

LEGAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Lafayette, Oregon, a municipal corporation ("City") and Jordan Schrader PC, a professional corporation ("Firm") as of August 16, 2003.

RECITALS

- A. The City is in need of City Attorney services and the Firm is qualified and prepared to provide such services.
- B. It is the purpose of this Agreement to establish the services to be provided by the Firm and the compensation for such services.

AGREEMENT

1. The City does hereby engage the Firm as its legal counsel and the Firm accepts such engagement. The Firm shall be an independent contractor for all purposes. Andrew Jordan and Eileen Eakins of the Firm shall be co-City Attorneys and shall be the lawyers primarily responsible for provision of services under this Agreement. However, other lawyers or paralegals in the Firm may be assigned certain matters depending on the need for specific skills and availability.

2. The duties of the Firm shall be as follows:

2.1 Attendance at City Council meetings, staff meetings, and other City meetings upon request.

2.2 Provision of legal advice and assistance to City officials relating to legal affairs at the request of the Mayor, Council, City Administrator, or their delegates.

2.3 Preparation of ordinances, resolutions, regulations, contracts, and other legal documents, or review and approval of such documents prepared by others.

2.4 Representation of the City in contract, real estate, labor, and other negotiations.

2.5 Representation of the City in all civil litigation and appeals or supervision of same, and representation in criminal prosecution as required.

2.6 Other duties as may be prescribed by the Mayor, Council, or City Administrator.

2.7 Legal activities such as complex litigation and special project assignments which fall outside of the above categories, and which would include costs exceeding the projections of the City's budget for legal services, must be authorized by the city Council. City Attorney and City Administrator will regularly review the level of expenditures on legal services and will prioritize projects in order to stay within budgeted amounts.

3. The Firm shall be paid on an hourly basis for the above services at the following rates:

- 3.1 Lawyer services, \$165.00 per hour;
- 3.2 Paralegal services, \$110.00 per hour; and
- 3.3 Project assistant services, \$25 per hour.

4. In the interest of minimizing fees, only the City Administrator or Mayor is authorized to contact the City Attorney on behalf of City between Council meetings.

5. In addition to the above rates, Firm may collect actual out-of-pocket expenses including but not limited to filing and service fees, postage, facsimile, copying, long distance phone, messenger service, travel, search fees, recordation fees, public notices, trial and reporter fees, deposition transcripts, blueprints and photography, computer legal research, and expert witness fees. Collection of such expenses shall be recovered at Firm's actual cost.

6. This Agreement may be terminated by either party upon written notice of termination. Termination by the City must be by resolution of the City Council. If the Firm terminates the Agreement, it shall provide to City ninety (90) days prior written notice. Upon such termination, the City shall pay the Firm for work actually performed and expenses actually incurred in performance of this Agreement prior to termination.

7. The compensation rates described in Section 3 of this Agreement, and the Firm's performance of duties under Section 2 of this Agreement shall be reviewed between the parties annually at each anniversary of the Agreement.

8. The Firm shall make and keep reasonable records of work performed and expenses incurred pursuant to this Agreement and shall provide detailed monthly billings identifying specific matters worked on and associated costs to the City. Billings shall be paid in full within thirty (30) days of receipt thereof.

9. The Firm, upon City's request, shall allow the City to examine and copy any record or document pertinent to this Agreement or generated pursuant to this Agreement.

10. This Agreement shall be governed by the laws of the State of Oregon. All provisions required to be in personal service contracts pursuant to ORS Chapter 279 are hereby incorporated by reference. The Firm shall adhere to all applicable federal, state, and local laws and rules in performance of this Agreement.

AGREED to this 11th day of SEPTEMBER, 2003.

CITY OF LAFAYETTE, OREGON, a
municipal corporation

JORDAN SCHRADER PC, a professional
corporation

By: *Diane J. Rinks*
Name: DIANE J. RINKS
Its: CITY ADMINISTRATOR

By: 
Name: _____
Its: _____

June 18, 2003

Dear Client:

When you retained our firm, our engagement letter with you outlined the provisions of Oregon's laws pertaining to prevailing party fee awards in litigation. These laws have recently been amended. As a result, we have amended our engagement letters to include the disclosure below, which shows these recent changes in underlined text. If you have any questions about how this change may affect your pending matters, please do not hesitate to call us.

PREVAILING PARTY AND ATTORNEY FEES IN OREGON STATE COURT LITIGATION

In 1995, Oregon enacted legislation giving state courts discretion to grant prevailing party fees and costs to the prevailing party in a lawsuit. The cost award, generally referred to as a prevailing party fee, ranges from \$60 to \$500, depending on the type of case, and the prevailing party may request an enhanced fee of up to \$5,000.

Depending on the nature of the dispute you may also be entitled to attorney fees. Certain contracts provide that the prevailing party is entitled to its reasonable attorney fees from the opposing party. In addition, by statute, certain claims entitle the prevailing party to attorney fees. Absent a contractual or statutory right to attorney fees, ordinarily you will not be entitled to attorney fees, even if you are the prevailing party.

In addition, if you bring the action and you lose, the court may also require you to pay the attorney fees of the other side. This is to encourage parties to evaluate cases carefully before filing suit. The possibility of paying these fees represents a large financial risk for both sides. Please discuss this issue with your attorney before commencing litigation.

RECENT AMENDMENT TO ATTORNEY FEE LAW

Oregon amended the legislation on attorney fees so that it now allows both parties to be the prevailing party, and seek attorney fees from the other party. The amendments are applicable only to actions commenced on or after January 1, 2002. The amendments provide that if there are multiple claims in your lawsuit, the prevailing party on each claim may be entitled to attorney fees. For the purposes of making an award of attorney fees on a claim, the prevailing party is the party who receives a favorable final judgment.

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