

Jensen & Coeur-Barron, LLP

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December 3, 2007

Via Federal Express

CONFIDENTIAL

William M. Merry, P.E., DEE
General Manager
Monterey Regional Waste Management District
14201 Del Monte Boulevard
P.O. Box 1670
Marina, CA 93933

Re: Engagement Letter and Agreement

Dear Mr. Merry:

This Legal Representation Letter and Fee Agreement will confirm our understanding of the scope and terms of our representation of your public entity so as to eliminate any possibility of later misunderstandings. Monterey Regional Waste Management District (“Client”) is hereby employing the law firm of Jensen & Coeur-Barron, LLP (the “Firm”) to perform the following legal services:

To represent the interests of the Client in connection with the following:

1. Proposing amendments to the “Joint Exercise of Powers Agreement” (“JPA”), executed in February and March of 1993, with specific attention to amendments which would enhance and strengthen the “flow control” provisions over the various waste streams generated by the cities and legal entities which are signatories to said JPA; and
2. To possibly also suggest new means to finance new collection, recycling, disposal and/or transformation equipment and facilities utilized throughout the District so as to make possible the enhancements referred to in a strengthened JPA.

Jensen & Coeur-Barron, LLP

William M. Merry, P.E., DEE

December 3, 2007

Page 2

Duties of Firm and Client

The Firm shall provide those legal services requested and reasonably required to represent Client, and may in its sole discretion assign Associates and Para-professionals to work on matters for Client.

Client shall cooperate with the Firm; keep it informed of developments; perform the obligations Client has agreed to perform under this Agreement; and keep the Firm apprised of any change in Client's address, telephone number or availability.

The Firm cannot and does not guarantee the outcome of any matter and has made no representations to Client herein concerning the probable outcome of any matter.

Please Note: The Firm shall closely coordinate and cooperate with the General Counsel of the Client, Robert R. Wellington, Esq., with regard to all services rendered to Client or in its behalf. In that regard, the Firm will provide Mr. Wellington with all correspondence and proposed draft agreements, if any, as well as consult with him on a regular basis.

Billing Rates

Legal fees for services will be based on an hourly rate for each attorney rendering services on Client's behalf. The primary attorney assigned to this matter is **VerLyn N. Jensen**, who is billed at the hourly rate of \$400.00. The Associate's hourly rate is \$200.00. We charge \$100.00 per hour for paralegal time. These rates are subject to review and change by the Firm on a periodic basis. The Firm will give thirty (30) days written notice to Client of any such change, and Client will be deemed to have consented to the new hourly rates if Client does not discharge the Firm within the thirty (30) day period before the new rates take effect.

Billing Practices and Billing Limitations

The Firm bills for its actual time expended. Client agrees that this time will be in minimum units of one-tenth (1/10th) of an hour.

The Firm also acknowledges that its fees to be rendered and billed pursuant to this Engagement Letter and Agreement shall not exceed \$7,500; unless authorized in writing by Client.

CLIENT INITIALS: _____

Costs and Other Charges

Client agrees to pay all costs and expenses incurred by Firm in connection with the performance of all services under this Agreement. Any and all costs and expenses Firm incurs for and on Client's behalf will be itemized in Client's monthly statements. The Firm may, but shall not be required to, advance expenses on Client's behalf. In the event that Firm anticipates incurring substantial expenses on Client's behalf, Firm will discuss it with Client prior to doing so and may request that Client pay the vendor directly. The costs and expenses include, but are not limited to, document production, telephone, telecopies, postage and other mailing charges; messenger and other delivery fees; computer research; court reporter's fees; fees and charges of expert witnesses, consultants, and investigators; parking expenses; and costs of out of town travel and lodging.

Statements, Interest Charges and Attorneys' Fees

The Firm will bill Client on a monthly basis, except as otherwise provided in this letter. Client shall pay the Firm's statements within thirty (30) calendar days after each statement's date.

A Service Charge will be charged on the principal balance (fees, costs, and disbursements) shown on the statement, to the extent it is not paid within thirty (30) calendar days after the date of the statement on which the unpaid balance appears. This Service Charge will be charged at the periodic rate of 1% per month on the unpaid balance but shall not exceed the maximum permitted by California law. In the event suit is required by Firm to collect any unpaid balance, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

General Provisions

(a) Either party may terminate this Agreement by mailing written notice of termination to the other party at the address shown above, or such other addresses as may be designated by either party for mailing purposes. Termination will operate prospectively, and will not affect any accrued balances due the Firm. Upon termination, Client shall take all steps necessary to free the Firm of any obligation to perform further services, including the execution of any documents reasonably necessary to complete the Firm's discharge or withdrawal.

(b) If any action or proceeding is commenced for the collection of fees and expenses due pursuant to this Agreement, the prevailing party shall be entitled to all costs, including reasonable attorneys' fees.

Jensen & Coeur-Barron, LLP

William M. Merry, P.E., DEE

December 3, 2007

Page 4

(c) The Firm maintains errors and omissions coverage applicable to the services to be rendered pursuant to this Agreement.

(d) Generally, the Firm retains each Client's legal files for a period of five (5) years after the file is closed. After five (5) years, the Firm will destroy Client's files unless Client otherwise directs in writing, in which case appropriate arrangements will be made for further storage of the file(s) at Client's direct cost.

(e) This Agreement contains the entire agreement and understanding between the Client and the Firm, and supersedes and replaces all prior negotiations or proposed agreements, written or oral, respecting its subject matter.

(f) The undersigned is duly authorized to execute this Agreement and thereby bind Client thereto.

If the foregoing correctly sets forth the understanding and agreement between Client and the Firm, please date, sign and return this Agreement. A copy of this Agreement is enclosed for Client's file.

Jensen & Coeur-Barron, LLP

By: 

Verlyn N. Jensen

I HAVE READ THE FOREGOING AND APPROVE. I ACKNOWLEDGE RECEIPT OF A COPY OF THIS LETTER.

Monterey Regional Waste Management District

Dated: _____

By: _____

William M. Merry, P.E., DEE
General Manager

cc: Robert R. Wellington, Esq.

CLIENT INITIALS: _____