

January 15, 2019

VIA EMAIL (CityManager@cityofdhs.org)

ORIGINAL BY FIRST CLASS MAIL

Chuck L. Maynard, City Manager
City Hall Administration Offices
11-999 Palm Drive
Desert Hot Springs, CA 92240

Re: Legal Services to be Provided by Stream Kim Hicks Wrage & Alfaro, PC

Dear Mr. Maynard:

This letter will confirm that the City of Desert Hot Springs (the "City") has retained us to represent it as follows:

Legal Services to be Provided

The scope of our representation will be to represent the City of Desert Hot Springs in the following matters (collectively "Matters"):

- *Sungrow Consulting v. City of Desert Hot Springs* (Case No. PSC 1800747) case filed in the Riverside County Superior Court;
- *In the Matter of the Administration of D.H.S Drugs, Inc., Profit Sharing Plan* (PRIN1801126) case filed in the Riverside County Superior Court;
- Administrative Hearing matter entitled *City of Desert Hot Springs v. Calson Farms, et al.*;
- *Sierra Club v. City of Desert Hot Springs* (Case No. RIC 1821985) case filed in the Riverside County Superior Court; and
- *Garcia, et al. v. City of Desert Hot Springs* (Case No. PSC1807458) case filed in the Riverside County Superior Court.

For conflict of interest purposes, we would like to clarify the following: that our sole client as to any matter will be the City of Desert Hot Springs and that we will not be representing any other person or entity, including the City's individual officers, officials, board members, partners, shareholders, or employees.

Attorneys Involved in Provision of Legal Services

Our firms' attorneys will perform the work on the Matters listed above. Generally, our rates for Shareholder and Senior Counsel to the firm range from \$395 to \$485 per hour and the rates of our Associate Attorneys range from \$240 to \$305 per hour. The firm charges the time for Paralegals at a rate of \$210 per hour.

We have agreed to provide the City with discounted attorney hourly rates as follows:

<u>Attorney</u>	<u>Title</u>	<u>Rate</u>	<u>Discounted Rate</u>
Theodore K. Stream	Shareholder	\$485	\$350
Robert J. Hicks	Shareholder	\$460	\$350
Andrea Rodriguez	Associate	\$305	\$275
Summer DeVore	Associate	\$305	\$240
Cathy Brandt	Paralegal	\$210	\$170

Billing Agreement

Depending upon the precise nature of the services requested, the actual charge for services will be the hourly rate of the attorney or attorneys involved multiplied by the number of hours utilized (calculated in one-tenth hour increments). The attorney or attorneys involved in these Matters will be determined based upon such variables as the difficulty of the assignment, and the extent to which expedited services have been requested or are required. However, services under this agreement shall not exceed Two Hundred Thousand Dollars \$200,000, not inclusive of settlement. If the Matters are not resolved after \$200,000 has been paid by the City, the parties acknowledge that a new agreement must be entered into between the parties.

We are not requesting an initial retainer from the City. Any direct costs, such as filing fees, deposition costs, expert witness or consultant fees, etc., will be billed directly to the City and payment will not be advanced by the firm. Additionally, charges for cost items, such as overnight delivery, courier costs and extraordinary postage costs will also be charged as part of our representation.

Billing for our services and any necessary costs advanced will be directed to the City Manager's attention. By signing this letter, the City agrees to pay all legal fees and other charges made by our firm. At either the City Council or City Manager's request, we will be happy to provide the City budgets as specific projects arise.

Our statements will be issued on a monthly basis, and full payment is due within sixty (60) days of receipt of each statement. Our statements will be detailed. In the event that any statement should remain unpaid for more than one hundred and twenty (120) days after the City's receipt of the statement, we will normally withdraw from further representation unless arrangements for an alternate means of payment have been approved by our Executive Committee. We also reserve the right to impose a late payment charge of one and one-half percent (1½%) per month, at our election, for any statement which remains unpaid for more than one hundred and twenty (120) after the City's receipt of the statement.

Other Matters

We maintain a conflict of interest index which lists all our clients and matters in which they were represented by us. Representation of any party with an interest that may be adverse to an indexed client will not be accepted by us without an examination to determine if a professional conflict of interest would be created. We have indexed this matter under "City of Desert Hot Springs" with "Sungrow Consulting," "John Shelvin," "Lisa Furbee Ford," "Boys and Girls Club of Coachella Valley," "Calson Farms," "Venice Kush Holdings, LLC," "Clone Creations,

LLC," "Sherwood Forest, LLC," "Sierra Club," "Center for Biological Diversity," " Adkison Engineers, Inc.," "Adkan Engineers," "Edy P. Adkison," "Judith Elizabeth Adkison," "Adkison Family Revocable Living Trust," Martha Ruiz-Snell (AKA Martha Martell)," "Nadine Garcia," "James Marmor," and Helen O'Neill-Pottery," as the adverse parties, and have determined that no potential conflict of interest exists. Please review this listing to determine whether these entries are adequate. Unless we hear from the City to the contrary, we will assume that the above listing is accurate and complete.

For us to represent the City in these Matters, we will need the City's, including City Staff, prompt response to our letters and telephone calls for factual information and the City's cooperation in this matter as requested by us from time to time. Naturally, we will make every effort to respond to your telephone calls or inquiries within one (1) business day.

We rarely have disagreements with our clients over our fees. Nevertheless, the City should be aware that the City is entitled to require that any fee dispute be resolved by binding arbitration pursuant to the arbitration rules for fee disputes of the Riverside County Bar Associations. In the event that the City chooses not to utilize the County Bar arbitration procedures, the City agrees that all disputes between us regarding the services rendered or fees charged shall be submitted to binding arbitration in San Bernardino or Riverside, to be conducted by JAMS in accordance with its commercial arbitration rules. Of course, if at any time the City has questions, concerns or criticisms, please contact me at once.

The City has the right to terminate our representation at any time. We have the same right, subject to an obligation to give the City reasonable notice to arrange alternative representation. In either circumstance, the City agrees to secure new counsel to represent the City as quickly as possible. Notwithstanding the termination of that representation, the City will remain obligated to pay us all fees and costs incurred prior thereto.

Unless we are directed otherwise in writing by the City, all client communications on this matter will be coordinated through the City Manager and/or City Attorney. Additionally, the City authorize us, at the conclusion of this matter, to return any and all original documentation to the City at the address set forth on this letter, unless the City otherwise directs us in writing, and to dispose of copies of documents sent from the City or to the City after the fifth anniversary of the closing of the file on this matter.

Finally, it should be noted that no representation or guarantee of any particular outcome has been made regarding this matter. Instead, the only arrangement between us is that we will extend our best professional efforts on the City's behalf.

Please understand that the seeming formality of this letter should not be thought to be characteristic of the tone or nature of our anticipated relationship. We are required by the law of the State of California to provide the foregoing information to the City in writing, and the formality of tone is the result of compliance with that requirement. We are also required to inform the City that we currently maintain professional liability insurance coverage.

If this letter agreement meets with your approval, please indicate your acceptance by dating and signing this letter and returning it to us. We look forward to representing the City in this matter and to a long and valued relationship.

Very truly yours,



Theodore K. Stream, of
STREAM KIM HICKS
WRAGE & ALFARO, PC

The undersigned understands and agrees to the foregoing:

Date: January __, 2019

CITY OF DESERT HOT SPRINGS

By: Scott Matas, Mayor

ATTEST:

Jerryl Soriano, City Clerk

APPROVED AS TO FORM:

Jennifer A. Mizrahi, City Attorney

Rate Sheet
Stream Kim Hicks Wrage & Alfaro, PC

Photocopies	\$0.15 per page
Overnight Delivery	Actual Cost
Conference Telephone Charges	Actual Cost
Courier Costs	Actual Cost
Extraordinary Postage	Actual Cost
Online Research	Actual Cost

These rates may be increased from time to time and are applicable as of their effective date.

STREAM KIM HICKS WRAGE & ALFARO

A Professional Corporation

Privacy Of Information Disclosure Notice

Pursuant to the Gramm-Leach-Bliley Act, Public Law Number 106-102, and the rule issued by the Federal Trade Commission regarding the Privacy of Consumer Financial Information, 16 Code of Federal Regulations Part 313, law firms are required to provide written notices to certain clients regarding disclosure of non-public personal information. As your attorneys, Stream Kim Hicks Wrage & Alfaro, a Professional Corporation, collects non-public information about the City from the City and, with your authorization, from third parties such as accountants, financial advisors, insurance agents, banking institutions, and other advisors. We do not disclose any non-public personal information about our clients or former clients to anyone except as authorized by that client. If we are authorized by you, we may disclose non-public personal information to unrelated third parties. Such unrelated third parties would include accountants, financial advisors, insurance agents, or government authorities in connection with any tax returns prepared by us or tax planning. We restrict access to non-public personal information about the City to those employees of our law firm who need to know the information in order to provide legal services to you. We maintain physical, electronic, and procedural safeguards that comply with Federal Regulations and our rules of ethics to guard your non-public personal information.

Attorney-Client Privilege

While the foregoing federal laws and regulations establish rules and disclosure requirements, they do not limit the attorney-client privilege or the confidentiality rules for information provided to attorneys. The privilege and confidentiality rules are governed by state law, the rules imposed on attorneys under state law and our ethics standards. In circumstances where applicable federal laws might allow disclosure, we will continue to follow the stricter non-disclosure rules of attorney-client privilege and client confidentiality.