

**CONTRACT SERVICES AGREEMENT FOR  
INTERIM GENERAL COUNSEL LEGAL SERVICES –  
LOS OLIVOS COMMUNITY SERVICES DISTRICT**

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This CONTRACT SERVICES AGREEMENT FOR INTERIM GENERAL COUNSEL LEGAL SERVICES (“Agreement”) is effective as of the 26th day of June 2018 by and between the law firm of ALESHIRE & WYNDER, LLP, a California limited liability partnership (“A&W”), and the LOS OLIVOS COMMUNITY SERVICES DISTRICT (“District”). The governing body of the District is the BOARD OF DIRECTORS (“Board”).

**1. APPOINTMENT**

District hereby appoints G. Ross Trindle, III as Interim General Counsel, and hires A&W therefore to render the legal services as specified herein, under the direction of the Board.

A&W represents that it employs, or will employ at its own expense, all personnel required for the satisfactory performance of any and all tasks and services set forth herein. A&W shall not replace the designated Interim General Counsel (or any successors to such person) without the Board’s prior approval.

**2. SCOPE OF WORK AND DUTIES**

A. A&W will provide representation to District in all of its general counsel and transactional legal matters except as otherwise designated hereby or by the Board. A&W will provide all other legal services as set forth herein and only as authorized by the Board.

B. Interim General Counsel will keep District informed as to the progress and status of all pending matters in accordance with such procedures as the District may establish from time to time. Interim General Counsel is expected to manage, control and oversee the delivery of legal services in a competent, professional, and cost-effective manner, and hereby agrees that all services performed shall be provided in a manner commensurate with competent professional standards. All legal services shall be properly supervised and all personnel shall be qualified to handle the work assigned.

C. All legal services shall be coordinated under the direction of the Board. Nothing in this Agreement shall be construed in any manner as limiting the ultimate and absolute discretion of the Board, at any time, to assign or reassign any legal matter of District from or to A&W.

**3. DISTRICT DUTIES**

District agrees to provide such information, assistance, cooperation, and access to books, records, and other information, as is necessary for A&W to effectively render its professional services under this Agreement. To the extent District desires services to be rendered on site, District, at District's expense, will make available sufficient office space, furniture, telephones, computers, facsimile machines, and secretarial support, as approved by the Board as may be necessary therefor. District further agrees to abide by this Agreement, and to timely pay A&W's bills for fees, costs, and expenses as provided herein.

4. **PERSONNEL**

In addition to G. Ross Trindle, III acting as Interim General Counsel, A&W will provide additional attorneys and staff who are qualified and have the expertise to render legal services hereunder, as may be required from time to time. Interim General Counsel retains the right and authority to select additional attorneys and staff in rendering legal services hereunder.

Assignments may be modified as provided in Section 2 above and except as so provided, A&W will exercise its discretion to utilize whichever attorney(s) (and staff) it determines to be best suited to its rendering of legal services under this Agreement, consistent with the competent and efficient rendering of legal services, and with a view toward rendering such services in an economically efficient manner.

5. **COMPENSATION**

A&W's fees for general counsel and transactional services will be charged on an hourly rate basis. All legal services authorized by the District shall be charged on an hourly basis for all time actually expended, as set forth in the compensation schedules shown in Exhibit "A" attached hereto and incorporated herein by this reference. The rates in Exhibit A would remain in effect until December 31, 2018.

6. **COSTS AND OTHER CHARGES**

A&W may incur various costs and expenses in rendering the legal services required by this Agreement which, if customary and necessary for the performance of legal services hereunder, shall be reimbursable by District. These costs and expenses are described in more detail in Exhibit "B". District agrees to reimburse A&W for these costs and expenses in addition to the fees for legal services. Reimbursable costs shall not include any overhead nor administrative charge by A&W, except as provided herein.

A&W may determine it necessary or appropriate to use one or more outside investigators, consultants, or experts in rendering the legal services required. District will be responsible for paying such fees and charges. A&W will not, however, retain the services of any outside investigators, consultants, or experts without the prior agreement of District. A&W will select any investigators, consultants, or experts to be hired.

The cost and expenses referred to herein include certain travel expenses, transportation, meals, and lodging; when incurred on behalf of the client. Generally, these will only be charged when outside of the area, and only with the prior agreement of District. Mileage calculations will be made from the office of the designated Interim General Counsel.

Finally, periodically, when on-site, A&W personnel may be required to make local and long-distance telephone calls, or make photocopies, or incur other expenses on behalf of the District as well as other clients. A&W will not be charged for such expenses and, in exchange, will not charge the District for calls made from our office or other locations to the District.

7. **STATEMENTS AND PAYMENT**

A&W shall render to District a statement for fees, costs, and expenses incurred on a periodic basis (generally monthly). Such statement(s) shall indicate the basis of the fees, including the hours worked, the hourly rate(s) if applicable, and a brief description of the work performed. Separate billing categories can be established to track costs associated with District funding categories or to track project costs, or such other basis as the District may direct. Reimbursable costs shall be separately itemized.

Payments shall be made by District as set forth in Exhibit "A."

8. **PROHIBITION AGAINST SUBCONTRACTING OR ASSIGNMENT**

The experience, knowledge, capability and reputation of A&W, its partners, attorneys, and employees, was a substantial inducement for District to enter into this Agreement. Therefore, A&W shall not contract with any other person or entity to perform, in whole or in part, the legal services required under this Agreement without the written approval of District. In addition, neither this Agreement, nor any interest herein, may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily, or by operation of law, whether for the benefit of creditors, or otherwise, without the prior written approval of District. Adding attorneys to A&W, changes in the partnership, name changes and similar changes shall not be deemed a transfer or assignment requiring approval of District or amendment hereof.

9. **INDEPENDENT CONTRACTOR**

A&W shall perform all legal services required under this Agreement as an independent contractor of District, and shall remain, at all times as to District, a wholly independent contractor with only such obligations as are required under this Agreement. Neither District, nor any of its employees, shall have any control over the manner, mode, or means by which A&W, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. District shall have no voice in the selection, discharge, supervision or control of A&W employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

## 10. **INSURANCE**

A&W shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to District, during the entire term of this Agreement, including any extension thereof, the following policies of insurance:

(a) **Comprehensive General Liability Insurance.** A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than a combined single limit of One Million Dollars (\$1,000,000.00), and One Million Dollars (\$1,000,000.00) products and completed operations.

(b) **Workers' Compensation Insurance.** A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both A&W and District against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the District in the course of carrying out the work or services contemplated in this Agreement.

(c) **Automobile Insurance.** A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than a combined single limit liability of One Million Dollars (\$1,000,000.00). Said policy shall include coverage for owner, non-owner, leased and hired cars.

(d) **Errors and Omissions Insurance.** A policy of professional liability insurance written on a claims made basis in an amount not less than Three Million Dollars (\$3,000,000.00).

Except for the policy of professional liability insurance, all of the above policies of insurance shall be primary insurance and shall name District, its officers, employers and agents as additionally insured. Except for the policy of professional liability insurance, the insurer shall waive all rights of subrogation and contribution it may have against the District, its officers, employees and agents and their respective insurers. Except for the policy of professional liability insurance, all of said policies of insurance shall provide that said insurance may not be amended or canceled without providing thirty (30) days prior written notice by registered mail to the District. In the event any of said policies of insurance are cancelled, the attorney shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section to the District. Failure to do so is cause for termination.

## 11. **INDEMNIFICATION**

A&W agrees to indemnify District, its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of A&W, its agents, employees,

subcontractors, or invitees, provided for herein or arising from the acts or omissions of A&W hereunder, or arising from A&W's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of District, its officers, agents or employees.

12. **NOTICES**

Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same into the custody of the United States Postal Service, or its lawful successor, or a reputable overnight courier service, postage prepaid and addressed as follows:

DISTRICT: Los Olivos Community Services District  
P.O. Box 345  
Los Olivos, CA 93441  
Attention: Board President  
losolivoscsd@gmail.com

ATTORNEY: Aleshire & Wynder, LLP  
3880 Lemon Street, Suite 520  
Riverside, CA 92501  
Attention: G. Ross Trindle, III  
gtrindle@awattorneys.com

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notice given by deposit with the United States Postal Service shall be deemed to have been given two (2) consecutive business days following the deposit of the same into the custody of said Postal Service. Notice by overnight courier shall be deemed to have been given one (1) business day following the deposit of the same into the custody of the overnight courier. Either party hereto may, from time to time, by written notice to the other, designate a different address or person which shall be substituted for that specified above.

13. **NON-DISCRIMINATION**

In connection with the execution of this Agreement, A&W shall not discriminate against any employee or applicant for employment because of race, religion, marital status, color, sex, handicap, sexual persuasion, or national origin. A&W shall take affirmative action to ensure that applicants are employed, and that employees are treated fairly during their employment, without regard to their race, religion, color, sex, marital status, handicap, sexual persuasion, or national origin. Such actions shall include, but not be limited to the following: employment, promotion, demotion, transfer, duties assignment; recruitment or recruitment advertising; layoff of termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

14. **TERM, DISCHARGE AND WITHDRAWAL**

This Agreement shall continue in effect, subject to modification of fees as provided in Section 5, until terminated by either party hereto. District may discharge A&W at any time, with or without notice, with no right to hearing or notice. A&W may withdraw from District's representation at any time, to the extent permitted by law, and the Rules of Professional Conduct, upon at least sixty (60) days' notice to District.

In the event of such discharge or withdrawal, District will pay A&W professional fees and costs, in accordance with this Agreement, for all work done (and costs incurred) through the date of cessation of legal representation. District agrees to execute, upon request, a stipulation in such form as to permit A&W to withdraw as District's attorneys of record in any legal action then pending. A&W shall deliver all documents and records of District to District, or to counsel designated by District, and assist to the fullest extent possible in the orderly transition of all pending matters to District's counsel.

15. **CONFLICTS**

A&W has no present or contemplated employment which is adverse to the District. A&W agrees that it shall not represent clients in matters either litigation or non-litigation against the District, except as provided below. A&W may have past and present clients or may have future clients, which, from time to time, may have interests adverse to District, and A&W reserves the right to represent such clients in matters not connected with its representation of the District.

If a potential conflict of interest arises in A&W's representation of two clients, if such conflict is only speculative or minor, A&W shall seek waivers from each client with regards to such representation. However, if real conflicts exist, A&W would withdraw from representing either client in the matter, and assist them in obtaining outside counsel.

16. **ATTORNEY FEES AND COSTS**

If any legal action is necessary to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party all costs and expenses and such an amount as the court may adjudge to be reasonable attorney's fees.

17. **VENUE**

The venue of any action or claim brought by any party to this Agreement will be in Los Angeles County. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue.

18. **INTEGRATED AGREEMENT; AMENDMENT**

This Agreement contains all of the agreement of the parties and cannot be amended or modified except by written agreement. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

19. **CORPORATE AUTHORITY**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that in so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date of execution by the District.

[SIGNATURES ON FOLLOW PAGE]

Dated: \_\_\_\_\_, 2018

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

Dated: \_\_\_\_\_, 2018

**ALESHIRE & WYNDER, LLP**

By: \_\_\_\_\_

David J. Aleshire



**EXHIBIT A - FEE AGREEMENT**

**A. GENERAL**

We generally charge fees on an hourly basis only for time actually expended on behalf of a client. Given the District’s current situation as a new entity with limited funding, we propose a an extended period of time for payment of costs/expenses.

Also included below are typical hourly rates for legal services, including outside of general counsel and transactional services. Hourly rate services typically are billed based upon the type of work and the attorney performing the work. We bill in time increments of one-tenth (0.1) of an hour, which is about six (6) minutes. We also utilize separate billing accounts based upon the District’s departments, litigation matters, development projects, construction projects, and other unique matters. The monthly billing statements for fees and costs shall indicate the basis of the fees, including a detailed and auditable breakdown of the hours worked, the billable rates charged if applicable, and description of the work performed, including the personnel who performed the work.

The fee arrangement for general counsel and transactional services will remain valid through December 31, 2018. Thereafter the rates would be subject to adjustment as agreed to between the District and the Firm. Due to the District’s financial situation, the Firm is not likely to recover all of its costs and fees on a regular basis; it is expected the financial relationship will be reviewed at year end.

Our reimbursable expenses generally are as follows:

<b>REIMBURSABLE</b>	
In house photocopies and faxes	\$0.20 per page (copies)
Postage, Out-of-Pocket Expenses, Outsourced Reproduction	Billed at our cost with no mark up.
Travel Time Mileage	The current IRS mileage rate is the rate charged to the District.
Lodging/Meals	Lodging/Meal expense up to \$225 per in-person meeting
Subcontractors	Should the District request that the Firm retain subcontractors, such as appraisers or expert witnesses or consultants, such costs will be billed at our cost with no mark up.

**EXHIBIT A - FEE AGREEMENT**

**B. RATES\***

<b>PROPOSED RATES</b>	
<p><b>1. Advisory Services &amp; Transactional Services*:</b> Advisory Services are general counsel services such as communications with the District on general legal issues, upcoming agendas, and Committee and Board meetings, with occasionally the need for limited legal or factual research. Transactional Services are those that require drafting of correspondence, memos, or contracts, which may require legal or factual research.</p>	<p><b>2018:</b> \$180/hour (all outstanding billing due on or before December 31).</p> <p><b>Rates include all work by Partners, Of Counsel, Associates, Paralegals, and/or Law Clerks. Cost in 2019 to be negotiated.</b></p>
<p><b>2. Litigation and Special Services:**</b> Litigation and Special Services include litigation in any court or tribunal, and administrative proceedings in federal, State, county, or local forums, and special services when approved by General Manager such as labor and employment, real estate transactions, major contract negotiations, toxics wastes, and similar services, as well as services that call for expenditures of time outside the normal and typical amounts of time spent on providing the District's services on a monthly basis.</p>	<p><b>Partners &amp; Of Counsel:</b> \$255  <b>Associates:</b> \$205  <b>Paralegal:</b> \$150  <b>Law Clerk:</b> \$90  <b>Legal Assistant &amp; Clerical Support:</b> \$0</p>
<p><b>3. Risk Management Litigation:**</b> Litigation of tort claims against the District.</p>	<p><b>Blended Attorney Rate:</b> \$195  <b>Paralegal:</b> \$150  <b>Law Clerk:</b> \$90  <b>Legal Assistant &amp; Clerical Support:</b> \$0</p>
<p><b>4. Public Finance Rates:</b> For public finance the fee structure shall be as follows:                      (i) one and one-half (1 ½) percent of the first \$1 million executed and delivered; three-quarters percent of the next \$4 million executed and delivered; one-third percent of the next \$10 million; one-eighth percent of the next \$10 million; and one-tenth percent of any amount over \$25 million; subject to a minimum fee of Forty Thousand Dollars (\$40,000); and                      (ii) For land-based issues (e.g., CFDs and Assessment Districts), a minimum additional fee of \$15,000 payable from a developer's deposit shall apply for the formation of each district or improvement area.</p> <p>In the event that multiple series of bonds, loans or notes are issued, the foregoing fee schedule would be applied to each issue. Fees shall be contingent unless otherwise directed by the client. If contingent, payment of the fees is entirely contingent upon the successful execution and delivery of the bonds or notes to be payable on or after delivery except for out-of-pocket expenses. In addition to the foregoing, a fee of \$7,500 may be charged if a tax opinion is required. At the discretion of the District, District choose a non-contingent structure in lieu of the above schedule at the rate of \$400 per hour on a blended rate for all attorney time incurred. Fees may be adjusted upon negotiation with the Finance Director to the extent there are significant delays in the transaction or the transaction is extremely complex.</p>	

## **EXHIBIT A - FEE AGREEMENT**

- \* Other rates may be subject to determination, such as where there is an opportunity to obtain cost recovery through a private party such as a developer.
- \*\* These rates would remain in effect through December 31, 2018 when they would increase by \$10 per hour.

**EXHIBIT B**  
**STATEMENT OF BILLING PRACTICES FOR LEGAL SERVICES**

The Firm's fees are charged on an hourly basis for all time actually expended. The current hourly design rate for the attorneys and staff working on this matter will be set forth in the billing statement. Annually, you will be provided with the prevailing hourly design rates for the attorneys who will spend the predominate amount of time on this matter. It should be understood that hourly rates are reviewed, and when appropriate, adjusted to reflect increases in seniority and experience as well as inflationary factors. However, when rates are specified in the contract, these rates control.

The Firm will incur various costs and expenses in performing legal services. These costs and expenses are separately billed to the client and may include fees fixed by law or assessed by public agencies, messenger and other delivery fees, postage, parking, and other local travel expenses, photocopying (charge of twenty cents (\$.20) per page) and other reproduction costs, clerical, staff overtime, computer-assisted research fees, travel costs, including mileage at the current IRS rate per mile, airfare, lodging, meals, and incidentals, and other similar items including deposition, reporter fees, and transcript fees. In addition, the District will be responsible for paying the fees of consultants and other outside experts who are retained after consultation (mileage, reproduction and other costs are periodically adjusted in accordance with the Firm's actual costs).

Travel costs including mileage (current IRS rate), parking, airfare, lodging, meals, and incidentals are charged in connection with administrative or judicial proceedings, or when traveling outside of Los Angeles, Riverside, San Bernardino or Orange Counties unless special arrangements are made. Travel time may also be charged.

The monthly billing statements for fees and costs shall indicate the basis of the charge, including the hours worked, the billable rates charged if applicable, and description of the work performed. Costs and expenses will be recorded on a monthly basis but shall be due for payment on the same schedule for fees set in Exhibit A. In the event any statement remains unpaid for more than thirty (30) days after the date of the statement, interest thereon at the rate of ten percent (10%) per annum shall be due and payable thereafter on the unpaid balance.

All bills are expected to be paid timely; if additional time is required, District should contact the Interim General Counsel as soon as practicable to discuss and document any alternative payment arrangement.

It is expressly understood that the client may discharge Firm at any time. Firm may withdraw from representation at any time to the extent permitted under the Rules of Professional Conduct, upon reasonable notice to the client. In the event of such discharge or withdrawal, client shall pay Firm fees and costs in accordance with this agreement for all work done (and costs incurred) through the termination of Firm representation to Client. Upon such termination withdrawal, Firm shall deliver to client all of its files in this matter and any property in possession at Firm belonging to client.