

**AGREEMENT FOR LEGAL SERVICES
FOR THE CITY OF SEAL BEACH AND
THE SEAL BEACH REDEVELOPMENT AGENCY**

This Agreement is made and entered into by and between the law firm of RICHARDS, WATSON & GERSHON, a professional corporation ("Firm"), and the CITY OF SEAL BEACH and the SEAL BEACH REDEVELOPMENT AGENCY (collectively "City").

RECITALS

- A. The Firm has been discharging the duties of the offices of City Attorney in accordance with Section 704 of the Seal Beach City Charter since 1972 and has been Legal Counsel to the Seal Beach Redevelopment Agency since its inception.
- B. Since 1972, there has been a series of contracts and amendments concerning the terms of the relationship between the Firm and the City.
- C. On October 24, 2005, the Seal Beach City Council adopted a report entitled, "Use of Attorney Hours, Services and Costs." The report recommended a number of measures to contain legal costs, including:
 - 1. Monitoring services provided by special counsel.
 - 2. Reforming the Civil Service System.
 - 3. Updating the Zoning Code and Local Coastal Plan.
 - 4. Analyzing general services to determine whether more services can be included within the retainer portion of the contract.
 - 5. Reviewing other legal services to determine whether the Firm can provide further discounts on certain matters.
- D. To adopt these measures, the City and the Firm desire to replace all former contracts, agreements and amendments with this Agreement for Legal Services which provides that the Firm will discharge the duties of the offices of City Attorney and Redevelopment Legal Counsel as specifically set forth herein.
- E. The attorneys of the Firm are duly licensed under the laws of the State of California and are fully qualified to discharge the duties of the offices of City Attorney and Redevelopment Legal Counsel and to provide the services contemplated by this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Scope of Services.

Pursuant to the Official Charter of the City of Seal Beach, the Firm shall discharge the duties of the office of City Attorney and shall use its best efforts to provide legal services in a competent and professional manner. Pursuant to the Seal Beach Redevelopment Agency by-laws, the Firm shall advise the Agency on all legal matters. The Firm shall provide all legal services to the City of the kind and nature typically provided by an in-house City Attorney's office, Redevelopment Legal Counsel and the other legal services described herein, upon the request of the City Council, City Manager, Executive Director and department heads. The legal services to be provided by the Firm shall consist of those set forth in Exhibit "A" attached hereto and shall be billed at the rates set forth therein.

2. City Attorney and Redevelopment Counsel.

Quinn M. Barrow was sworn in as City Attorney for the City of Seal Beach in 1993 and is hereby designated as Legal Counsel for the Seal Beach Redevelopment Agency. The parties understand and agree that the Firm may, from time to time, utilize other attorneys within the Firm to assist Mr. Barrow in the performance of legal services.

3. Billing Procedures and Monthly Statements.

a. The Firm shall submit to the City, within 30 days after the end of each calendar month, an itemized statement of the legal services provided and the time expended providing those services in the form customarily submitted by the Firm to clients which are billed on an hourly basis. The parties acknowledge that payment of all monthly statements is expected to be made within 30 days of the billing date.

b. The Firm will bill the City for its out-of-pocket costs and expenses such as, but not limited to, long distance telephone calls, filing fees, document duplication, facsimile transmission, computerized legal research, word-processing, and similar items. These items will be separately designated on the Firm's monthly statements as "disbursements," and will be billed in addition to the fees for professional services.

c. Time will be charged by the Firm in increments of 1/10 of an hour (i.e., six-minute units). The rate structure in general, or the rates of particular attorneys, may be increased from time to time, after written notice to the City.

4. Resolution of Fee Disputes.

The City is entitled to require that any fee dispute be resolved by binding arbitration pursuant to applicable arbitration rules for legal fee disputes. In the event that the City chooses not to utilize the Orange County Bar Association's arbitration procedures, the City agrees that all disputes regarding the professional services rendered or fees charged by the Firm shall be submitted to binding arbitration in Los Angeles to be conducted by the American Arbitration Association in accordance with its commercial arbitration rules.

5. Term of the Agreement.

This Agreement shall commence as of July 1, 2007 and shall be and remain in full force and effect until amended by written agreement between the parties, or unless terminated in accordance with the provisions of Section 6 hereof.

6. Termination of the Agreement.

The City may terminate the Firm's representation at any time, with or without cause, subject to an obligation to give notice in writing to the Firm at least 30 days prior to termination. The Firm may terminate its representation, subject to an obligation to give to the City written notice at least 90 days prior to termination. In either circumstance, City agrees to secure new counsel as quickly as possible and to cooperate fully in the substitution of the new counsel as counsel of record. The Firm agrees to cooperate fully in any such transition, including transferring files promptly. Notwithstanding the termination of the Firm's representation, the City will remain obligated to pay to the Firm all fees and costs incurred prior thereto, and to pay such fees and costs in connection with services which have been requested following such termination.

7. Files.

All legal files of the Firm pertaining to the City shall be and remain the property of the City. The Firm will control the physical location of such legal files during the term of this Agreement.

8. Modifications to the Agreement.

Unless otherwise provided for in this Agreement, modifications relating to the nature, extent or duration of the Firm's professional services to be rendered hereunder shall require the prior written approval of the City Manager. Any such written approval shall be deemed to be a supplement to this Agreement and shall specify any changes in the Scope of Services and the agreed-upon billing rate to be charged by the Firm and paid by the City.

9. Independent Contractor.

No employment relationship is created by this Agreement. The Firm shall, for all purposes, be an independent contractor to the City.

10. Nondiscrimination.

In the performance of this Agreement, the Firm shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, sexual orientation or medical condition. The Firm shall take affirmative action to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, national origin, sexual orientation or medical condition. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation, and selection for training.

11. Assignment and Delegation.

This Agreement contemplates the personal professional services of the Firm and this Agreement, or any portion thereof, shall not be assigned or delegated without the prior written consent of the City. Delegation to attorneys outside the Firm shall be limited to those situations in which the Firm is disqualified by virtue of a conflict of interest, or where the Firm does not possess the expertise to perform services in a particular practice area. Delegation shall not be made without the prior approval of the City Manager or in the case of the Agency, the Executive Director. The Firm shall supervise delegated work, except where precluded from doing so by virtue of a conflict of interest, and where otherwise agreed to by the parties hereto.

12. Insurance.

a. The Firm shall obtain and maintain in full force and effect a professional liability insurance policy that provides coverage in an amount not less than \$2,000,000 per occurrence and \$7,000,000 aggregate. Such insurance may be subject to a self-insured retention or deductible to be borne entirely by the Firm.

b. The Firm shall obtain and maintain workers' compensation insurance in accordance with Section 3700 of the California Labor Code.

c. The Firm agrees to notify City in the event the limits of its insurance should fall below the coverages stated in this paragraph or if the insurance policies noted here are allowed to lapse and substitute insurance is not obtained.

13. Indemnification.

The Firm agrees to indemnify, defend and hold harmless the City, its officers, agents and employees, from and against any and all claims or losses caused by any negligent or willful act, error or omission of the Firm or any person employed by the Firm in the performance of this Agreement.

14. Entire Agreement.

This Agreement shall constitute the full and complete agreement and understanding of the parties and shall be deemed to supersede all other written or oral statements of either party relating to the subject matter hereof.

(Agreement continues)

IN WITNESS WHEREOF, the duly authorized representatives of the parties have caused this Agreement to be executed as of the dates indicated below.

CITY OF SEAL BEACH

DATE: June 25, 2007

By John Larson
JOHN LARSON, MAYOR

SEAL BEACH REDEVELOPMENT AGENCY

By Charles Antos
CHARLES ANTOS, CHAIR

ATTEST:

Linda Deseri
CITY CLERK AND AGENCY SECRETARY

RICHARDS, WATSON & GERSHON
A Professional Corporation

By [Signature]
CHAIRMAN OF THE BOARD

EXHIBIT A

SCOPE OF SERVICES AND APPLICABLE BILLING RATES

1. GENERAL LEGAL SERVICES

The general legal services to be provided by the Firm shall include:

- a. Provide routine legal assistance, advice and consultation to the City Council, Agency and to City and Agency staff, which do not fall within the categories of services listed below in Sections 2, 3, 4 and 5, relating to land use, CEQA, general municipal law issues, routine real estate matters, routine issues arising from franchises, enforcement of the Municipal Code, potential tort liability and risk management;
- b. Prepare and review legal opinions, ordinances, resolutions, agreements and related documents;
- c. Review environmental documents;
- d. Provide legal assistance and advice relating to routine personnel and employment matters, including the drafting of employment agreements;
- e. Attend all regular meetings of the City Council, Redevelopment Agency Board, Planning Commission, and such other commission meetings as may from time to time be specified by the City;
- f. Monitor pending state and federal legislation and regulations, and new case law, as appropriate;
- g. Monitor services provided by special legal counsel;
- h. Conduct training sessions for City Officials regarding the Brown Act, Political Reform Act and ethics;
- i. Attend office hours six hours a week; and
- j. Perform additional general legal services as may be requested by the City Council, Agency Board, City Manager or Executive Director.

The general legal services specified in this Section shall be provided pursuant to a retainer in the sum of \$20,000 per month. In the event City requires more than 100 hours of general legal services in any three (3) consecutive months, City Manager and City Attorney will confer as to whether certain general services should be treated as Special Services pursuant to Section 3i.

2. ADDITIONAL SERVICES

The following services shall be considered Additional Services and shall not be included within the category of General Services:

- a. Litigation matters and insurance coverage disputes;
- b. Environmental Legal Services (beyond those specified as general legal services), including but not limited to legal services performed in connection with the preparation of environmental impact reports.
- c. Real Estate Services (beyond the routine real estate matters specified as general legal services) such as the preparation and review of complex leases and purchase and sale agreements and services performed in connection with the sale or acquisition of property by purchase, lease, eminent domain or otherwise;
- d. Legal Services performed in connection with federal, state and local taxation;
- e. Franchise Negotiations and drafting of franchise agreements;
- f. Legal Services performed in connection with sand replenishment;
- g. Redevelopment Agency Legal Services; and
- h. Any other matters specifically approved by the City Council.

The additional services specified above shall be billed at the regular hourly rate of the attorney or attorneys providing such services, with a 15% discount. The determination as to whether a particular matter or assignment is to be considered additional services, as opposed to general legal services, will be made jointly by the City Attorney and the City Manager.

3. SPECIAL SERVICES

The following services shall be considered Special Services and shall not be included within the category of General Services:

- a. Labor Relations, Personnel and Employment Advice, (beyond those specified as general legal services), including advice relating to labor relations matters, personnel and employment matters and negotiation of memoranda of understanding;
- b. Police Legal Services matters;
- c. Nuisance abatement;
- d. Preparation of Charter amendments;
- e. Preparation of the Zoning code;

- f. Preparation of Municipal Code amendments;
- g. Preparation of the City's Local Coastal Plan;
- h. Legal Services performed in connection with any election; and
- i. If approved by the City Manager, any legal services performed in connection with a project that would otherwise be general services but, due its complexity or duration, is a special service.

The special services specified above shall be billed at the hourly rate of \$300. Commencing July 1, 2010, and every year thereafter, the hourly rate for special services shall automatically increase by the annual percentage increase in the salaries the City pays to its management employees.

4. EXTRAORDINARY SERVICES

The following services shall be considered Extraordinary Services and shall not be included within the category of General Services:

- a. Bond Counsel, Disclosure Counsel, Issuer's Counsel and Similar Services;
- b. Legal Services performed in connection with the proposed development of major property in the City, including but not limited to the property commonly known as the DWP site, including review of environmental documents prepared in connection therewith;
- c. Legal Services performed in connection with special assessments; and
- d. Legal Services performed in connection with hazardous and toxic waste, including but not limited to work related to compliance with state and federal pollution control standards such as the National Pollution Discharge Elimination System (NPDES) permit program.

The additional services specified above shall be billed at the regular hourly rate of the attorney or attorneys providing such services. Bond counsel, disclosure counsel, issuer's counsel and similar services shall be compensated at the Firm's then current standard hourly rates, not to exceed a cap which the City Manager believes would be a standard fee for a similar sized transaction of equal complexity.

5. CITY PROSECUTOR SERVICES

The Firm shall perform criminal prosecutions of Municipal Code violations at the hourly rate of \$165.00.