

October 2, 2023

VIA EMAIL

City of John Day
Att: Mayor Heather Rookstool
450 East Main Street
John Day OR 97845

Re: Legal Representation of the City of the City of John Day

Dear Heather:

Thank you for selecting Peck Rubanoff & Hatfield, P.C. (PRH) to represent the City of John Day (the City) for the purpose of providing assistance with the City's labor contract negotiations, as well as general labor and employment advice as requested. This letter confirms the terms of our representation of the City in these matters.

Representation Terms

We believe it is important for our clients and us to have the same understanding of our relationship. With this in mind, attached for your review is a copy of our Standard Terms of Engagement for Legal Services, which describes in more detail the terms under which we provide legal services. As supplemented by this letter, the Standard Terms of Engagement constitutes our engagement agreement with the City. We ask that you review it carefully and contact us right away with any questions.

Fees and Costs

I expect to be the primary attorney at Peck Rubanoff & Hatfield, P.C. handling the City's negotiations and labor matters. Others who may be involved on the City's behalf on this or future matters include paralegals and other attorneys in the office. The hourly rate for our legal services is currently \$315. We do not normally charge for paralegal services, but may propose to do so on specific tasks, with advance approval from you (such as compensation analysis and drafting agreements). Those services will be charged at \$75 per hour. The City will also be charged for expenses incurred such as filing fees, deposition charges, copying costs, postage, and travel-related expenses such as meals, lodging and mileage. As outlined in the Standard Terms of Engagement, the firm will advance small and routine costs on the City's behalf. If significant costs are incurred (*e.g.*, depositions, court reporter fees, etc.), the firm may forward the service provider's statement to the City directly for your prompt payment to the provider. We will not incur any extraordinary expenses (*e.g.*, out-of-state travel, expert witnesses, consultation fees) without the City's prior approval. No retainer is required.

Itemized statements will be issued to the City on a monthly basis. Itemized statements generally include full descriptions identifying the date of service, the amount of time spent in rendering services in minimum increments of one-tenth (0.1) per hour, and a description of all services rendered. We recommend that you treat our invoices as confidential documents and safeguard them appropriately to protect your attorney-client privilege. Please advise me if you would prefer to have separate billing notes for your internal purposes. Each invoice is due and payable 21 days after receipt.

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The City's Obligations as a Client

Clear communication between us is essential to effective representation. We cannot properly represent the City without its full assistance. Therefore, you agree, on behalf of the City, that you will furnish us with truthful, accurate and complete information and written materials as and when requested as well as provide full and prompt assistance in responding to discovery demands from opposing parties, including appearing at depositions, hearings and trial as relevant to your matter. You also agree to keep us advised of the City's current billing contact information.

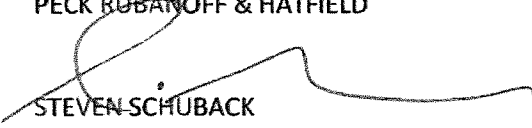
Retaining our Services

If any of the information in this letter is not consistent with your understanding of our agreement, or if you have any questions, please contact me before signing below. Otherwise, please print and sign a copy of this letter and return it to our office manager, Heidi Quinn at hquinn@prhlaborlaw.com. This engagement letter will be valid in pdf format.

On behalf of the firm, I look forward to the opportunity to represent you in this matter.

Very truly yours,

PECK RUBANOFF & HATFIELD



STEVEN SCHUBACK

Enclosure

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CLIENT ACKNOWLEDGMENT:

I have read this letter and agree to its terms.

City of John Day

BY: HEATHER ROOKSTOOL

DATE

III. Consent To Electronic Communications And Use Of Consultants

In order to increase our efficiency and responsiveness, we intend to use modern communication devices and systems (e.g. email, document transfer by computer, secure cloud storage, wireless telephones, facsimile transfer and any other devices which may develop in the future). The use of such devices under current technology necessarily involves some risk of accidental disclosure of confidences. However, we believe that the efficiencies involved in the use of these devices outweigh the risk of accidental disclosure. Unless we receive written instructions from you to the contrary, it is understood and agreed that you consent to the use of these electronic communication methods and devices, including unencrypted e-mail.

Likewise, your representation may require us to consult with consultants and experts to prepare your case. It is agreed that you have authorized us to contact consultants and experts, as we deem necessary, subject to your approval of the terms and conditions of any contracts with such consultants or experts. All consultant/expert engagements will be under a "direct billing" arrangement in which you shall be solely responsible to pay all approved fees and expenses charged or billed by any consultant or expert we have engaged with your approval.

IV. How Fees are Set

In determining the amount to be charged for the legal services we provide to you, we consider the time and effort required, the novelty and complexity of the issues presented, and the skill required to perform the legal services promptly as well as other relevant factors such as the time constraints imposed by you as our client. Our services are billed by the hour based on an hourly rate for each lawyer and legal assistant (we record our time in units of tenths of an hour), and among the factors above, the time and effort required for your matter are weighted most heavily. We keep records of the time we devote to your work, including conferences (both in person and over the telephone), negotiations, factual and legal research and analysis, document preparation and revision, travel on your behalf, and other related matters.

The hourly rates of our lawyers and legal assistants are adjusted periodically to reflect current levels of legal experience, changes in overhead costs, and other market factors. These hourly rates may vary, depending on the client, the nature of the matters involved, or other circumstances.

We are sometimes requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. Whenever possible, we will furnish such an estimate based upon our professional judgment, but always with a clear understanding that it is not a maximum or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated.

For certain well-defined services (for example, a supervisory training), upon request, we may quote a flat fee. It is our policy not to accept representation on a flat-fee basis except in such defined-service areas or pursuant to a special arrangement tailored to the needs of a particular client. In all such situations, to be valid, the flat fee arrangement must be expressed in a letter, setting forth both the amount of the fee and the scope of the services to be provided.

Peck Rubanoff & Hatfield PC

STANDARD TERMS OF ENGAGEMENT FOR LEGAL SERVICES

Effective January 1, 2023

This statement sets forth the standard terms of our engagement as your lawyers. Unless modified in writing by mutual agreement or superseded by applicable contrary state law, these terms are an integral part of our agreement with you. We ask that you review this statement carefully and contact us promptly if you have any questions. Please retain this statement in your file.

I. Scope of Work

You should have a clear understanding of the legal services we will provide. Any questions you have should be dealt with promptly. Our firm provides the services requested and keeps you informed of developments and progress of your matter(s). You agree to be truthful, cooperative and to keep us apprised of all developments related to your needs and our services, including being available to attend all requested appearances and depositions, settlement negotiations or court appearances, to attend meetings when requested by us, and to keep us apprised of any changes in your address or telephone numbers.

Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

It is our policy that our client is the person or entity that is identified in our engagement letter and does not include any affiliates or constituents of such person or entity. This means that when the client is an entity (corporation, partnership, etc.), any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnership(s) are not the client. If you are a trade association, any members of the trade association are not the client. Accordingly, for conflict of interest purposes, we may represent another client with interests adverse to any such affiliate or constituent without notifying you or obtaining your consent.

II. Who Will Provide The Legal Services

Customarily each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area, or lawyers who are licensed in a state in which a particular issue arises, or for the purpose of providing services on an efficient and timely basis. Whenever practicable, we will advise you of the names of those attorneys and legal assistants who work on your matters.

IX. Termination of Services

You may terminate our representation at any time, with or without cause. Our right or obligation to terminate our representation is subject to the rules or codes of professional responsibility for the applicable jurisdiction in which we practice, which lists several types of conduct or circumstances that require or permit us to withdraw from a representation, including, for example, nonpayment of fees or costs, misrepresentation or failure to disclose material facts, failure to cooperate, action contrary to our advice and conflict of interest with another client. We will try to identify in advance and discuss with you any situation that may lead to our withdrawal.

It is our policy that, unless previously terminated by you or us, the attorney-client relationship will be considered terminated upon our sending you our final statement for any services that you have retained us to perform. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time.

X. Retention and Disposition of Documents

It is our practice to scan and/or otherwise digitize client file materials, and to use and retain as little paper as possible. Generally, no paper will be kept except for documents that absolutely require hard copies, such as original signed agreements. Upon your request, after the earlier of the termination of the attorney-client relationship or conclusion of the matter, we will gladly provide you with a digital copy of your file(s) via flashdrive, or Dropbox link. Client files are retained for 10 years following the date of the final invoice to you with respect to the matter. If you do not request your documents within that time, we reserve the right to destroy or otherwise dispose of them for various reasons, including the minimization of unnecessary storage expenses, without further notice to you at any time after ten years following the date of the final invoice to you with respect to the matter. If, upon your request, we agree to provide you with hard copies of certain documents from our file pertaining to the matter, you agree to pay the copying costs.

XI. Agreement to Arbitrate

If you disagree with the amount of our fee, or if you have any complaint about the services rendered by us, please contact your principal attorney or contact the firm's managing partners. Typically, such disagreements are resolved to the satisfaction of both sides with little inconvenience or formality.

Unless you object in writing within 30 days of the date of this document, any dispute regarding the amount or payment of our fee shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

V. Additional Charges

Typically, we charge our clients not only for legal services rendered, and for our out-of-pocket expenses incurred (examples include charges for computerized research services, use of photocopier, and meals and lodging if travel is required), but also for other non-routine services provided with your approval. Mileage will be billed at the current IRS rate. While our charges for these services are measured by use, they do not, in all instances, reflect our actual out-of-pocket costs. We will advance routine expenses for individual items that cost less than \$500, but will generally refer items that cost more directly to you for payment.

VI. Related Proceedings

If any claim is brought against the firm or any of its personnel based on your negligence or misconduct, if we are asked to testify as a result of our presentation of you or if we must defend the confidentiality of our communications in any proceeding, you agree to reimburse us for any resulting costs, including for our time, calculated at the hourly rate for the particular individuals involved, even if our representation of you has terminated.

VII. Retainer and Trust Deposits

New clients of the firm are commonly asked to deposit a retainer with the firm. If you deposit a retainer with us, you grant us a security interest in that deposit. Typically, the retainer is equal to the fees and costs likely to be incurred during a two-month period. Unless otherwise agreed in writing, the retainer deposit will be credited toward your unpaid invoices, if any, each month at the time invoices are processed, or at the conclusion of services, whichever occurs first. At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expenses and fees on at least a two-month basis, it may have to be increased.

All trust deposits we receive from you, including retainers, will be placed in a trust account for your benefit. By court rule or statute in each applicable jurisdiction your deposit will be placed in a pooled account if it is not expected to earn a significant net return, taking into consideration the size and anticipated duration of the deposit and the transaction costs. Other trust deposits will also be placed in the pooled account unless you request a segregated account. By court rule or statute in each of these jurisdictions, interest earned on the pooled account is payable to a charitable foundation or other non-profit entity established in accordance with such court rule or statute. Interest earned on a segregated trust account will be added to the deposit for your benefit and will be includable in your taxable income.

VIII. Billing Arrangements and Terms of Payments

We will bill you on a regular basis, normally each month, for fees, costs, and disbursements. You agree to make payment within 21 days of receiving our statement. Unpaid fees and disbursements accrue interest at the maximum rate of 1% per month from the beginning of the month in which they became overdue. We will give you prompt notice if your account becomes delinquent, and you agree to bring the account or retainer deposit current.