

LEGAL SERVICES AGREEMENT

This Legal Services Agreement, entered into as of October 23, 2012, by and between the **Marina Coast Water District**, a public entity (hereinafter "Client"), and **Griffith & Masuda, a Professional Law Corporation**, engaged in the practice of law in the State of California (hereinafter "Firm").

Client and Firm hereby agree as follows:

1. SERVICES. Client hereby retains Firm to represent Client as Client's Legal Counsel and to provide legal services as may be requested, orally or in writing, from time to time by officers or authorized representatives of Client. Firm hereby agrees to perform such legal services for and on behalf of Client and to undertake, subject to the approval of Firm, such additional duties as may be authorized by Client from time to time under the terms and conditions set forth herein.

Roger K. Masuda will be primarily responsible for the legal services to be performed for Client, but he will direct other attorneys or other personnel in the Firm to perform services for Client when in his discretion he believes that would be more appropriate or efficient.

2. FEES.

a. For services performed from the date of this Agreement through June 2013, Firm will be compensated at the following hourly rates:

Roger K. Masuda	\$225.00
Sara J. Lima	\$225.00
David L. Hobbs	\$215.00
Barbara A. Hetrick	\$ 80.00
Karrie Bullock	\$ 50.00

b. Firm will charge in increments of one-tenth of an hour, rounded off for each particular activity to the nearest one-tenth of an hour. The minimum time charged for any particular activity will be one-tenth of an hour. Firm will charge for all activities undertaken in providing legal services to Client under this agreement including, but not limited to, the following: conferences (including preparation and participation), review and preparation of correspondence and legal documents, legal research, and telephone conversations. Travel time will be charged at the applicable hourly rate, except that travel time will not be charged for one meeting per month at the District's office or at the Board meeting location. If the Firm hires additional personnel, the Firm will notify Client of the appropriate billing rate based upon the attorney's education, training, and experience.

3. REVISION OF RATES. Firm agrees to maintain the above rates through June 2013.

Thereafter, Firm will normally request to adjust the hourly rates for services as of July 1 of each calendar year. Any annual hourly rate increases shall be subject to Client's prior approval.

4. EXPENSES In addition to compensation for fees, Client shall reimburse Firm for all out-of-pocket costs and expenses actually incurred by the Firm in its representation of Client. Out-of-pocket expenses include, but are not limited to, online/computer legal research time, mileage at the IRS reimbursement rate (excluding the one meeting per month under Section 2b), lodging, meals, airfare, and all other travel expenses, facsimile charges, photo-copying and printing costs, postage for large envelopes and packages, overnight and express mail charges, filing fees, transcript costs, secretarial overtime, and other expenses incurred on behalf of Client.

5. CONSULTANTS. It may sometimes be necessary for Firm to retain consultants, subconsultants or experts (collectively "consultants") to aid us in representing Client. Retention of such consultants shall be subject to the prior approval of Client. Consultants will be retained by Firm to protect the attorney work product privilege. Firm will not be responsible for payment for consulting services provided for Client's benefit. The fees for services performed by retained consultants will normally be billed directly to Client. In the event that Firm pays consultant, Client would be responsible for prompt reimbursement to Firm for payments made to consultant.

6. INVOICES. The Firm's billing cycle runs from the first day of the month to the last day of the month. Firm will normally provide monthly invoices to Client for all fees and expenses, which invoice shall clearly state the basis thereof. The fee portion of the invoice shall include the amount, rate, basis for calculation, or other method of determination of Firm's fees and costs. The cost and expense portion of the invoice shall clearly identify the nature and amount of the costs and expenses incurred. Invoices shall be payable within thirty (30) days from the date of the invoice.

7. TERMINATION.

a. By Client. Client retains the right to terminate this firm as its attorney at any time; provided that any such termination shall be by the affirmative vote of at least three of Client's Board Directors.

b. By Firm. Firm reserves the right to withdraw from representing Client if Client fails to follow the terms of this agreement (including, but not limited to, the non-payment of fees and costs), Client have misrepresented or failed to disclose material facts to the Firm, or Client chooses not to follow our advice. Good cause for withdrawal will also be any circumstance that would render our continuing representation unlawful or unethical.

c. Unless otherwise agreed in writing, any termination hereunder shall become effective upon receipt of written notice of termination.

d. On Firm's termination, the amount due Firm for services rendered and costs and expenses incurred prior to termination shall remain due and payable.

8. CONFLICTS DISCLOSURE.

Firm represents that it is not aware of any conflicts of interest with respect to services and matters that the Firm currently understands are within the scope of this Agreement. As long as the Firm's services for Client continue under this Agreement, the Firm will not agree to provide legal services for any party, which might present a conflict of interest without Client's prior written consent.

9. NOTICES. All notices, invoices, reports or other communication to the parties shall be properly given if delivered in person or sent by First Class mail, facsimile or overnight delivery and addressed as follows:

If to Client: Marina Coast Water Conservation District
11 Reservation Road
Marina, CA 93933

If to Firm: Griffith & Masuda, A Professional Law Corporation
517 E. Olive Avenue (95380)
P.O. Box 510
Turlock, CA 95381

Either party may change its address for receipt of notices under this Agreement by notice given in the manner provided herein.

10. ARBITRATION. The parties agree that any dispute relating to attorneys' fees, or costs under this Agreement shall be submitted to non-binding arbitration before the Monterey County Bar Association pursuant to California Business and Professions Code section 6200, et seq., or should that organization decline to arbitrate the dispute, before the State Bar of California.

Any other dispute (other than attorneys' fees and costs) between Firm and Client arising out of, or relating to this Agreement, or professional services rendered by Firm pursuant to this Agreement shall be resolved by binding arbitration before the American Arbitration Association at Patterson, California, or at such other place mutually convenient to Firm and Client, in accordance with the Commercial Rules of the American Arbitration Association prevailing at the time of arbitration. The arbitrator shall be selected from the AAA Professional Liability Panel.

11. INSURANCE. Firm represents and agrees that it maintains, and will maintain during the term of this Agreement, errors and omissions insurance coverage applicable to the services to be rendered hereunder.

12. TAX ADVICE. Firm has not been retained to provide Client with any tax advice concerning this matter. Therefore, Client should consult with Client's tax advisers about this matter and have them contact Firm so that we can coordinate Firm's services with theirs consistent with Client's stated objectives.

13. INDEPENDENT CONTRACTOR. Firm shall at all times act as an independent contractor with respect to the performance of this Agreement, with full rights to manage its employees subject to the requirements of the law. Neither Firm nor any employees or agents of Firm shall be considered an employee of Client for any purpose.

14. EFFECTIVE DATE. This Agreement shall be effective as of the date set forth above and shall remain in effect until amended or terminated as provided herein.

IN WITNESS WHEREOF, the parties to this Agreement hereby indicate their acceptance of the terms and conditions stated herein as evidenced by the following signatures of their authorized representatives.

MARINA COAST WATER DISTRICT

GRIFFITH & MASUDA
A Professional Law Corporation

By: _____
President

By: _____
Roger K. Masuda, President