



177 Post Street, Suite 650  
San Francisco, CA 94108  
(415) 549-0580

Todd Simonson  
Direct Dial: (415) 504-3163  
tsimonson@srclaw.com

March 19, 2021

**CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGED COMMUNICATION**

**VIA E-MAIL ONLY [mslattery@ci.eureka.ca.us]**

Miles Slattery  
City Manager  
City of Eureka  
531 K Street  
Eureka, CA 95501

Re: Engagement of Sacks, Ricketts & Case LLP (the "Firm")

Dear Mr. Slattery,

The purpose of this letter is to confirm our engagement by the City of Eureka (the "City") to conduct the investigation described below. We appreciate your confidence and thank you for selecting us to assist the City.

Scope of Services. The City hires the Firm to conduct an impartial administrative investigation regarding allegations concerning City Police Department employees who engaged in inappropriate text messaging. The Firm will perform these duties as an attorney at law for the purpose of facilitating the rendering of legal advice to City by its counsel. The Firm's communications, work product, and the final report will be protected from disclosure pursuant to the attorney-client privilege, unless waived by the City.

Independence. As an independent contractor, the Firm has the right to determine the means, manner, and findings related to the investigation. The City agrees to allow the Firm full discretion to undertake the investigation and otherwise make findings without influencing or interfering with the outcome. The City understands and acknowledges that the Firm will exercise its independent judgement to make whatever findings it deems are warranted based on the evidence developed in the investigation, and that this Agreement is not dependent on the Firm making, or failing to make, any credibility determination, finding of fact, or conclusion.

Fees and Charges. We are providing the City with substantially discounted public sector rates. **The hourly rates are \$350 for the undersigned and other Partners; \$300 for Of Counsel; \$250 for Associates. Paralegal time is charged at \$125. Any travel time will be billed at half**

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**of these hourly rates.** In addition to fees, our statements include our actual costs for disbursements, mileage reimbursements, and/or charges for third parties – including, but not limited to, rough transcriptions of witness interviews (collectively "Charges"). To the extent we pay any third-party charges, we will include these charges in our statements to you. Statements are submitted monthly and are due and payable upon receipt. We request that the City notify us promptly in writing if it disputes any entry for legal services or charges on any statement. We reserve the right to charge interest at the rate of 10% per annum from the date of a statement for amounts that remain outstanding for more than sixty (60) days.

Unless we otherwise expressly agree in writing, any estimates we may provide from time to time and any Fee Deposits or advances against costs we may require are not a limitation on our fees and other charges. In addition, if as a result of our engagement we are required to produce documents or appear as witnesses in connection with any governmental or regulatory examination, audit, investigation, or other proceeding or any litigation, arbitration, mediation, or dispute involving the City or related persons, the City is responsible for costs and expenses reasonably incurred by us including professional and staff time at then-scheduled hourly rates and reasonable attorneys' fees and costs that we may incur. In the event that the City should terminate our services, request that it be given its files or that they be transferred to some other firm, the City agrees that we may retain a copy of those files.

Consultation With Counsel. We may have occasion to seek legal advice about our own rights and responsibilities regarding our engagement by the City. We may seek such advice from other attorneys in our Firm or from outside attorneys at our own expense. You agree that any such communications and advice are protected by our own attorney-client privilege and neither the fact of any communication nor their substance is subject to disclosure to you. To the extent that we are addressing our own rights and responsibilities, a conflict of interest might be deemed to exist between us and the City, particularly if a dispute should arise between us. The City hereby consents to such consultation occurring and waives any claim of conflict of interest based on such consultation or resulting communications that would otherwise disqualify us from continuing to represent the City or from acting in our own behalf, even if doing so might be deemed adverse to the interests of the City.

Our Document Retention. It is our policy and practice to destroy our files seven (7) years after the file is first closed unless the client requests a shorter or longer retention period in writing. Files are generally closed at the conclusion of a lawsuit or when the matter on which we have been retained concludes.

Indemnification. The City agrees to defend, indemnify and hold harmless the Firm, its employees and agents, from and against all claims, suits or causes of action arising out of any complaint brought against the City during or as a result of the Engagement described above, or as the Firm may undertake on behalf of the City pursuant to this Agreement. The City will also provide legal representation for the Firm and any of its employees and agents at the City's expense through its legal counsel, or at the Firm's option, will provide reimbursement for legal counsel chosen by the Firm, if during any litigation relating to the Engagement, the Firm or any of its employees or agents providing services under this contract are sued, deposed, or otherwise

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required to provide information or testimony concerning services under this contract. The City will indemnify and hold harmless the Firm, its employees and agents, with respect to any judgment entered against it and/or with respect to any settlement of any third-party claims related to the services rendered under this Agreement. This right of indemnifications shall not extend to any loss, liability, damage or expense resulting from the Firm's negligence or other actual misconduct; in any such case, the Firm shall indemnify and hold City harmless with respect to any resultant third-party claims. In accordance with California Rule of Professional Conduct 3-400, this provision is not intended to apply to any potential professional malpractice action brought by the City against the Firm.

Arbitration. Any dispute between us concerning our fees or charges shall, if the City so elects, be submitted to arbitration under rules of the California State Bar and shall be binding if (i) each of us so agrees after any such dispute arises, or (ii) such arbitration becomes binding under such rules. Any dispute between us concerning our fees or charges not so submitted to binding arbitration under the rules of the California State Bar or that remains unresolved after non-binding arbitration under such rules and any other dispute between or among the City and the Firm or any of our attorneys and agents, including but not limited to claims of malpractice, errors or omissions, or any other claim of any kind regardless of the facts or the legal theories, shall be finally settled by mandatory binding arbitration in San Francisco, California, conducted in accordance with California Code of Civil Procedure §§ 1282 *et seq.*, including, but not limited to, § 1283.05, with each party to bear its own costs and attorneys' fees and disbursements. Such arbitration shall be conducted before a single arbitrator, except in matters involving a dispute greater than five hundred thousand dollars, which shall be conducted before a three arbitrator panel with each side selecting one arbitrator and the two arbitrators selected by the parties choosing the third arbitrator. Judgment on a binding arbitration award may be entered in any court of competent jurisdiction. Arbitration has the potential to provide a timelier, more economic, and more confidential resolution of any dispute between us. There will likely be less discovery and a determination by an agreed-upon arbitrator or arbitrators rather than a judge or jury. *We mutually acknowledge that, by this agreement to arbitrate, each of us irrevocably waives our rights to court or jury trial. The City has the right to consult separate legal counsel at any time as to any matter, including whether to enter into this engagement letter and consent to the foregoing agreement to arbitrate.* The City agrees that this agreement will be governed by the laws of California without regard to its conflict rules. Subject in all cases to the arbitration provisions herein provided, the City agrees that the court's exclusive jurisdiction and exclusive venue for any dispute between us shall lie solely with the California Superior Court for the county in which our office identified on our letterhead above is located and the corresponding federal court. Subject to the arbitration provisions, the City consents to service of process pursuant to the applicable California state statutes and federal rules.

If the foregoing is an acceptable basis for our engagement, please have the appropriate City representative sign a copy of this letter on the City's behalf and return the executed copy to me by email. If you have any questions or concerns, please call. You have the right to seek the advice of independent counsel of your choice before signing this letter and to be given a reasonable opportunity to seek that advice.

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Once again, thank you for selecting us to assist the City of Eureka.

Sincerely,

/s/ *Todd Simonson*

Todd Simonson  
SACKS, RICKETTS & CASE LLP

Enclosure

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The undersigned has read and understands this engagement letter and agrees that it correctly sets forth the terms upon which Sacks, Ricketts & Case LLP has been engaged by the undersigned City in connection with the services described herein

DocuSigned by:  
Miles Slattery  
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Miles Slattery, City manager

3/19/2021  
Dated: \_\_\_\_\_

DocuSigned by:  
Robert Black  
1CABE694F9E248A...  
Robert Black, attorney

DocuSigned by:  
Pamela J. Powell  
31893519FE884F1...  
Pamela J. Powell, City Clerk