

HANLEY & FLEISHMAN, LLP

LEGAL SERVICES AGREEMENT {Municipal Law; City Attorney Services}

This Agreement made between HANLEY & FLEISHMAN, LLP ("H&F") and THE CITY OF GUADALUPE, CALIFORNIA ("City"), sets forth the terms and conditions under which H&F agrees to provide certain legal services to City and is intended to meet and fulfill the requirement for a written fee contract under California law.

SCOPE OF SERVICES

LEGAL SERVICES. City retains H&F to advise, counsel, and represent it as its City Attorney and to provide routine legal advice, consultation, and opinions to the City Council and staff, to assist in the preparation and review of ordinances, agreements, contracts and related documents; to attend regular City Council meetings and other meetings as may be considered necessary; to maintain regularly scheduled office hours at City's offices or an agreed upon location, as arranged; to monitor existing and pending legislation and case law which may affect City; to monitor and from time to time report on litigation in which City is a party or otherwise interested; and subject to prior approval of City, to represent City in litigation and appeals in which the City is a party. These services shall be referred to generally as "Legal Services." As used herein "General Legal Services" mean (1) Attendance at all regularly scheduled City Council meetings; (2) Maintenance of regular weekly office hours if requested by City; (3) Review and/or preparation of ordinances, resolutions, orders, agreements, forms, notices, declarations, certificates, deeds, leases, and other documents required by the City; (4) Consultation with Councilmembers and City staff as needed, rendering of legal advice and opinions concerning legal matters that affect the City, including new legislation and court decisions, perform research and interpret laws, court decisions and other legal authorities in order to prepare legal opinions and to advise the Council and management staff on legal matters pertaining to City operations; (5) Legal work pertaining to property acquisition, property disposal, public improvements, public rights-of-way and easements, and matters relating to public utilities; (6) municipal code enforcement not involving appearance in court; (7) monitor outside litigation. As used herein, "Special Legal Services" shall mean attendance at commission or board meetings, attendance at special council meetings and such other Legal Services excluded from the definition of "General Legal Services" as may be requested from time to time by City. Special Legal Services shall also include Legal Services in which H&F appears on behalf of City in a court, administrative agency or other body arising out of an action or proceeding in which City is a party or real party in interest. Closed session or other meetings scheduled and taking place on the same day as regularly scheduled Council meetings or regularly scheduled office hours shall not constitute Special Legal Services.

ATTENDANCE AT MEETINGS. Unless excused by the Mayor, or a majority of the City Council sitting in a duly noticed public meeting, H&F shall attend all regular, adjourned regular, and special meetings of the City Council.

CITY ATTORNEY ASSIGNMENT

David M. Fleishman shall be assigned as City Attorney. Roy A. Hanley shall be assigned as Assistant City Attorney. Other outside counsel shall be used as necessary, with prior approval of City.

CITY DESIGNATED REPRESENTATIVE

City designates its City Administrator as its representative under this Agreement. The designated representative is authorized to review services and statements of H&F, and to authorize additional services.

RESPONSIBILITIES OF H&F AND CITY

RESPONSIBILITIES OF H&F. H&F will perform the Legal Services called for under this Agreement, keep City informed of progress and developments, and respond promptly to City's inquiries and communications.

RESPONSIBILITIES OF CITY. City will be truthful and cooperative with H&F, keep H&F informed of developments, and timely make any payments required by this Agreement.

LEGAL FEES AND BILLING PRACTICES

COMPENSATION. City agrees to pay H&F as and for attorneys' fees for General Legal Services, as defined *supra*, the sum of four thousand five hundred dollars (\$4,500.00) a month, payable in advance on or before the first day of each month. In consideration for this monthly compensation, H&F will provide up to 30 hours of billed attorney time. The minimum time charge for any particular activity will be one-tenth (1/10) of an hour, and time in excess of the minimum shall be rounded up to the nearest one-tenth (1/10) of an hour. City will compensate H&F for General Legal Services in addition to the 30 hours provided above, at the following rate: \$150 per hour.

SPECIAL LEGAL SERVICES. City will compensate H&F for Special Legal Services in addition to the services provided above, at the following rate: \$175 per hour for attorneys and \$85 per hour for paralegals.

CHARGEABLE TIME. H&F will account for all activities undertaken in providing Legal Services to City under this Agreement, including, but not limited to, telephone calls relating to City's matters, attendance at meetings, communications with the City Council and Staff, correspondence, review and drafting papers, and legal research.

COSTS. H&F will, in addition to its base fees, incur various costs and expenses in performing Legal Services under this Agreement. H&F agrees to absorb all internal copying and telephone charges. City agrees to pay all other costs and expenses. Costs and expenses commonly include investigation costs, notarial and certification expense, deposition and reporting expense, expert witness expenses and travel expenses (except that mileage to and from regularly scheduled City Council meetings and office hours shall be absorbed by H&F). All external costs and expenses will be charged at H&F's actual cost. Mileage for other than regularly scheduled City Council meetings and office hours shall be charged at the then-current Internal Revenue Service reimbursement rate. H&F will obtain City's prior consent before incurring any cost item in excess of two hundred fifty dollars (\$250.00). H&F is not obligated to pay or advance any costs or expenses, and may, at its sole option, (1) require City to advance payment for the cost item(s), (2) arrange to have the cost billed directly to City, or (3) advance the cost on behalf of City and seek reimbursement from City.

PERIODIC BILLING. H&F will send City periodic statements, not less frequently than monthly, indicating attorney fees and costs incurred, any amounts applied from deposits, any current balance owed, a reasonably detailed description of services performed, and any costs and expenses for which H&F is entitled to reimbursement. City agrees to pay the balance within fifteen (15) days of billing.

TERM, DISCHARGE & WITHDRAWAL

TERM AND TERMINATION. This Agreement may be terminated by either party with or without cause at any time upon 30 days' written notice to the other party. In the event of termination, City shall be responsible only for fees for services and costs incurred as of the effective date of the termination. This Agreement shall continue until termination or until modified by written Agreement of the parties.

OTHER PROVISIONS

INDEPENDENT CONTRACTOR. H&F acknowledges that it and/or its principals are independent contractors and not employees of the City.

ASSIGNMENT. This Agreement cannot be assigned by either party for any reason whatsoever without the consent in writing of the other party.

INSURANCE DISCLOSURE. H&F represents and discloses to City that it maintains professional liability insurance, including errors and omissions coverage, in excess of the

legally required limits. H&F further represents and discloses to City that it and/or its principals maintain automobile liability insurance on all vehicles used by H&F and/or its principals with minimum coverage of one hundred thousand dollars (\$100,000.00) per occurrence and three hundred thousand dollars (\$300,000.00) per policy term.

RESTRICTIONS ON FUTURE REPRESENTATION. In addition to the proscriptions regarding conflict of interest imposed on H&F by the Business and Professions Code and by the California Rules of Professional Conduct, particularly California Rule 3.310(d), H&F represents that no principal of H&F shall, after the termination of H&F's service or employment with City, appear before any board, commission, committee, or agency of City in relation to any case, proceeding, or application, or contract in which he participated during the period of his service or employment, or which was under his active consideration, for a period of six months from the date of termination of H&F's employment as City Attorney.

ARBITRATION. In case any disagreement, difference, or controversy shall arise between H&F and the City with respect to any matter in relation to or arising out of or under this Agreement, whether as to the construction or operation thereof, or the respective rights and liabilities of the City or otherwise, and the parties to the controversy cannot mutually agree as to the resolution thereof, then such disagreement, difference, or controversy shall be determined by arbitration under the commercial arbitration rules of the American Arbitration Association or upon such other rules as the parties may agree. The submission to arbitration in accordance with the requirements of this section of any and all agreements, differences, or controversies that may arise hereunder is made a condition precedent to the institution of any action or appeal at law or in equity with respect to the controversy involved. The award by the arbitrators shall have the same force and effect and may be filed and entered, as a judgment of the Superior Court of the State of California and shall be subject to appellate review upon the same terms and conditions as the law permits for judgments of Superior Courts.

NON-DISCRIMINATION. H&F agrees that in the provision of services under this Agreement, it shall not unlawfully discriminate against any individual based on that individual's race, color, sex, religion, national origin, ancestry, age, cancer-related medical condition, marital status, physical or mental disability, sexual orientation, or on any other basis protected by California or federal law.

ENTIRE AGREEMENT. This Agreement contains the entire understanding of the parties regarding their rights and obligations hereunder. Any alleged oral representations or modifications concerning this Agreement and the subjects thereof shall have no force or effect unless reduced to a writing signed by both parties.

AMENDMENT. This Agreement may be amended only in writing signed by both parties.

NOTICES. Notices regarding this Agreement shall be given to the parties at the following addresses:

City:: City of Guadalupe
Attn: City Administrator
918 Obispo Street
Guadalupe, CA 93434

H&F: HANLEY & FLEISHMAN, LLP
Attn: David Fleishman
8930 Morro Road
Atascadero, California 93422

EFFECTIVE DATE. The effective date of this Agreement shall be March 1, 2007.

Executed this ___ day of February 2007, ___ at Atascadero, California.

HANLEY & FLEISHMAN, LLP



BY
David M. Fleishman

Executed this 27 day of February, ___ at, Guadalupe, California.

CITY OF Guadalupe, CALIFORNIA

By: 
LUPE ALVAREZ, Mayor

ATTEST: