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A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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OUR FILE NUMBER:

000852-00000
10505382.1

July 16, 2012

Dan McHugh
City of Redlands
35 Cajon Street
Redlands, CA 92373

Re: Retention Agreement

Dear Mr. McHugh:

Enclosed is an original Retention Agreement signed by Irma Rodriguez Moisa.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO



Andree Bauml, CCLS
Secretary to Irma Rodríguez Moisa

/ahb
Enclosure



ATTORNEY REPRESENTATION AGREEMENT

I. PARTIES

The parties to this Attorney Representation Agreement (the "Agreement") are the Law Offices of ATKINSON, ANDELSON, LOYA, RUUD & ROMO, a professional law corporation (the "Firm") and the CITY OF REDLANDS ("Client").

II. RECITALS; PURPOSE

Client desires to retain and engage the Firm to perform legal services on client's behalf, and the Firm is willing to accept said engagement on the terms and conditions contained in this Agreement.

III. MATTERS

The Firm is being retained in connection with the representation of Client with respect to any Training and/or Labor and Employment Legal Services, as requested by Client.

IV. TERMS AND CONDITIONS

A. Client will compensate the Firm for the performance of legal services at the hourly rates stated herein for the attorneys within the firm working on the matters. Hourly rates will be: Partners - \$275 per hour; Senior Associates - \$240 per hour; Associates - \$215 per hour; Paralegals - \$145 per hour; Investigative Services - \$250 per hour; Testimony in Deposition and Trials - \$250 per hour; and Administrative Support for Investigations - \$50 per hour. A flat rate for preparation and conducting training shall be as follows: half day (3 hours) \$2,000; full day (6 hours) \$3,000.

The Firm will bill Client for all professional services rendered on behalf of the Client matter. The time billed to the Client for professional services will be billed in one-tenth of an hour increments for time actually expended, including reasonable travel time billed portal to portal.

B. The Firm will not be obligated to advance costs on behalf of Client; however, for the purposes of convenience and in order to expedite matters, the Firm reserves the right to advance costs on behalf of Client with Client's prior approval in the event a particular cost item exceeds \$2,000.00 in amount, and without the prior approval of Client in the event a particular cost item totals \$2,000.00 or less. Typical cost items include, by way of example and not limitation, filing fees, copying charges (outside vendors only), appearance fees, messenger fees, travel costs, bonds, witness fees, expert fees, consultant fees, deposition and court reporter fees, transcript costs, expert witness fees, investigative fees, etc. Costs will be charged to the Client without mark-up. Automobile travel mileage fees will be charged to Client at the prevailing IRS reimbursement rates. There will be no charge for Firm generated faxes, on-line legal research of California law, non-legal staff overtime charges or internal Firm copying charges.

C. A detailed description of the attorney work performed and the costs advanced by the Firm will be prepared on a monthly basis as of the last day of the month and will be mailed to Client on or about the 15th of the following month. Payment of the full amount due, as reflected on the

monthly statements, will be due to the Firm from Client by the 15th of each month for the prior monthly statement, unless other arrangements are made. In the event there are retainer funds of Client in the Firm's Trust account at the time a monthly billing statement is prepared, funds will be transferred from the Firm's Trust Account to the Firm's General Account to the extent of the balance due on the monthly statement and a credit therefore will be reflected on the monthly statement. Any balance of fees or costs advanced remaining unpaid for a period of 30 days will be subject to a 1% per month service charge.

D. Client agrees to review the Firm's monthly statements promptly upon receipt and to notify the Firm, in writing, with respect to any disagreement with the monthly statement.

E. Client agrees to fully cooperate with the Firm in connection with the Firm's representation of Client, including but not limited to attending mandatory court hearings and other appearances and providing necessary information and documentation to enable the Firm to adequately represent Client.

F. Client has the right, at any time, and either with or without good cause, to discharge the Firm as Client's attorneys. In the event of such a discharge of the Firm by Client, however, any and all unpaid attorneys' fees and costs owing to the Firm from Client shall be immediately due and payable.

G. The Firm reserves the right to discontinue the performance of legal services on behalf of Client upon the occurrence of any one or more of the following events:

1. Upon order of Court requiring the Firm to discontinue the performance of said legal services;
2. Upon a determination by the Firm in the exercise of its reasonable and sole discretion, that state or federal legal ethical principles require it to discontinue legal services for Client;
3. Upon the failure of Client to perform any of client's obligations hereunder as respects the payment of the Firm's fees and costs advanced; or
4. Upon the failure of Client to perform any of client's obligations hereunder as respects cooperation with the Firm in connection with the Firm's representation of client.

H. In the event that the Firm ceases to perform legal services for Client, as herein above provided, Client agrees that Client will promptly pay to the Firm any and all unpaid fees and all undisputed fees or costs advanced, and retrieve all of client's files, signing a receipt therefore. Further, Client agrees that, with respect to any litigation where the Firm has made an appearance in Court on his behalf, Client will promptly execute an appropriate Substitution of Attorney form.

I. The Firm maintains errors and omissions insurance coverage applicable to the services to be rendered.

IV. PROTECTION OF CLIENT CONFIDENCES HIGH TECH COMMUNICATION DEVICES:

The Firm stays constantly aware of its important obligation to preserve the secrets and confidences of its clients which it holds in precious trust for them. To that end it is important that you and the Firm agree from the outset what kinds of communications technology the Firm should employ in the course of this engagement. For instance, the exchange of documents and other information using email or other types of electronic communications involves some risk that information will be retrieved by third parties with no right to see it. Even the use of facsimile machines can cause problems if documents are sent to numbers where the documents sit in open view.

Therefore, you should only provide the Firm with cellular numbers, facsimile numbers and email addresses which are acceptable to you for receiving confidential communications from the Firm. If you have any mailing addresses, cellular numbers, facsimile numbers, and email addresses that the Firm should not use for confidential communications, please advise us of these in writing. You agree that the Firm may use any of your cellular numbers, facsimile numbers and email addresses other than those which you specify in writing that the Firm should not use.

V. POSSIBLE THIRD PARTY CONFLICTS.

Client and Firm agree to the applicability of the Rules of Professional Conduct adopted in California to any and all representation arising under this Agreement.

VI. MEDIATION/ARBITRATION; WAIVER OF JURY TRIAL.

If a dispute arises out of or relating to any aspect of this Agreement between Client and Firm, or the breach thereof, and if the dispute cannot be settled through negotiation, Firm and Client agree to discuss in good faith the use of mediation before resorting to arbitration, litigation, or any other dispute resolution procedure. Nothing in this Agreement limits or otherwise affects Client's right under Sections 6200-6206 of the California Business and Professions Code to request arbitration of any fee dispute by an independent, impartial arbitrator or panel of arbitrators through a bar association program created solely to resolve fee disputes between lawyers and Client. However, should discussions, mediation or the non-binding arbitration provided through a local bar association program not resolve the dispute, the dispute will be determined by binding arbitration before the American Arbitration Association under their then prevailing commercial arbitration rules, except that discovery may be taken in that arbitration under the California Code of Civil Procedure. The claims or controversies subject to this provision include, without limitation, any claim of professional negligence or malpractice. The arbitration will be held in Camarillo, California, unless we mutually select another venue, and judgment may be entered upon the arbitrator's award by any court having jurisdiction. Should Client refuse or neglect to appear or participate in the arbitration proceedings, the arbitrator is empowered to decide the claim or controversy in accordance with the evidence presented. Client should realize that by accepting the arbitration provision, CLIENT WILL WAIVE CLIENT'S RIGHT TO A JURY TRIAL AND THE RIGHT, EXCEPT UNDER LIMITED CIRCUMSTANCES, TO APPEAL THE ARBITRATOR'S DECISION.

AK (Client Initial Here)

_____ (Firm Initial Here)

VII. DOCUMENT RETENTION AND DESTRUCTION

The Firm retains client files for five (5) years after the client matter is closed. The Firm then destroys those files unless Client has previously asked the Firm in writing to return that matter file to Clients.

VIII. TERMINATION

The attorney-client relationship between the Firm and Client will cease at the conclusion of the matter(s) specified above. There are instances when the Firm has been retained to provide ongoing general business advice or general labor advice to the Client. If the Firm is not asked by the Client to provide advice for a period of one (1) year from the last date the Firm provided such advice, both the Client and the Firm agree, that the attorney-client relationship terminated on the last date the Firm provided advice without further action or notice by either party. If the Client requires additional advice after such termination, a new Retainer Agreement will be required.

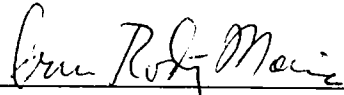
IX. INDEMNIFICATION

The Firm agrees to defend, indemnify and hold harmless the Client and its employees, agents, assigns and successors in interest from and against all suits and causes of action, claims, losses, demands, and expenses, including, but not limited to, attorney's fees and costs of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including Firm's employees and agents, or damage to or destruction of any property of either party hereto or third person, in any manner arising by reasons of or incident to the performance of legal services on the part of the Firm, its officers, directors, agents, servants, employees, or contractors, whether or not contributed to by any act or omission of the Client or any of the Client's boards, officers, agents or employees.

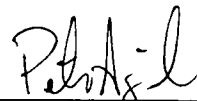
X. EXECUTION DATE

This Agreement is entered into this 5th day of July 2012, at Redlands, California.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: 
IRMA RODRIGUEZ MOISA

CITY OF REDLANDS

By: 
Pete Aguilar, Mayor