

EXHIBIT B

Schedule of Fees and Costs

General

The Firm shall be paid a total amount not to exceed \$650,000 for those services performed pursuant to this Agreement, inclusive of all fees and reimbursable expenses, in accordance with the terms and conditions herein and with Exhibit A in particular. The Fee Schedule below states the rates and reimbursable expenses the Firm may charge the City for the services:

Fee Schedule

\$485.00 per hour for attorney James F. Hermon ("Principal Counsel")

\$400.00 per hour for attorney Brett Gelbord

\$360.00 per hour for senior associate attorneys

\$300.00 per hour for junior associate attorneys

\$235.00 per hour for paralegals

Reimbursable Expenses

Normal and customary expenses necessary to perform the services are eligible for reimbursement, including charges for out-of-subscription searches and materials approved in advance. Charges for monthly subscription of computerized legal research are not a normal and customary expense and are not eligible for reimbursement.

Billing Instructions

Failure to follow these policies may result in non-payment for part or all of the fees associated with work that does not comport with these policies. The City will not pay for work outside the scope of work and assignments approved by the Managing Attorney.

All invoices must be submitted with a remittance page. If your firm has a change of address, you must notify the Managing Attorney immediately and update your registration. If the Principal Counsel move(s) to a different firm, you must indicate in writing: the Principal Counsel's final date with the firm, submit a final invoice from the firm, and indicate the Principal Counsel's start date with the new firm. The continuation of this engagement and whether the matter will move to the Principal Counsel's new firm must be approved in writing by the City Attorney.

A. Billing Requirements

1. Itemized bills must be submitted on Firm letterhead on a monthly basis.
2. Itemized bills must include a remittance page.
3. The Firm shall bill time in 1/10th of an hour increments.
4. The negotiated hourly rates on the attached Rate Schedule include all overhead and internal charges associated with your Firm's practice. The City expects that work for the City will be done at a substantial discount from the Firm's general billing rates. The City will not separately pay for overhead or law firm costs associated with services of assistants, secretaries, word processors, librarians, investigators, or other support staff.
5. The City will not pay for time spent preparing, discussing, or correcting a billing statement.
6. The City will not pay for opening routine correspondence which does not require a response or impact the merits of the case.
7. The City expects inefficiently spent time to be shown on the bill and written off in the sound exercise of billing judgment.
8. Any attorney work product for which the City is billed, e.g. legal research memoranda, shall be provided to the City, either electronically or as a paper copy at the time it is completed.
9. If the Firm requests attorney fees in a contested motion and fees are awarded, the draft should be made payable to the City of Ann Arbor, or the amount of the award must be specifically credited on the next billing statement.
10. A copy of all invoices, bills, and receipts for expenses shall be attached to the monthly bill.
11. Expenses over and above the limits set forth herein shall be borne solely by the Firm and shall not be reimbursed under this Agreement.

B. Billing Statement Requirements

All billing statements must contain the following information:

1. IRS taxpayer identification number for the firm or attorney.
2. Style of case or matter description.
3. A remittance page with the monthly statement.
4. Dates of service and a detailed description of service. Vague descriptions, such as "review," "update," "attention to file," "research," and "trial preparation," without more specifics are not acceptable.
5. Name, classification (e.g. "partner," "principal," "associate," "legal assistant") billing rate for the person doing the task, and specific time for service to tenth of an hour.
6. Detailed listing of all expenses with supporting documentation for all third party and travel expenses.

C. Consultations

1. The City will not pay for inefficient conferences among outside attorneys or support staff. The City expects the matter be leanly staffed.
2. The City will not pay for time involved educating an attorney on a particular matter when it has previously been handled by another attorney in the Firm.

D. Court Proceedings Attendance

1. Attendance of more than one attorney at depositions or court proceedings, including trials, is not reimbursable without prior approval by the Managing Attorney. Generally, one attorney is expected to handle matters.
2. Time involved for clerks, junior associates, or paralegals to accompany counsel to depositions, hearings, or trials for training purposes is not reimbursable.

E. Outside Consultants—Approval Required

The Firm must evaluate the need to engage experts, investigators, visual aid companies, or other outside consultants on a case by case basis and must obtain approval of the Managing Attorney before retaining any such services.

F. Travel

The City **will not** pay:

1. For time spent traveling unless productive work is done during that time or a specific arrangement is agreed to in writing with the City Attorney in an amendment to this agreement.
2. For air travel expenses in excess of standard coach or economy fares. Counsel is expected to take advantage of special fares or discounts whenever possible and will check with the Managing Attorney for information on City vendor discounts.
3. For alcoholic beverages.
4. For charges from in room hotel bars.
5. For meals that exceed the then-applicable per diem amounts authorized for travel by City employees.

The City **will pay** for automobile mileage not to exceed the amount permitted as a business expense under the Internal Revenue Code.