

**SAALFELD GRIGGS PC**  
**STANDARD TERMS OF ENGAGEMENT FOR LEGAL SERVICES**

This statement sets forth our policy regarding billing and the standard terms of our engagement as your attorneys. Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement with you. Therefore, we ask that you review this statement carefully and contact us promptly if you have any questions. We suggest that you retain this statement in your file.

**THE SCOPE OF OUR WORK**

We are being hired to serve as legal counsel with regard to the City of Newport Employees' Retirement Plan. In that capacity, we will be responsible for the duties set forth on the attached document entitled "Service Provider Responsibilities." You should have a clear understanding of the legal services we will provide. If at any time you are unsure of the scope of our work, please ask for clarification from the attorneys working with you.

**WHO WILL PROVIDE THE LEGAL SERVICES**

Customarily, each client of the firm is served by a principal attorney contact. Your principal attorney contact will be Christine Moehl. You are free to request a change of principal attorneys at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other attorneys, legal assistants, or law clerks with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis. Work is often delegated to a member of the firm who can efficiently and competently handle the task at a lower hourly rate than the principal attorney. Whenever practicable, we will advise you of the names of those attorneys and legal assistants who work on your matters.

**HOW FEES WILL BE SET**

Most of the legal tasks we perform for you will be billed on an hourly basis. All of the professionals who work on your matter will keep accurate records of the time they devote to your work, including conferences with either you or the other service providers you ask us to work with, negotiations, factual and legal research and analysis, document preparation and revision, and other related matters. Time is billed in fractions of an hour to the nearest one tenth of an hour.

The hourly rates of our attorneys, legal assistants, and word processors have an important bearing on the fees we charge. These rates are reviewed periodically to reflect current levels of legal experience, changes in overhead costs, and other factors. ***Rates may be changed without advanced notice.***

The current hourly rates of the professionals whom we believe will be working on your matter are as follows:

- Randy Cook (Partner)           \$325
- Christine Moehl (Partner)       \$225
- Associate Attorney             \$150
- Legal Assistants                 \$95
- Word Processors                 \$50

Some of the legal tasks that we perform for you may be billed on a flat fee basis. Whenever our fee will be billed on a flat fee basis you will be notified in advance of the scope of the work and the flat fee that will be charged. Unless the amount of the fee will be de minimis, you will be asked to approve the fee before the work is performed.

### **OUT-OF-POCKET EXPENSES**

It is our policy not to advance cash costs on behalf of a client, but instead to require the client either to pay those costs directly or to place a retainer deposit with our firm from which the costs can be paid. However, for convenience, we do occasionally advance cash on behalf of a client for payment of certain costs, such as submission fees. In addition, we typically incur and pay on behalf of our clients a variety of other costs and internal expenses. Whenever such costs are incurred, we will carefully itemize and bill them, and you will be expected to pay them on a regular basis.

### **TERMINATION**

You may terminate our representation at any time, with or without cause, by notifying us in writing. If such termination occurs, your papers and property will be returned to you promptly. Our own files pertaining to the matter we were engaged to handle for you will be retained. Your termination of our services will not affect your responsibility for payment of legal services rendered and out-of-pocket costs incurred before termination and in connection with an orderly transition of the matter.

We are subject to the Oregon State Bar Code of Professional Responsibility, which lists several types of conduct or circumstances that require or allow us to withdraw from representing a client: nonpayment of fees or costs, misrepresentation or failure to disclose material facts, action contrary to our advice, and conflict of interest with another client. We try to identify in advance and discuss with our client any situation that may lead to our withdrawal and if withdrawal ever becomes necessary, we immediately give the client written notice of our withdrawal.

### **BILLING ARRANGEMENTS AND TERMS OF PAYMENT**

We will bill you on a regular basis, normally around the first of each month, for both fees and costs. You agree to make payment upon receiving our statement. Unpaid fees and disbursements accrue a late payment charge at the rate of 1½ percent per month.

If the account becomes delinquent, we will withdraw from the representation and pursue collection of your account unless you arrange satisfactory payment terms. You agree to pay the costs of collecting the debt, including court costs, filing fees, and reasonable attorney fees.

### **WORK PRODUCT**

All memoranda, opinions, research, interviews, reports, or investigation generated in the course of representation by this firm, or by consultants or experts employed by this firm, shall remain as the property of this firm. Any original documents delivered to the firm shall remain as the client's property. You may have access to the work product of the attorneys at reasonable times and upon reasonable notice. You may secure additional copies of your file at any time upon payment to the firm of any balance owing on all fees and costs including the costs of photocopying the file.

### **YOUR RIGHT TO ARBITRATE**

If you disagree with the amount of your bill, please ask the principal attorney to explain it to you. Typically, such disagreements are resolved to the satisfaction of both sides with little inconvenience or formality. In the event of a fee dispute that is not readily resolved, you have the right to request arbitration under the supervision of the Oregon State Bar.



**SAALFELD GRIGGS P.C.**  
**SERVICE PROVIDER RESPONSIBILITIES**  
**EMPLOYEE BENEFITS PRACTICE GROUP**

**Services Provided:**

- Document maintenance for the City of Newport Employees' Retirement Plan, including amending and restating plan for legislative, regulatory and optional provisions; preparing and submitting plan documents and amendments for IRS determination letter requests.
- Guidance regarding maintenance and operation of qualified retirement plans and welfare benefit plans, including compliance with Internal Revenue Code and Department of Labor regulations; preparation of legal reporting and disclosure documents (as requested); attendance at periodic trustee meetings (as requested).
- Assistance with plan administration and management issues, including support for in-house benefits personnel regarding plan operations; consultations with third-party vendors; legal review of third-party contracts affecting the plan or its administration; respond to participant claims.
- Assistance with plan audits and plan corrections, including comprehensive audit services in the event of an audit by the IRS or Department of Labor; advice and assistance in correcting operational errors under the IRS Employee Plans Compliance Resolution Program and the Department of Labor's Voluntary Fiduciary Compliance Program.

## PRIVACY DISCLOSURE STATEMENT

Pursuant to the Gramm-Leach-Bliley Act, Public Law Number 106-012, and the rule issued by the Federal Trade Commission regarding the Privacy of Consumer Financial Information, 16 Code of Federal Regulations Part 313, law firms which provide tax preparation and tax planning services to their clients are categorized as financial service providers and required to provide written notices to certain clients regarding disclosure of non-public personal information.

As your attorneys, we may collect non-public information about you from you, and with your authorization, from third parties such as accountants, financial advisors, insurance agents, banking institutions, plan administrators, actuarial firms, and other advisors. We do not disclose any nonpublic personal information about our clients or former clients to anyone except as permitted by law, or as authorized by that client. If we are authorized by you, we may disclose non-public personal information to unrelated third parties. Such unrelated third parties would include the advisors noted above, as well as government authorities in connection with any tax returns prepared by us or tax planning work we are doing for you. We restrict access to non-public personal information about you to those employees at our law firm who need to know the information in order to provide legal services to you. We maintain physical, electronic, and procedural safeguards that comply with the federal regulations and our rules of ethics to guard your non-public personal information.

## ATTORNEY-CLIENT PRIVILEGE

While the foregoing federal laws and regulations establish rules and disclosure requirements, they do not limit the attorney-client privilege or the confidentiality rules for information provided to attorneys. The privilege and confidentiality rules are governed by state law, the rules imposed on attorneys under state law, and our ethics standards. In circumstances where applicable federal laws might allow disclosure, we will continue to follow the stricter non-disclosure rules of attorney-client privilege and client confidentiality.



Sound counsel.  
Smart business.