any activities undertaken or required to be undertaken by Monitor in conjunction with the Scope of Services or Contract. The parties acknowledge that "Work" does not include, and that Monitor is not providing, legal advice or services to UTA, the USAO, or any other person, organization, or entity pursuant to the Scope of Services or Contract. The parties acknowledge that no attorney-client relationship exists between Monitor and UTA, the USAO, or any other person, organization, or entity, and further that communications between the Monitor and UTA and/or the USAO are not subject to the attorney-client privilege.

ARTICLE 2.0

Description of Services

- 2.1 Monitor shall perform all Work as set forth in the Scope of Services. Except for items (if any) which this Contract specifically states will be UTA-provided, Monitor shall furnish all the labor, material and incidentals necessary for the Work.
- 2.2 Monitor shall perform all Work under this Contract in a professional manner, using at least that standard of care, skill and judgment which can reasonably be expected from similarly situated professionals.
- 2.3 Monitor shall perform all Work in compliance with applicable laws, regulations, rules and ordinances.
- 2.4 By executing this Contract, Monitor represents, warrants and certifies that it is not aware of any business interest, engagement, relationship or other circumstances (on the part of Monitor or any of its employees or subcontractors) which would give rise to the appearance of a conflict of interest with respect to the Scope of Services provided under this Contract. To the extent Monitor subsequently becomes aware of any such business interest, engagement, relationship or other circumstances, Monitor shall immediately bring such matters to the attention of UTA and USAO in detail sufficient for UTA and/or USAO to make an assessment of the appropriate mitigation strategy, including (if deemed necessary) termination of the Contract.

ARTICLE 3.0
Day-to-Day Management of the Work

- 3.1 Monitor's Project Manager will be the day-to-day contact person for Monitor and will be responsible for all Work, as well as the coordination of such Work with UTA.
- 3.2 UTA's Project Manager will be the day-to-day contact person for UTA, and shall act as the liaison between UTA and Monitor with respect to the Work. UTA's Project Manager shall also coordinate any design reviews, approvals or other direction required from UTA with respect to the Work.

ARTICLE 4.0
Progress of the Work

- 4.1 Monitor shall prosecute the Work in a diligent and continuous manner and in accordance with the timeframes and deadlines set forth in the Scope of Services.
- 4.2 Monitor shall conduct regular meetings to update UTA's Project Manager regarding the progress of the Work including, but not limited to, any unusual conditions or critical path schedule items that could affect or delay the Work. Such meetings shall be held at intervals mutually agreed to between the parties.
- 4.3 Monitor shall provide all Contract submittals and other deliverables as specified in the Scope of Services, and any other timetables from time-to-time developed and agreed to by Monitor, UTA and USAO in accordance with the Scope of Services.

ARTICLE 5.0
Period of Performance

- 5.1 This Contract shall commence as of the Effective Date. Subject to the provisions for termination set forth in Section 13, this Contract shall remain in full force and effect for an initial three-year period. The rights and obligations of UTA and Monitor under this Contract shall at all times be subject to and conditioned upon the provisions of this Contract.

ARTICLE 6.0
Consideration

- 6.1 For the performance of the Work, UTA shall pay Monitor in accordance with the hourly rates, overhead rates set forth in Exhibit B, subject to annual escalation in accordance with Monitor's standard billing policies. Payments shall be made on a monthly basis, in arrears, for work actually performed by Monitor during the preceding month.
- 6.2 UTA shall reimburse Monitor for actual, reasonable and necessary costs incurred in the performance of the Scope of Services. Reimbursement shall be made at cost. Invoices that contain reimbursable costs shall include reasonable documentation substantiating the costs for which Monitor seeks reimbursement.

- 6.3 The fees and reimbursable costs payable to Monitor with respect to any task or year shall be subject to not-to-exceed amounts to be negotiated in accordance with Exhibit A (the "Not-to-Exceed Amounts"). Unless approved by UTA and USAO, UTA shall not be obligated to make payments which would cause the total compensation paid to Monitor to exceed the applicable Not-to-Exceed Amount. For the initial phase of the Work – i.e., work performed from contract execution to finalized work plan as indicated in the estimated budget, attached hereto as Exhibit B - UTA and Monitor have agreed upon a Not-to-Exceed Amount of \$55,950.
- 6.4 UTA may withhold and/or offset from payment any amounts reasonably reflecting: (i) items of Work that have been rejected by UTA, following approval by USAO, in accordance with this Contract; or (ii) invoiced items that are not payable under this Contract.

ARTICLE 7.0

Contract Changes

- 7.1 UTA and USAO may direct the Monitor to make changes to the agreed work plans established pursuant to the Scope of Services, including requesting additional services within the general scope of this Contract. To the extent that such changes actually and demonstrably impact Monitor's schedule or cost of performing the Work, an equitable adjustment to the Contract shall be made.

ARTICLE 8.0

Invoicing Procedures and Records

- 8.1 Monitor shall submit invoices to UTA's Project Manager for processing and payment in accordance with Exhibit B. Invoices shall be provided in the form specified by UTA. Reasonable supporting documentation demonstrating Monitor's entitlement to the requested payment must be submitted with each invoice. UTA shall have the right to disapprove (and withhold from payment) specific line items of each invoice to address Work that does not conform to the requirements of the Contract. Approval by UTA shall not be unreasonably withheld. Payment for all invoice amounts not specifically disapproved by UTA shall be provided to Monitor within thirty (30) calendar days of invoice submittal.

ARTICLE 9.0

Reserved

ARTICLE 10.0

Subcontracts

- 10.1 Monitor shall give advance written notification to UTA of any proposed subcontract (not indicated in Monitor's Proposal) negotiated with respect to the Work. UTA and USAO shall have the right to approve all subcontractors, such approval not to be withheld unreasonably.

- 10.2 No subsequent change, removal or substitution shall be made with respect to any such subcontractor without the prior written approval of UTA and USAO.
- 10.3 Monitor shall be responsible for and direct all Work performed by subcontractors. UTA shall be responsible for payment of all subcontractor invoices, which Monitor shall provide on a monthly basis.
- 10.4 Monitor agrees that no subcontracts shall provide for payment on a cost-plus-percentage-of-cost basis. Monitor further agrees that all subcontracts shall comply with all applicable laws.

ARTICLE 11.0

Key Personnel

- 11.1 Monitor shall provide the key personnel as indicated in Monitor's Proposal (or other applicable provisions of this Contract), and shall not change any of said key personnel without the express written consent of UTA and USAO.

ARTICLE 12.0

Reserved

ARTICLE 13.0

Termination for Convenience; Termination for Cause and Default Remedies

- 13.1 Subject to the concurrence of USAO, UTA shall have the right to terminate this Contract at any time by providing written notice to Monitor. Monitor shall have the right to terminate this Contract at any time by providing written notice to UTA. If this Contract is terminated pursuant to this Section 13.1, UTA shall pay Monitor its costs and a reasonable profit on work performed up to the effective date of the termination notice, plus costs reasonably and necessarily incurred by Monitor to effect such termination. UTA shall not be responsible for anticipated profits based on Work not performed as of the effective date of termination. Monitor shall promptly submit a termination claim to UTA. If Monitor has any property in its possession belonging to UTA, Monitor will account for the same, and dispose of it in the manner UTA directs.
- 13.2 If Monitor materially fails to perform any of its obligations under this Contract, and such failure is not cured or a cure initiated to the satisfaction of UTA within ten (10) days after receipt of written notice from UTA, UTA may, at its discretion and following approval by USAO:
 - A. Terminate this Contract (in whole or in part) for default and complete the Work using other contractors or UTA's own forces, in which event Monitor shall be liable for all incremental costs so incurred by UTA; and/or
 - B. Pursue other remedies available under this Contract (regardless of whether the termination remedy is invoked).

Upon receipt of a termination notice as provided above, Monitor shall (i) immediately discontinue all Work affected (unless the notice directs otherwise); (ii) deliver to UTA all data, drawings and other deliverables, whether completed or in process; and (iii) if Monitor has any property in its possession belonging to UTA, account for the same, and dispose of it in the manner UTA directs. Monitor shall remit a final invoice for all services performed and expenses incurred in full accordance with the terms and conditions of this Contract up to the effective date of termination. UTA shall calculate termination damages payable under this Contract, shall offset such damages against Monitor's final invoice, and shall invoice Monitor for any additional amounts payable by Monitor (to the extent termination damages exceed the invoice). All rights and remedies provided in this Article are cumulative and not exclusive, conditioned upon approval of USAO.

- 13.3 If UTA terminates this Contract for any reason, Monitor shall remain available, for a period not exceeding 90 days, to UTA to respond to any questions or concerns that UTA may have regarding the Work completed by Monitor prior to termination.

ARTICLE 14.0

Information, Records, and Reports; Audit Rights

- 14.1 Monitor shall retain all books, papers, documents, accounting records and other evidence to support all invoices that Monitor submits under the Contract (or any other provision of this Contract). Such records shall include, without limitation, time sheets and other cost documentation related to the performance of labor services, as well as subcontracts, purchase orders, other contract documents, invoices, receipts or other documentation supporting non-labor costs. Monitor shall also retain other books and records related to the performance, quality or management of this Contract and/or Monitor's compliance with this Contract. Records shall be retained by Monitor for a period of at least six (6) years after completion of the Work, or until any audit initiated within that six-year period has been completed (whichever is later). During this six-year period, such records shall be made available at all reasonable times for audit and inspection by UTA and other authorized auditing parties including, but not limited to, the Federal Transit Administration. Copies of requested records shall be furnished to UTA or designated audit parties upon request. Monitor agrees that it shall flow-down (as a matter of written contract) these records requirements to all subcontractors utilized in the performance of the Work at any tier.

ARTICLE 15.0

Findings Confidential

- 15.1 Any documents, reports, information, or other data and materials available or provided to or obtained, prepared or assembled by Monitor or subcontractors under this Contract (collectively "Materials") are considered confidential. Except with respect to USAO or other parties specifically indicated in Exhibit A, Materials shall not be

made available to any person, organization, or entity by Monitor without consent in writing from UTA unless otherwise required by law.

15.2 It is hereby agreed that the following information is not considered to be confidential:

- A. Information already in the public domain;
- B. Information disclosed to Monitor by a third party who is not under a confidentiality obligation;
- C. Information developed by or in the custody of Monitor before entering into this Contract;
- D. Information developed by Monitor through its work with other clients; and
- E. Information required to be disclosed by law or regulation including, but not limited to, subpoena, court order or administrative order.

ARTICLE 16.0

Reserved

ARTICLE 17.0

Reserved

ARTICLE 18.0

Independent Contractor

18.1 Monitor is an independent contractor and agrees that its personnel will not represent themselves as, nor claim to be, an officer or employee of UTA by reason of this Contract. Monitor is responsible to provide and pay the cost of all its employees' benefits.

ARTICLE 19.0

Prohibited Interest

19.1 No member, officer, agent, or employee of UTA during his or her tenure or for one year thereafter shall have any interest, direct or indirect, including prospective employment by Monitor in this Contract or the proceeds thereof without specific written authorization by UTA.

19.2 No member, officer, agent, or employee of Monitor during his or her tenure or for one year thereafter shall have any interest, direct or indirect, including prospective employment with UTA or beneficial interests in UTA contracts or the proceeds thereof without specific written authorization by UTA.

ARTICLE 20.0

Dispute Resolution

20.1 The parties shall attempt to resolve all claims, counterclaims and other disputes arising under the Scope of Services or Contract through informal discussions between UTA,

the Monitor and USAO. Each of these entities shall have an internal escalation process to encourage informal resolution. If the dispute cannot be resolved informally, the parties agree to resolve such claims, counterclaims and other disputes by binding arbitration before a single arbitrator at JAMS in accordance with JAMS rules, with the arbitration to take place in Salt Lake City before a JAMS arbitrator.

- 20.2 EACH PARTY ACKNOWLEDGES THAT THIS AGREEMENT TO ARBITRATE RESULTS IN A WAIVER OF ITS RIGHT TO A COURT OR JURY TRIAL, INCLUDING THAT EACH PARTY IS GIVING UP ITS RIGHT TO APPEAL AND THAT ITS RIGHTS TO DISCOVERY WILL BE LIMITED TO THOSE AVAILABLE UNDER THE JAMS RULES. EACH PARTY ACKNOWLEDGES THAT, BEFORE SIGNING THIS AGREEMENT AND AGREEING TO BINDING ARBITRATION, IT IS ENTITLED, AND HAS BEEN GIVEN A REASONABLE OPPORTUNITY, TO SEEK THE ADVICE OF INDEPENDENT COUNSEL.

ARTICLE 21

Successors and Assignees

- 21.1 Monitor shall not assign, sublet, sell, transfer, or otherwise dispose of any interest in this Contract without prior written approval of UTA, and any attempted transfer in violation of this restriction shall be void.

ARTICLE 22.0

Nonwaiver

- 22.1 No failure or waiver or successive failures or waivers on the part of either party in the enforcement of any condition, covenant, or article of this Contract shall operate as a discharge of any such condition, covenant, or article nor render the same invalid, nor impair the right of either party to enforce the same in the event of any subsequent breaches by the other party.

ARTICLE 23.0

Notices or Demands

- 23.1 Any formal notice or demand to be given by one party to the other shall be given in writing by one of the following methods: (i) hand delivered; (ii) deposited in the mail, properly stamped with the required postage; (iii) sent via registered or certified mail; or (iv) sent via recognized overnight courier service. All such notices shall be addressed as follows:

If to UTA:

Utah Transit Authority
ATTN: Jolene Higgins
669 West 200 South
Salt Lake City, UT 84101

with a required copy to:

Utah Transit Authority
ATTN: General Counsel
669 West 200 South
Salt Lake City, UT 84101

If to Monitor:

Coblentz Patch Duffy & Bass
ATTN: Rees Morgan
One Montgomery Street, Suite 3000
San Francisco, CA 94104

- 23.2 Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice. Either party may change the address at which such party desires to receive written notice by providing written notice of such change to any other party.
- 23.3 Notwithstanding Section 23.1, the parties may, through mutual agreement, develop alternative communication protocols to address change notices, requests for information and similar categories of communications. Communications provided pursuant to such agreed means shall be recognized as valid notices under this Contract

ARTICLE 24.0

Contract Administrator

- 24.1 UTA's Contract Administrator for this Contract is Jolene Higgins, or designee. All questions and correspondence relating to the contractual aspects of this Contract should be directed to said Contract Administrator, or designee.

ARTICLE 25.0

Limitation of Liability

- 25.1 NOTWITHSTANDING ANYTHING PROVIDED HEREIN TO THE CONTRARY, NEITHER PARTY WILL HAVE ANY LIABILITY UNDER THIS AGREEMENT FOR ANY LOST PROFIT OR REVENUE OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES. FOR CLARITY, THE SOLE AND EXCLUSIVE REMEDY FOR UTA

SHOULD IT BELIEVE, WITH THE CONCURRENCE OF THE USAO, THAT MONITOR'S WORK FAILS TO CONFORM TO THE CONTRACT OR IS IN ANY OTHER WAY UNSATISFACTORY IS UTA'S RIGHT TO TERMINATE PURSUANT TO ARTICLE 13 HEREIN.

ARTICLE 26.0
General Provisions

- 26.1 Neither this Contract nor any interest herein may be assigned, in whole or in part, by either party hereto without the prior written consent of the other party, except that without securing such prior consent, either party shall have the right to assign this Contract to any successor or to such party by way of merger or consolidation or acquisition of substantially all of the entire business and assets of such party relating to the subject matter of this Contract, provided that such successor shall expressly assume all of the obligations and liabilities of such party under this Contract, and provided further, that such party shall remain liable and responsible to the other party hereto for the performance and observance of all such obligations.
- 26.2 This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of Utah. Any litigation between the parties arising out of or relating to this Contract will be conducted exclusively in federal or state courts in the State of Utah and Monitor consents to the jurisdiction of such courts.
- 26.3 The headings of the articles, clauses, and sections of this Contract are inserted for reference purposes only and are not restrictive as to content.
- 26.4 The parties enter in to this Contract for the sole benefit of the parties, USAO and the United States Department of Transportation's Office of Inspector General, to the exclusion of any other third party. No other third party beneficiary is intended or created by the execution of this Contract.
- 26.5 Any provision of this Contract prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Contract.
- 26.6 This Contract (including incorporated documents) shall constitute the entire agreement and understanding of the parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. This Contract shall be construed and interpreted in accordance with the requirements of the April 4, 2017 Non-Prosecution Agreement entered into by and between UTA and USAO.
- 26.7 Any amendment to this Contract must be in writing and executed by the authorized representatives of each party.
- 26.8 This Contract may be executed in any number of counterparts and by each of the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Any signature page of this Contract may be detached from any counterpart and reattached to any other counterpart hereof. The electronic transmission of a signed

original of this Contract or any counterpart hereof and the retransmission of any signed facsimile transmission hereof shall be the same as delivery of an original.

- 26.9 Provisions of this Contract intended by their nature and content to survive termination of this Contract shall so survive including, but not limited to, Articles 13, 14, 15, 16, 19, 20 and 25.
- 26.10 Each party has had the opportunity to consult legal counsel of its own choosing in negotiating and executing the Contract.

ARTICLE 27.0
Incorporated Documents


- 27.1 UTA's RFP 17-2325JH and Monitor's Proposal are hereby incorporated into and made a part of this Contract, except to the extent that such documents were changed or altered by subsequent negotiations as indicated by the terms of this Contract, including Exhibits A and B.

IN WITNESS WHEREOF, the parties have made and executed this Contract as of the day and year first above written.

UTAH TRANSIT AUTHORITY

By 
Steve Meyer, Interim Executive Director

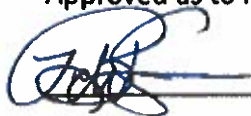
COBLENTZ PATCH DUFFY & BASS

By 
NAME, TITLE

By 
Robert Biles, Vice President of Finance

Fed ID# _____
UTA Project Code _____

Approved as to Form



UTA Legal Counsel

EXHIBIT A

Overview of Scope of Work

On April 4, 2017 UTA executed a Non-Prosecution Agreement ("NPA") with the United States Attorney's Office for the District of Utah ("USAO"). Pursuant to the NPA, USAO conditionally agreed not to bring any criminal actions against UTA related to past conduct identified in USAO's ongoing investigation.

However, USAO identified four issues of concern (the "Core Issues") with respect to UTA: (a) inadequate controls over federal funds and drawdowns from federal grants; (b) improper handling and disclosure of property acquisition and disposition, including inadequate oversight of transit-oriented development projects; (c) non-compliance with ethical standards, resulting in benefits to UTA and employees and members of UTA's Board of Trustees; and (d) improper approval of executive bonuses. A copy of the NPA is attached as Appendix 1 to this RFP.

In October 2016, UTA provided USAO with a summary of institutional controls and organizational reforms (collectively the "Reforms") that have been adopted by UTA since the commencement of USAO's investigation. The Reforms are described in Attachment A to the NPA. USAO acknowledged the Reforms in the NPA. As a condition to the USAO's non-prosecution covenant, UTA has agreed to retain an independent third-party monitor to: (i) verify continued compliance with the Reforms; and (ii) recommend additional reforms necessary to address the Core Issues.

The full details for the Work to be performed by the Monitor will be developed in consultation with UTA and the USAO, and ultimately determined by USAO. USAO will also have the right to direct the Monitor to perform other duties within the general scope of the Contract. Payments to the Monitor will be subject to the not-to-exceed task order and annual budgets to be established in consultation with UTA and the USAO.

UTA will furnish the Monitor with conference rooms or other temporary office space and facilities to be used while the Monitor is conducting reviews on site. UTA will provide information and coordination in full accordance with the NPA. The Monitor will be responsible for all other labor, management, supervision, tools and equipment necessary to perform the Work.

The ability to provide independent and objective Work is of critical importance. The Monitor must identify any engagements, relationships or other circumstances which may give the appearance of a conflict of interest with respect to those services. The Monitor must take proactive steps to avoid any appearance of potential conflicts of interest. The Monitor (and its employees, subcontractors and agents involved in this engagement) will also be prohibited from holding or participating in UTA contracts during this engagement and for a period of one year following the completion of this engagement. USAO is intended to be a third party beneficiary with respect to the Contract.

USAO shall have the right to communicate directly with the Monitor regarding the Contract. The requirements of the NPA (as applicable to the Monitor) are incorporated into the Contract by reference as if fully restated herein. This description of the Work is intended to conform to the requirements of Attachment B of the NPA and the Contract will be construed so as to be consistent with the requirements of Attachment B of the NPA (including UTA's obligations to coordinate and cooperate with the Monitor)

If the Monitor, during the performance of Work under the Contract, identifies a potential violation of criminal law or any Federal regulation, the Monitor will have a specific duty to report the potential violation to UTA, USAO and the United States Department of Transportation Inspector General. Except as provided above, the Monitor shall maintain as confidential all non-public information, documents and records it receives from UTA and shall cause any subcontractors to do the same.

KICKOFF MEETING

As soon as practicable, the Monitor, UTA and USAO will schedule an initial kickoff meeting. The purpose of the kickoff meeting will be to discuss the proposed Work plan, staffing requirements and budget for compliance reviews to be performed by the Monitor and the corresponding reports that the Monitor will provide to USAO and UTA. It is currently anticipated that the Work plan will involve: (a) the inspection of documents, including current UTA policies and procedures; (b) on-site observations at various locations; (c) meetings with UTA employees and officers as reasonably requested by the Monitor; (d) analyses, studies and testing of UTA's programs; (e) attendance at UTA meetings.

At the kickoff meeting, the Monitor will present its proposed methodology for conducting the reviews and preparing the reports required under the Contract. This presentation will include a detailed description of the proposed Work plan that will identify the specific steps that are required to conduct a compliance review and further identify the information and resources required from UTA to conduct the review. USAO will identify its expectations and minimum requirements for the reviews and resulting reports. UTA will identify any legal, logistical, contract or other concerns that it may have with the approach proposed by the Monitor.

Within thirty (30) days after the kickoff meeting, the Monitor will propose a comprehensive written Work plan for performing the initial review and writing the initial report. The written Work plan will address the expectations and minimum requirements communicated by USAO at the kickoff meeting. The written Work plan shall also include a proposed staffing plan and not-to-exceed budget for all Work to be performed in conjunction with the initial review.

The Work plan will be subject to review and concurrence by UTA and USAO. The Monitor will promptly revise the Work plan to address comments received from UTA and USAO. Any conflicts among the parties regarding the Work plan shall be resolved by USAO. A final agreed Work plan shall be established prior to the Monitor commencing the initial review.

INITIAL REVIEW AND REPORT

The Monitor shall commence the initial review within 120 days of the effective date of the Contract. The initial review shall be conducted in accordance with the approved Work plan. Within 120 days of completing the initial review, the Monitor shall issue a written report to UTA and USAO. The written report shall set forth the Monitor's assessment of NPA compliance and shall make recommendations that advance the goals and objectives of the NPA. Unless otherwise agreed by the parties, the Monitor shall not invoice any sums that exceed the approved budget for the initial review.

SEMI-ANNUAL REVIEWS AND REPORTS

The Monitor shall conduct follow-up reviews on a semi-annual basis, beginning six-months after completion of the initial report. Within 120 days after the conclusion of each follow-up review, the

Monitor shall issue a written report setting forth the Monitor's updated assessment of NPA compliance, including any recommendations to advance the goals and objectives of the NPA. The scope and budget for the follow-up reviews shall be consistent with those established for the initial review. However, the Monitor, UTA and USAO shall meet at least annually to discuss necessary changes to the Work plan. Semi-annual reviews shall be conducted in accordance with any changes so made to the Work plans. At each annual meeting, the Monitor shall also propose, for the review and concurrence of UTA and USAO, an annual budget reflecting the reviews to be conducted and reports to be issued during the upcoming year. Unless otherwise agreed by the parties, the Monitor shall not invoice any sums that exceed the approved annual budget. Any conflicts among the parties regarding semi-annual reviews and reports shall be resolved by USAO.

FINAL REPORT

At the conclusion of the monitoring period, the Monitor shall prepare a final written report for public release. The final written report shall set forth the Monitor's assessment of NPA compliance and whether the goals and objectives of the NPA have been met. The Monitor and UTA shall Work together to ensure that the public final written report sufficiently protects any of UTA's proprietary and business confidential information and does not otherwise compromise UTA's business interests or competitive business information. The Monitor shall take appropriate steps to protect the confidentiality of individuals, if any, mentioned in the final written report. Any disagreements regarding the content of the final version of the publicly available report will be determined by USAO. However, UTA shall also have the option to file its own final public written report simultaneously with the Monitor's final public written report.

COORDINATION OF RECOMMENDATIONS

Under the terms of the NPA, UTA is required to adopt and implement recommendations made by the Monitor pursuant to the Contract, unless such recommendations are inconsistent with applicable laws or otherwise inadvisable and/or unreasonable. The Monitor will establish an informal process for discussing such concerns that is consistent with the terms, conditions, coordination and dispute resolution processes set forth in the NPA.

EXHIBIT B

Monitor's Hourly Rates

<u>Name</u>	<u>Position</u>	<u>Hourly Rate</u>
Morgan, Rees	Partner	\$605
Crudo, Timothy	Partner	\$815
Coyle, Sean	Special Counsel	\$500
Associate	Associate	\$415
Pryor, Mary	Audit Consultant	\$220
Spender, Tina	Audit Consultant	\$220

Monitor charges for travel time. Monitor's hourly rates are adjusted annually, and Monitor is authorized to charge at the new rates after their effective date. Although Rees Morgan will be your principal contact, you are engaging Monitor generally, and not a particular person at Monitor, to assist you in this matter. As necessary or appropriate, Monitor may assign work to other members of the firm. All assignments will be consistent with staffing plans and budgets that are mutually agreed to under the terms of the Contract.

Monitor's Costs

Monitor's reimbursable costs pursuant to Section 6.2 include long-distance telephone calls, messenger and other delivery fees, photocopying, telecopying, filing fees, mileage, parking, travel expenses, computerized research, clerical staff overtime, investigation expenses, the fees and costs billed to Monitor by third-party consultants, investigators, experts, or service providers, and other out-of-pocket costs. Monitor may forward to UTA expense bills from third parties for direct payment. Billing for expenses may lag depending, for example, on how fast vendors bill Monitor for their services.

Monthly Billing

Monitor's invoices generally are prepared monthly. They describe the services performed and the time spent by each professional on the case, as well as any out-of-pocket expenses incurred on UTA's behalf. If UTA require a different form of invoice, we will try to develop a billing format that suits the requirements you express. Monitor strongly encourages UTA to raise promptly any questions or comments regarding any invoice.

In addition to fee billings, UTA agrees to reimburse Monitor within 30 days after invoice actual costs and expenses incurred in connection with Monitor's Work, including, but not limited to, the following: long distance telephone calls, messenger and other delivery fees, photocopying, telecopying, filing fees, mileage, parking, travel expenses, computerized legal research, clerical

staff overtime, investigation expenses, the fees and costs billed to us by third party consultants, investigators, experts, or service providers, and other out-of-pocket costs.

Monitor's professionals bill in minimum units of 1/10 of an hour. Monitor adjusts its hourly rates periodically to take into account increased costs of doing business and the increased experience of our professional staff, and those new rates will be reflected in our monthly invoices to UTA. Unless specifically requested to do so, Monitor does not provide specific written notice of billing rate changes. By this agreement, UTA authorizes us to charge UTA at the new rates after their effective date for Monitor's Work. UTA acknowledges that, except as provided in the Contract (and any fixed budget mutually agreed to in accordance with the Contract), Monitor has made no promise, representation or agreement limiting the total amount of fees to be incurred by UTA under this engagement letter. Monitor's fees are not set by law and are negotiable.

If UTA disagrees with an invoice or has questions about a bill, please contact Monitor immediately so Monitor can investigate any issues. A statement of account will be forwarded to UTA by Monitor's Accounting Department each month if UTA has any outstanding invoices.

Delinquent Accounts

Monitor strives to render timely services, and, in return, Monitor expects prompt payment. Payment is due upon receipt of our invoice, and delinquent after 45 days. UTA authorizes Monitor to add a late payment charge at the rate of one percent (1%) per month to account balances outstanding for more than 45 days. Failure to pay invoices promptly upon receipt may result in suspension or termination of Monitor's services for UTA.

Monitor's Records Retention Policy

During the Work, documents of many kinds may accumulate in Monitor's files. The following are considered "client records" and are normally returned to the client at the conclusion of a matter, or earlier if requested by the client:

- Corporate minute book, stock book, and seal; negotiable instruments, such as original promissory notes and stock certificates
- Other originally signed documents (contracts, leases, settlement agreements, etc.), unless the client was already furnished an originally signed copy; original reports and maps generated by third party consultants that were furnished to the firm by the client or were provided by consultants retained by the firm on behalf of the client (this category does not include ordinary correspondence, financial statements and the like)
- Documents produced by the client or other parties in litigation
- Original deposition transcripts (paper copies).

Other materials, such as litigation pleadings, external electronic and paper correspondence, drafts, attorney memoranda and legal research, electronic documents and digital media will be retained by Monitor for five years after the termination of the particular matter. However, if UTA requests them, Monitor will deliver these materials at UTA's expense, subject to Monitor's right to retain its own internal work product as permitted by applicable law. If UTA does not

request the return of these additional materials within five years following the termination of a particular matter, such materials may be destroyed by Monitor without further notice to UTA.

Coblentz Patch Duffy Bass LLP Response to UTA RFP
Revised Budget: July 2018

**UTA Monitorship
Pricing Proposal**

<u>Phase</u>	<u>Proposed Fee</u>	<u>Proposed Fee</u>	<u>Phase Assumptions</u>	<u>Anticipated Timeline</u>
Contract Execution to Finalized Work Plan	\$55,950	\$18,150 \$12,450 \$15,000 \$8,150 \$2,200	Monitor: 30 hours at \$605/hr Associate: 30 hours at \$415/hr Special Counsel: 30 hours at \$500/hr Senior Partner: 10 hours at \$815/hr Grant Compliance Consultants: 10 hours at \$220/hr	
The Monitor's Initial Review and Report	\$170,125			Within roughly six (6) months of contract execution
Review and Analysis of the Reforms and Related Documentation		\$9,075 \$24,900 \$10,000 \$4,075 \$8,800	Monitor: 15 hours at \$605/hr Associate: 60 hours at \$415/hr Special Counsel: 20 hours at \$500/hr Senior Partner: 5 hours at \$815/hr Grant Compliance Consultants: 40 hours at \$220/hr	
Meetings with Key UTA and USAO Personne		\$30,250 \$8,300 \$15,000 \$4,075 \$2,200	Monitor: 50 hours at \$605/hr Associate: 20 hours at \$415/hr Special Counsel: 30 hours at \$500/hr Senior Partner: 5 hours at \$815/hr Grant Compliance Consultants: 10 hours at \$220/hr	
Initial Assessment of Reform Effectiveness and Preparation of Initial Report		\$12,100 \$16,600 \$10,000 \$8,150 \$6,600	Monitor: 20 hours at \$605/hr Associate: 40 hours at \$415/hr Special Counsel: 20 hours at \$500/hr Senior Partner: 10 hours at \$815/hr Grant Compliance Consultants: 30 hours at \$220/hr	
The Monitor's Follow-Up Interim Reports – "Semi-Annual" Reports	\$214,775	\$72,600 \$49,800 \$50,000 \$20,375 \$22,000	Monitor: 120 hours at \$605/hr Associate: 120 hours at \$415/hr Special Counsel: 100 hours at \$500/hr Senior Partner: 25 hours at \$815/hr Grant Compliance Consultants: 100 hours at \$220/hr	Semi Annual, Starting six (6) months after initial report (estimate four (4) reports)
The Monitor's Final Report	\$134,950	\$36,300 \$33,200 \$30,000 \$24,450 \$11,000	Monitor: 60 hours at \$605/hr Associate: 80 hours at \$415/hr Special Counsel: 60 hours at \$500/hr Senior Partner: 30 hours at \$815/hr Grant Compliance Consultants: 50 hours at \$220/hr	Roughly thirty six (36) months from selection of Monitor
Total	\$575,800			
Additional Details: We estimate roughly \$18,000 in total travel expenses over the course of the Monitorship				

<u>2018 Hourly Rates</u>		
<u>Name</u>	<u>2018 Hourly Rate</u>	<u>Position</u>
Rees F. Morgan	\$605	Partner, Coblentz Patch Duffy & Bass LLP
Timothy P. Crudo	\$815	Partner, Coblentz Patch Duffy & Bass LLP
Sean P. J. Coyle	\$500	Special Counsel, Coblentz Patch Duffy & Bass LLP
Associate	\$415	Associate, Coblentz Patch Duffy & Bass LLP
Erica H. Weber	\$540	Partner, Coblentz Patch Duffy & Bass LLP
Stephen T. Lancot	\$695	Partner, Coblentz Patch Duffy & Bass LLP
Mary Pryor	\$220	Partner, NWC Partners
Tina Spencer	\$220	Partner, NWC Partners
Michael Malloy	\$220	Senior Managing Director, FTI Consulting

Coblentz Patch Duffy Bass LLP Response to UTA RFP
Revised: July 2018

**UTA Monitorship
Staffing Proposal**

<u>Phase</u>	<u>Phase Assumptions</u>	Monitor	Associate	Special Counsel	Senior Partner	Grant Compliance Consultant
Contract Execution to Finalized Work Plan The Monitor's Initial Review and Report		30	30	30	10	10
Review and Analysis of the Reforms and Related Documentation	Without knowing the volume of this documentation, it is difficult to estimate the cost associated with reviewing and analyzing the Reform materials. To contain costs, the Monitor will utilize an associate to perform the preliminary review. This is early estimate, assuming the volume of documentation is not overly voluminous.	15	60	20	5	40
Meetings with Key UTA and USAO Personnel Initial Assessment of Reform Effectiveness and Preparation of Initial Report	In addition to one-on-one meetings, we plan to attend several UTA leadership governance meetings in the first 120 days of our monitorship.	50	20	30	5	10
The Monitor's Follow-Up Interim Reports - "Semi-Annual" Reports		20	40	20	10	30
The Monitor's Final Report		120	120	100	25	100
		60	80	60	30	50