AGREEMENT FOR LEGAL SERVICES

This Agreement is made and entered into on _____, 2008, by and between the **CITY OF SACRAMENTO**, a municipal corporation ("CITY") and **LENNIHAN LAW**, A Professional Corporation, 2311 Capitol Avenue, Sacramento, CA ("ATTORNEY").

The parties agree as follows:

1. CITY employs and retains ATTORNEY to advise, assist and represent CITY with respect to water supply, water resources and water rights issues and proceedings. Martha H. Lennihan shall be the attorney responsible for performing and/or directly supervising the performance of all services rendered by ATTORNEY hereunder.

2. ATTORNEY will act as outside counsel for the Sacramento City Attorney's Office, the attorney for the CITY. All services rendered by ATTORNEY hereunder shall be performed at the direction of the City Attorney's Office.

3. CITY shall compensate ATTORNEY for services rendered at the hourly billing rate(s) and charges set forth in Exhibit A (2008 Hourly Rates and Costs), hourly rates to be billed in tenths of an hour. All office, travel or other time shall be charged at this rate. Such compensation shall be the sole and total remuneration for the rendition of services under this Agreement. ATTORNEY may change the rates and charges set forth in Exhibit A once each calendar year, upon 30 days advance written notice to City.

4. CITY shall reimburse ATTORNEY for day-to-day costs such as ordinary local and long distance telephone charges, ordinary photocopying, and incoming and outgoing facsimiles by a cost charge of 6% of the legal fees. CITY shall reimburse ATTORNEY for actual and reasonable additional costs such as travel out of the Sacramento metropolitan area (at $.035 per mile), overnight mail, filing fees, large copying jobs, computer research, messenger services, parking and conference calls. Expenses for air travel and/or consultants to aid in representing CITY shall be reimbursed if approved in advance by CITY.

5. This Agreement shall have a term of one year, provided that CITY may renew this Agreement by written notice to ATTORNEY for up to two successive one-year terms.

6. Payments made to ATTORNEY by CITY during the term of this Agreement for services rendered and for the reimbursement of costs and expenses shall not exceed **One Hundred Fifty Thousand Dollars** ($150,000.00), unless the parties agree in writing to increase this amount.

7. Legal billing shall be submitted on a monthly or quarterly basis to the City of Sacramento Utilities Department, 1395 35th Avenue, Sacramento, CA 95822, Attn: Gary Reents, Director, with a copy to the City Attorney's Office, 915 I Street, 4th Floor, Sacramento, CA. 95814, Attn: Richard E. Archibald, Assistant City Attorney. The billing shall consist of a detailed statement setting forth the exact nature of the service, whether it be research, investigation, consultation, representation of the CITY before any agency, or any other activity or service. ATTORNEY shall identify the time expended in rendering such services, calculated in one-tenth (1/10) hour segments. Costs under $100.00 should be paid by ATTORNEY and submitted with its normal billing.

8. If requested by CITY, ATTORNEY shall provide to CITY all final documents prepared by ATTORNEY in a word processing format compatible with that used by the City Attorney's office.

9. ATTORNEY certifies that it accepts this employment because it has the time, energy and ability necessary to perform the duties required in an efficient, trustworthy and businesslike manner. CITY understands and agrees that ATTORNEY is presently a sole practitioner, that CITY has assessed its needs and has independently concluded that such representation is appropriate and adequate for those needs. ATTORNEY agrees to defend, indemnify, save and hold CITY, its officers, agents and employees, harmless from any claims or suits that may be brought by third persons on account of personal injury, bodily injury (including death), or damage to property, or a property, business or personal interest, arising from any negligent act or omission by ATTORNEY while performing services under this Agreement. ATTORNEY's obligations under this Section 9 shall survive any termination or expiration of this Agreement.

10. During the term of this Agreement, ATTORNEY shall maintain in effect the following policies of insurance:

COVERAGE	LIMITS OF LIABILITY
Workers' Compensation.	Statutory
Comprehensive General Liability, including endorsements for completed operations, contractual, independent contractors, broad form property damage and personal injury.	Bodily Injury: $500,000 each occurrence $1,000,000 aggregate Property Damage: $250,000 each occurrence Personal Injury: $500,000 each occurrence $1,000,000 aggregate
Comprehensive Automobile Liability, including endorsements for owned, hired, and nonowned vehicles.	Bodily Injury: $300,000 each occurrence $500,000 aggregate Property Damage: $100,000 each occurrence
Professional Liability (errors and omissions).	$1,000,000 each occurrence $2,000,000 aggregate

ATTORNEY shall provide a certificate of insurance evidencing such coverage in a form satisfactory to the City Attorney. Such certificate shall provide that the insurance carrier will endeavor to provide a minimum of thirty (30) days written notice prior to any modification or termination of the required insurance. In addition, ATTORNEY shall promptly send CITY a copy of any notice received by ATTORNEY of any modification or termination of the required insurance. Any insurance written on a "claims made" basis is subject to the approval of the City Attorney.

11. ATTORNEY certifies that it has no personal or financial interest in, nor any connection with, the matter which is or will be the subject of this Agreement, or with any of the personnel, officers, agents or employees of the parties to such matter.

12. ATTORNEY represents and warrants that it has made a diligent effort to determine whether there are any actual or potential conflicts of interest that would preclude or interfere with ATTORNEY's performance of this Agreement, has discussed the potential for such

conflicts to exist or arise with CITY via the City Attorney's Office, and both parties reasonably believe that no actual conflicts exist. Both parties recognize that due to the nature of the subject matter of representation, conflicts may arise or become evident, and both parties agree to address any such conflicts in a manner consistent with applicable laws and standards. In furtherance thereof, CITY understands and agrees that if a conflict does arise or become apparent between the CITY and one or more of ATTORNEY's pre-existing client(s), ATTORNEY's representation of the pre-existing client(s) will take precedence and ATTORNEY will not represent the CITY to the extent inconsistent with representation of the existing client(s) except as otherwise expressly agreed by the pre-existing client(s). The parties acknowledge that CITY has already entered into waiver and consent agreements with two of ATTORNEY's pre-existing clients.

13. This Agreement may be immediately terminated by CITY at will upon giving written notice. Unless specifically agreed, ATTORNEY shall not provide any further services and advance no further costs after receipt of the notice. Upon termination of this Agreement either by notice or by the conclusion of the matter, all files, documents and other property shall become CITY's property and shall be returned. CITY's property includes, for example, correspondence, deposition transcripts, exhibits, expert's reports, legal documents, physical evidence and other items reasonably necessary to CITY's representation, whether or not CITY has paid for them.

14. This is an integrated Agreement. This Agreement, including any Exhibits hereto which are hereby fully incorporated by this reference, contains the entire agreement between the parties. This Agreement shall be binding on the heirs, successors, and assigns of the parties.

15. In any action to enforce the terms of this Agreement, the prevailing party shall recover its reasonable attorney's fees.

16. This Agreement is subject to the provisions of Sacramento City Code Chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. The requirements of Sacramento City Code Chapter 3.54 are summarized in Exhibit B. ATTORNEY is required to sign the attached Declaration of Compliance (Equal Benefits Ordinance), to assure compliance with these requirements.

CITY OF SACRAMENTO, a
municipal corporation

EILEEN M. TEICHERT
CITY ATTORNEY

By Richard E Archibald 12/31/07
Richard E. Archibald
Assistant City Attorney

LENNIHAN LAW, a
professional corporation

By Martha H Lennihan
Martha H. Lennihan
President

Attest:

City Clerk

DECLARATION OF COMPLIANCE
Equal Benefits Ordinance

Name of Contractor: Lennihan Law, a Professional Corporation
Address: 2311 Capitol Avenue, Sacramento, CA

The above named Contractor ("Contractor") hereby declares and agrees as follows:

1. Contractor has read and understands the Requirements of the Non-Discrimination In Employee Benefits Code (the "Requirements") attached hereto as Exhibit E.

2. As a condition of receiving this Agreement, Contractor agrees to fully comply with the Requirements, as well as any additional requirements that may be specified in the City of Sacramento's Non-Discrimination In Employee Benefits Code codified at Chapter 3.54 of the Sacramento City Code (the "Ordinance").

3. Contractor understands, to the extent that such benefits are not preempted or prohibited by federal or state law, employee benefits covered by the Ordinance are any of the following:

   a. Bereavement Leave
   b. Disability, life, and other types of insurance
   c. Family medical leave
   d. Health benefits
   e. Membership or membership discounts
   f. Moving expenses
   g. Pension and retirement benefits
   h. Vacation
   i. Travel benefits
   j. Any other benefit offered to employees

   Contractor agrees that if Contractor offers any of the above-listed employee benefits, Contractor will offer those benefits, without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouses and domestic partners of such employees.

4. Contractor understands that Contractor will not be considered to be discriminating in the provision or application of employee benefits under the following conditions or circumstances:

   a. If the actual cost of providing a benefit to a domestic partner or spouse exceeds the cost of providing the same benefit to a spouse or domestic partner of an employee, Contractor will not be required to provide the benefit, nor shall it be deemed discriminatory, if Contractor requires the employee to pay the monetary difference in order to provide the benefit to the domestic partner or to the spouse.

   b. If Contractor is unable to provide a certain benefit, despite taking reasonable measures to do so, if Contractor provides the employee with a cash equivalent Contractor will not be deemed to be discriminating in the application of that benefit.

   c. If Contractor provides employee benefits neither to employee's spouses nor to employee's domestic partners.

   d. If Contractor provides employee benefits to employees on a basis unrelated to marital or domestic partner status.

   e. If Contractor submits written evidence of making reasonable efforts to end discrimination in employee benefits by implementing policies that will be enacted before the first effective date after the first open enrollment process following the date this Agreement is executed by the

City of Sacramento ("City"). Contractor understands that any delay in the implementation of such policies may not exceed one (1) year from the date this Agreement is executed by the City, and applies only to those employee benefits for which an open enrollment process is applicable.

f. Until administrative steps can be taken to incorporate nondiscrimination in employee benefits. The time allotted for these administrative steps will apply only to those employee benefits for which administrative steps are necessary and may not exceed three (3) months from the date this Agreement is executed by the City.

g. Until the expiration of a current collective bargaining agreement(s) if employee benefits are governed by such collective bargaining agreement(s).

h. Contractor takes all reasonable measures to end discrimination in employee benefits by either requesting that the union(s) involved agree to reopen the agreement(s) in order for Contractor to take whatever steps are necessary to end discrimination in employee benefits or by ending discrimination in employee benefits without reopening the collective bargaining agreement(s).

i. In the event Contractor cannot end discrimination in employee benefits despite taking all reasonable measures to do so, Contractor provides a cash equivalent to eligible employees for whom employee benefits are not available. Unless otherwise authorized in writing by the City Manager, Contractor understands this cash equivalent must begin at the time the union(s) refuse to allow the collective bargaining agreement(s) to be reopened or not longer than three (3) months after the date this Agreement is executed by the City.

5. Contractor understands that failure to comply with the provisions of Section 4(a) through 4(i), above, will subject Contractor to possible suspension and/or termination of this Agreement for cause; repayment of any or all of the Agreement amount disbursed by the City; debarment for future agreements until all penalties and restitution have been paid in full and/or for up to two (2) years; and/or the imposition of a penalty, payable to the City, in the sum of $50.00 for each employee, for each calendar day during which the employee was discriminated against in violation of the provisions of the Ordinance.

6. Contractor understands and agrees to provide notice to each current employee and, within ten (10) days of hire, to each new employee, of their rights under the Ordinance. Contractor further agrees to maintain a copy of each such letter provided, in an appropriate file for inspection by authorized representatives of the City. Contractor also agrees to prominently display a poster informing each employee of these rights.

7. Contractor understands that Contractor has the right to request a waiver of, or exemption from, the provisions of the Ordinance by submitting a written request to the City's Procurement Services Division prior to Agreement award, which request shall identify the provision(s) of the Ordinance authorizing such waiver or exemption and the factual basis for such waiver or exemption. The City shall determine in its sole discretion whether to approve any such request.

8. Contractor agrees to defend, indemnify and hold harmless, the City, its officers and employees, against any claims, actions, damages, costs (including reasonable attorney fees), or other liabilities of any kind arising from any violation of the Requirements or of the Ordinance by Contractor.

The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that he or she is authorized to bind the Contractor to the provisions of this Declaration.

Martha H. Lennihan
Signature of Authorized Representative

12/21/07
Date

Martha H. Lennihan
Print Name

President
Title

EXHIBIT A
LENNIHAN LAW
A PROFESSIONAL CORPORATION

2008 HOURLY RATES AND COSTS

Rates

Martha H. Lennihan	$275
Associates	
Senior	$175-200
Junior	$140-165
Law Clerks & Legal Assistants	$80-100
File Clerks	$65

Costs

Local telephone & facsimile, daily copying and postage & other day to day costs	6% of legal fees
Additional incurred expenses such as filing fees, transcripts, travel, computer research, large copying or other jobs, conference calls, etc.	Cost

EXHIBIT B

REQUIREMENTS OF THE NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

INTRODUCTION

The Sacramento Non-Discrimination In Employee Benefits Code (the "Ordinance"), codified as Sacramento City Code Chapter 3.54, prohibits City contractors from discriminating in the provision of employee benefits between employees with spouses and employees with domestic partners, and between the spouses and domestic partners of employees.

APPLICATION

The provisions of the Ordinance apply to any contract or agreement (as defined below), between a Contractor and the City of Sacramento, in an amount exceeding $25,000.00. The Ordinance applies to that portion of a contractor's operations that occur: (i) within the City of Sacramento; (ii) on real property outside the City of Sacramento if the property is owned by the City or if the City has a right to occupy the property; or (iii) at any location where a significant amount of work related to a City contract is being performed.

The Ordinance does not apply: to subcontractors or subcontracts of any Contractor or contractors; to transactions entered into pursuant to cooperative purchasing agreements approved by the Sacramento City Council; to legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City; where the requirements of the ordinance will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement; to permits for excavation or street construction; or to agreements for the use of City right-of-way where a contracting utility has the power of eminent domain.

DEFINITIONS

As set forth in the Ordinance, the following definitions apply:

"Contract" means an agreement for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided, at the expense of the City or to be paid out of moneys deposited in the treasury or out of the trust money under the control or collected by the City. "Contract" also means a written agreement for the exclusive use ("exclusive use" means the right to use or occupy real property to the exclusion of others, other than the right reserved by the fee owner) or occupancy of real property for a term exceeding 29 days in any calendar year, whether by singular or cumulative instrument, (i) for the operation or use by others of real property owned or controlled by the City for the operation of a business, social, or other establishment or organization, including leases, concessions, franchises and easements, or (ii) for the City's use or occupancy of real property owned by others, including leases, concessions, franchises and easements.

"Contract" shall not include: a revocable at-will use or encroachment permit for the use of or encroachment on City property regardless of the ultimate duration of such permit; excavation, street construction or street use permits; agreements for the use of City right-of-way where a contracting utility has the power of eminent domain; or agreements governing the use of City property that constitute a public forum for activities that are primarily for the purpose of espousing or advocating causes or ideas and that are generally protected by the First Amendment to the United States

Constitution or that are primarily recreational in nature.

"Contractor" means any person or persons, firm partnership or corporation, company, or combination thereof, that enters into a Contract with the City. "Contractor" does not include a public entity.

"Domestic Partner" means any person who has a currently registered domestic partnership with a governmental entity pursuant to state or local law authorizing the registration.

"Employee Benefits" means bereavement leave; disability, life, and other types of insurance; family medical leave; health benefits; membership or membership discounts; moving expenses; pension and retirement benefits; vacation; travel benefits; and any other benefit given to employees. "Employee benefits" shall not include benefits to the extent that the application of the requirements of this chapter to such benefits may be preempted by federal or state.

CONTRACTOR'S OBLIGATION TO PROVIDE THE CITY WITH DOCUMENTATION AND INFORMATION

Contractor shall provide the City with documentation and information verifying its compliance with the requirements of the Ordinance within ten (10) days of receipt of a request from the City. Contractors shall keep accurate payroll records, showing, for each City Contract, the employee's name, address, Social Security number, work classification, straight time pay rate, overtime pay rate, overtime hours worked, status and exemptions, and benefits for each day and pay period that the employee works on the City Contract. Each request for payroll records shall be accompanied by an affidavit to be completed and returned by the Contractor, as stated, attesting that the information contained in the payroll records is true and correct, and that the Contractor has complied with the requirements of the Ordinance. A violation of the Ordinance or noncompliance with the requirements of the Ordinance shall constitute a breach of contract.

EMPLOYER COMPLIANCE CERTIFICATE AND NOTICE REQUIREMENTS

(a) All contractors seeking a Contract subject to the Ordinance shall submit a completed Declaration of Compliance Form, signed by an authorized representative, with each proposal, bid or application. The Declaration of Compliance shall be made a part of the executed contract, and will be made available for public inspection and copying during regular business hours.

(b) The Contractor shall give each existing employee working directing on a City contract, and (at the time of hire), each new employee, a copy of the notification provided as Attachment "A."

(c) Contractor shall post, in a place visible to all employees, a copy of the notice provided as Attachment "B."

Attachment A

YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

On ..... (date), your employer (the "Employer") entered into a contract with the City of Sacramento (the "City") for ..... (contract details), and as a condition of that contract, agreed to abide by the requirements of the City's Non-Discrimination In Employee Benefits Code (Sacramento City Code Section 3.54).

The Ordinance does not require the Employer to provide employee benefits. The Ordinance does require that if certain employee benefits are provided by the Employer, that those benefits be provided without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouse or domestic partner of employees.

The Ordinance covers any employee working on the specific contract referenced above, but only for the period of time while those employees are actually working on this specific contract.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

(Employee Benefits does not include benefits that may be preempted by federal or state law.)

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, or in the application of these employee benefits, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of the Ordinance, and after having exhausted all remedies with your employer,

You May . . .

O Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento
Contract Services Unit
921 10th St., Room 402
Sacramento, CA 95814-2714

- Bring an action in the appropriate division of the Superior Court of the State of California against the Employer and obtain the following remedies:

  - Reinstatement, injunctive relief, compensatory damages and punitive damages

  - Reasonable attorney's fees and costs

Attachment B

YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

If your employer provides employee benefits, they must be provided to those employees working on a City of Sacramento contract without discriminating between employees with spouses and employees with domestic partners.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

If you feel you have been discriminated against by your employer . . .

You May . . .

O Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento
Contract Services Unit
921 10th St., Room 402
Sacramento, CA 95814-2714

O Bring an action in the appropriate division of the Superior Court of the State of California against the employer and obtain reinstatement, injunctive relief, compensatory damages, punitive damages and reasonable attorney's fees and costs.

Discrimination and Retaliation Prohibited.

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of this Ordinance . . .

You May Also . . .

Submit a written complaint to the City of Sacramento, Contract Services Unit, at the same address, containing the details of the alleged violation.