

FENTON & KELLER

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July 25, 2017

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Mayor Edelen and City Council
650 Canyon Del Rey
Del Rey Oaks, CA 93940

Re: Providing Services to City of Del Rey Oaks as City Attorney
Our File: 34837.33431

Dear Mayor and Councilmembers:

Thank you for contacting our office regarding providing services to the City of Del Rey Oaks ("the City") as City Attorney. This letter expresses our understanding of the services the City may wish our firm to render on its behalf. It also explains our fee structure and payment of any costs we advance on the City's behalf, as required by the California Business & Professions Code. If, in the future, the City wishes Fenton & Keller to represent it in any other matter, those services will also be provided in accordance with the terms of this letter agreement.

Upon request and subject to the direction of the City Council for the City of Del Rey Oaks, the City Attorney will provide to, or on behalf of the City of Del Rey Oaks, day-to-day advice, written opinions, legal document review, and appearances at meetings if needed. City Attorney shall provide litigation services, upon request and subject to direction of the City Council for City of Del Rey Oaks.

A. Retention of Firm Rather Than Particular Attorney.

The services will be performed principally by Alex J. Lorca, who shall be assigned as City Attorney. Inasmuch as the City is retaining our firm, however, we may assign other attorneys, clerks and paralegals to this matter if, in our judgment, our representation of the City will best be served by such assignments.

B. Fenton & Keller's Fees and Costs.

In establishing our fees for legal services, we generally use an hourly rate for services rendered. Our hourly rates are usually based upon the experience and expertise of the person providing the service. Although these rates will change periodically, at present the standard hourly rate ranges for the lawyers and personnel in our firm are as follows:

Members of the firm: \$275.00 - \$450.00

Associate Attorneys: \$165.00 - \$325.00

Law Clerks: \$125.00

Paralegals & Legal/Administrative Assistants: \$75.00 - \$160.00

Alex Lorca's rate on this matter is \$250.00. His standard hourly rate is \$300.00. The rate for members of the firm in this matter is \$275.00.

Our hourly rates are based on the following criteria:

1. The time and labor involved, the novelty and difficulty of the questions, and the skill required to perform the legal service properly;
2. The fee customarily charged in the locality for similar legal service;
3. The time limitations imposed by the client or the circumstances;
4. The experience, reputation and ability of the lawyer performing the service.

These factors are all considered carefully by us in an effort to establish a fee which is a fair charge for the services rendered.

We may review and revise the hourly rates charged for attorneys, clerks and paralegals, from time to time over the course of our representation. Any rate changes will be reflected in the billings submitted subsequent to the implementation of the change. Our policy is that we will attempt to provide you advanced written notice of any such changes, but the effectiveness of any changes will not be conditioned on giving such notice.

We record and charge our time in increments of one-tenth (1/10) of one hour, rounded off for each particular activity to the next highest one-tenth (1/10) of one hour. The minimum time charged for any particular activity will be .2 of an hour even if the actual time is less. Fenton & Keller will charge for all activities undertaken in providing legal services including, but not limited to preparation for and participation at conferences, meetings, administrative hearings, and court sessions (if required); review and preparation of correspondence and legal documents; legal research; factual investigation; telephone conversations; and travel and waiting time. Activities that require the presence of more than one attorney from our firm, including conferences among attorneys, will be charged for each such attorney's time.

In addition to fees for legal services, the City will be expected to pay all "costs" in connection with Fenton & Keller's representation of it under this agreement. Costs may be advanced by Fenton & Keller and then billed to the City. However, for certain costs, Fenton & Keller may, at its option, require that the City either make advance payment to Fenton & Keller or make payment directly to the service provider. Costs include, but are not limited to, travel costs, computer time, long-distance telephone charges, messenger service fees, photocopying expenses, facsimile charges, postage and express mail charges and fees charged by governmental agencies or other third parties. A schedule of our current charges for some of the more common cost items is attached.

Upon approval of Council, and as the City's budget allows, the City Attorney shall be reimbursed for costs related to the attendance at the League of Cities annual City Attorneys' Conference, which shall include registration, lodging, transportation, and meals.

C. Retainer.

Our firm requires a retainer for new projects as a matter of policy. The retainer is held by us as an advanced fee to be applied against any unpaid fees on this account at the conclusion of the representation. The retainer is not deposited in a client trust account.

Our policy is that the City should pay monthly statements as presented on a current basis, and the retainer will be applied to our final billing on this account, with the balance (if any) refunded at that time without interest. We may also apply the retainer to payment of any unpaid accounts at any time, including unpaid costs, and in that event, it is our policy to require the client to replenish the retainer.

We are not requesting the City provide a retainer at this time. However, depending on the circumstances of this matter, a retainer may be needed and requested at a later date.

D. Statements and Payments.

Fenton & Keller will send you monthly statements indicating attorney's fees and costs incurred on its behalf, any amounts applied from the retainer, and any current balance owed. If no attorney's fees or costs are incurred for a particular month, or if they are minimal, the statement may be held and combined with that for the following month, unless a statement is requested by you. Any balance must be paid in full within thirty (30) days after the statement is mailed. Any balances not paid within thirty days will accrue interest at the rate of ten percent (10%) per annum.

E. Responsibilities of Fenton & Keller and Client.

We will perform the legal services called for under this agreement, keep you informed of all significant progress and developments pertaining to the project, and respond promptly to inquiries and communications. You agree that you will be similarly cooperative, keep us reasonably informed of developments involving the project and timely make any payments required by this agreement. You will also keep us informed of any change of address and telephone number.

We will make every effort to complete the work required for this engagement in a timely manner. However, we do not have complete control over actions by other parties or firms involved in this matter. To facilitate prompt handling by all parties we encourage you to contact us immediately if you are concerned about the timely performance of this work, so that we can take all possible actions to expedite the matter.

Fenton and Keller shall maintain a policy of professional errors and omissions insurance with a minimum of \$1,000,000/\$1,000,000 limits during the term of this Agreement.

F. Delegation of Specific Issues to City Manager, Communication.

You agree to the following provisions regarding our representation of the City:

1. The City Manager shall be authorized to waive confidential and attorney/client privileged information, as well as waive any conflicts of interest, when in the best interest of the City to do so.
2. Upon consultation with the City Manager, the City Attorney shall have the discretion to retain and direct outside special counsel when in the best interest of the City to do so.
3. All City communications with the City Attorney shall be subject to disclosure to other Council Members and the City Manager.

G. Right to Withdraw.

Both you and Fenton & Keller have the right to terminate the engagement at any time and immediately upon verbal or written notice. On termination, all fees and costs incurred prior to termination shall be paid promptly. On termination you may obtain copies of any additional documents in our files on request and on payment of photocopying charges.

Fenton & Keller may withdraw at any time as permitted under the Rules of Professional Conduct of the State Bar of California. The circumstances under which the Rules permit such withdrawal include but are not limited to the following: (a) if the client consents; (b) if the client's conduct renders it unreasonably difficult for the attorney to carry out the representation effectively; and (c) if the client fails to pay attorney's fees or costs as required by the client's agreement with the attorney. Notwithstanding Fenton & Keller's withdrawal, you will remain obligated to pay Fenton & Keller at the agreed rates for all services provided, and to reimburse Fenton & Keller for all costs advanced, before the withdrawal.

H. Dispute Resolution.

Fenton & Keller believes that most disagreements can be resolved to mutual satisfaction in a non-adversarial environment. While we do not expect there to be any problems with our relationship, misunderstandings can occur. Therefore, it is agreed that any dispute arising under this agreement with you, including the scope, nature and quality of services to be performed by us, our fees and other terms of the engagement shall be submitted to binding arbitration. However, before initiating any arbitration proceedings, it is required that an attempt be made to resolve any dispute through non-binding mediation before a neutral mediator. In the event any such disputes shall be submitted to binding arbitration, that arbitration shall be

pursuant to, and governed by, the provisions of California Code of Civil Procedure section 1280, et seq.

I. File Retention.

After our services conclude, we will, upon request, deliver the file for this matter to you or to you, along with any funds or property which remains in our possession and which are not returned to you on conclusion of our services on this matter. Generally, on the conclusion of our services we forward to the client the originals of any signed legal agreements.

If you do not request the file for this matter within six months after our services are concluded, we will have no obligation to retain the file and may, at our discretion, destroy it without further notice to you.

J. Disclaimer of Guarantee.

Although Fenton & Keller may offer an opinion about possible results regarding the legal services performed under this agreement, Fenton & Keller cannot guarantee any particular result. We will, however, do our best to help you realize your goals.

From time to time we may provide you with an estimate of the anticipated costs and fees to complete this project. Keep in mind that this is an estimate only and no guarantee can be made as to the actual costs and fees that will be incurred. It is impossible to predict the time with certainty and to predict all activities that may take place in the handling of a project. On many occasions, the tasks and time necessary to complete a project is beyond our control because of the involvement of other parties, witnesses, agencies, and/or the court.

If the above terms are agreeable to you please indicate your acceptance by signing this letter and returning it to us at your earliest convenience. A signed copy of this letter is enclosed for your records.

Thank you for the trust you have expressed in Fenton & Keller. We look forward to working with you not only in connection with these matters but also with respect to any other matter for which you may have need of our services. Please feel free to call with any questions or comments you may have.

Very truly yours,

FENTON & KELLER
A Professional Corporation

Sara B. Boyns

SBB:cms

Honorable Mayor Edelen and City Council
July 25, 2017
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CLIENT'S ACKNOWLEDGMENT & AGREEMENT

The City of Del Rey Oaks agrees to retain Fenton & Keller as City Attorney upon request. The undersigned hereby further represents and warrants he has all necessary authority to execute this engagement agreement.

Dated: 7/27/2017



Jerry Edelen
Mayor, City of Del Rey Oaks

FENTON & KELLER
A Professional Corporation

SCHEDULE OF COSTS AND CHARGES

Telephone Tolls:	Cost billed by carrier
Mail:	Actual Cost
Overnight Delivery Service:	Cost billed by carrier
Automobile Travel:	Amount specified by IRS regulations
Court Fees:	Cost charged by court
Photocopying/Printing:	Black and white: 25¢ per page Color: \$1.00 per page
Creation/Duplication of CDs and DVDs:	\$16.00 per disk
Messenger Fees:	
Monterey Peninsula Area:	\$10.00 - \$40.00
Other Locations:	Cost charged by carrier
Computer Assisted Research (LEXIS):	\$60.00 per search
Travel/Lodging & Meals on Client Business:	Cost