

Exhibit A to Ordinance

LEGAL SERVICES AGREEMENT

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This Agreement for Services (Agreement) is between the City of Portland, Oregon (City) and K&L Gates LLP (Counsel).

AGREEMENT:

1. SCOPE OF COUNSEL SERVICES

Counsel shall provide services specifically to the City Attorney. Counsel shall provide those services set out in Exhibit A according to the schedule set out in Exhibit A.

2. COMPENSATION AND BILLING AND PAYMENT PROCEDURE

(a) The City shall pay Counsel for work performed under this Agreement. The payment shall be full compensation for work performed, for services rendered, and for all labor, materials, supplies, equipment, and incidentals necessary to perform the work and services.

(b) Upon approval by the City Attorney of bills submitted by Counsel, the City shall compensate Counsel for services performed under this Agreement at an average rate not to exceed \$420 per hour, but for individual lawyers shall not to exceed the standard rates set forth in Counsel's proposal to the City dated January 25, 2010. The total compensation plus reimbursement under this Agreement shall not exceed \$1,500,000 unless authorized by City Council or Purchasing Agent, as provided in Section 19 of this Agreement.

3. EFFECTIVE AND TERMINATION DATES

This Agreement shall be effective as of May 1, 2010, and shall terminate as of August 31, 2013.

4. EARLY TERMINATION OF AGREEMENT

(a) The City and Counsel, by mutual written agreement, may terminate this Agreement at any time.

(b) The City, on thirty (30) days written notice to Counsel, may terminate this Agreement for any reason deemed appropriate in its sole discretion

(c) In the event of early termination, all work-product will become and remain the property of the City. Counsel shall provide all work-product to the City Attorney upon request.

5. PAYMENT ON EARLY TERMINATION

In the event of early termination of this Agreement under subsection 4(a) or (b), EARLY TERMINATION OF AGREEMENT, hereof, the City shall pay Counsel for work performed in accordance with the Agreement prior to the termination date.

6. INDEMNIFICATION FOR PUBLIC LIABILITY AND PROPERTY DAMAGE

Counsel shall hold harmless, defend, and indemnify the City and the City's officers, agents, and employees against all claims, demands, actions, and suits (including all attorney fees and costs)

brought against any of them arising from Counsel's work or any subcontractor's work under this Agreement.

7. INDEMNIFICATION FOR PROFESSIONAL LIABILITY

Counsel shall indemnify the City for only that portion of any damage that is actually caused by negligence of Counsel under the applicable legal standard for negligence with regard to the legal work it has done for the City and only to the extent that Counsel's liability for such actual damage caused by such negligence under the applicable legal standard is finally judicially determined after trial against Counsel and any appeal thereof.

If and when a lawsuit is brought against the City seeking damages that the City reasonably believes are attributable to negligence of Counsel in its performance of legal work for the City (an "Underlying Lawsuit") and if an administrative determination is made by the IRS that adversely affects the City's bond issuance and the City and the City reasonably believes that determination is attributable to the negligence of counsel in the performance of its legal work, and if the City requests Counsel to defend and/or hold harmless the City in regard to such Underlying Lawsuit or administrative determination, Counsel agrees to consider in good faith such a request.

If Counsel does not agree to defend the City in such Underlying Lawsuit or with respect to an administrative action or determination and Counsel is ultimately finally judicially determined to be liable to the City for the damages sought in the underlying action after trial against Counsel and any appeal thereof, then Counsel shall reimburse the City for the portion of the City's reasonable and necessary defense costs incurred in the underlying action or administrative action that are finally judicially determined to be attributable to the established negligence of Counsel.

This indemnification provision shall in no event require Counsel to be responsible for damage or defense costs not caused by and specifically attributable to Counsel's established negligence as finally judicially determined after trial and any appeal thereof, and nothing herein is intended to release the City from the consequences of and responsibility for its own negligence, including the consequences of its own contributory or comparative negligence and its responsibility for any damage or portion of damage actually caused by its own negligence.

This indemnification provision shall not nullify, extend or expand any statute of limitations that is otherwise applicable to any negligence or other claim against Counsel, and shall not provide a basis for contending that a statute of limitations applicable to breach of contract claims rather than otherwise applicable tort-based claims shall apply to any claims against Counsel. This provision is not intended to, and does not alter or interfere with any duties that Counsel may have under its insurance agreements. This indemnification provision is solely for the benefit of the City and no third party beneficiary or other rights shall be created under this provision.

Nothing in this section shall be construed as limiting any claims that may be asserted against Counsel by the City or other rights or remedies available to the City under federal or state statutory or common law in addition to the indemnity provided under this section, including but not limited to claims and remedies based on professional negligence, fraud, misrepresentation, breach of contract or duty.

8. PROFESSIONAL LIABILITY INSURANCE

(a) Counsel shall maintain professional liability insurance as required by the Oregon State Bar, and not less than the limits of the Oregon Tort Claims Act, applicable to the City unless otherwise approved by the City Attorney. The insurance shall provide that the insurance shall not terminate or be canceled without thirty (30) days written notice first being given to the City Auditor.

(b) Counsel shall maintain on file with the City Auditor a certificate of insurance certifying the coverage required under subsection (a). The adequacy of the insurance shall be subject to the approval of the City Attorney. Failure to maintain professional liability insurance shall be cause for immediate termination of this Agreement by the City.

9. WORKERS' COMPENSATION INSURANCE

(a) Counsel, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers' compensation law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers. A certificate of insurance, or a copy of it, shall be attached to this Agreement as Exhibit C, if applicable, and shall be incorporated herein and made a term and part of this Agreement. Counsel further agrees to maintain workers' compensation insurance coverage for the duration of this Agreement.

(b) In the event Counsel's workers' compensation insurance coverage is due to expire during the term of this Agreement, Counsel agrees to timely renew its insurance, either as a carrier-insured employer or a self-insured employer as provided by Chapter 656 of the Oregon Revised Statutes, before its expiration, and Counsel agrees to provide the City of Portland such further certification of workers' compensation insurance as renewals of said insurance occur.

(c) Counsel agrees to accurately complete the City of Portland's Questionnaire for Workers' Compensation Insurance and Qualification as an Independent Contractor prior to commencing work under this Agreement. Questionnaire is attached to this Agreement as Exhibit B and shall remain attached to this Agreement and becomes a part of it as if fully copied herein. Any misrepresentation of information on the Questionnaire by Counsel shall constitute a breach of this Agreement. In the event of breach pursuant to this subsection, City may terminate the Agreement immediately and the notice requirement contained in subsection 4(c), EARLY TERMINATION OF AGREEMENT, hereof shall not apply.

10. SUBCONTRACTING

Counsel shall not subcontract its work under this Agreement, in whole or in part, without the written approval of the City. Counsel shall require any approved subcontractor to agree, as to the portion subcontracted, to fulfill all obligations of Counsel as specified in this Agreement. Notwithstanding City approval of a subcontractor, Counsel shall remain obligated for full performance hereunder, and the City shall incur no obligation other than its obligations to Counsel hereunder. Counsel agrees that if subcontractors are employed in the performance of this Agreement, Counsel and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656.

11. ASSIGNMENT

Counsel shall not assign this Agreement, in whole or in part, or any right or obligation hereunder, without the prior written approval of the City.

12. INDEPENDENT CONTRACTOR STATUS

Counsel is engaged as an independent contractor and will be responsible for any federal, state, and local taxes and fees applicable to payments hereunder. Counsel, its subcontractors, and their employees, are not employees of the City and are not eligible for any benefits through the City, including without limitation federal social security, health benefits, workers' compensation, unemployment compensation, and retirement benefits.

13. COMMENCEMENT OF WORK

Neither party is obligated to perform services under this Agreement until authorized by the City in accordance with its Charter, and until this Agreement is fully executed by the parties.

14. CITY PROJECT MANAGER

The City Project Manager shall be, City Attorney, who is authorized to approve work and billings hereunder, to give notices referred to herein, to terminate this Agreement as provided herein, and to carry out any other City actions referred to herein.

15. EQUAL EMPLOYMENT OPPORTUNITY

In the event Counsel provides goods or services to the City in the aggregate in excess of \$2,500.00 per fiscal year, Counsel agrees it has certified with the City's Equal Employment Opportunity certification process.

16. EQUAL BENEFITS PROGRAM

Counsel must provide benefits to their employees with domestic partners equivalent to those provided to employees with spouses as prescribed by Chapter 3.100 of the Code of the City of Portland. The required documentation must be filed with Procurement Services, City of Portland, prior to contract execution.

17. OREGON LAW AND FORUM

This Agreement shall be construed according to the law of the State of Oregon, and any litigation between the City and Counsel arising under this Agreement or out of work performed under this Agreement shall occur, if in the state courts, in the Multnomah County Court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the District of Oregon.

18. BUSINESS LICENSE

Counsel shall obtain a City of Portland business license as required by PCC § 7.06.010 prior to beginning work under this Agreement. Counsel shall provide a business license number in the space provided at the end of this Agreement.

19. AMENDMENTS

The City and Counsel may amend this Agreement at any time only by written amendment executed by the City and Counsel. Unless otherwise provided in the authorizing document, if any, any amendment that increases the amount of compensation payable to Counsel in an amount of 25% or less of the original amount of compensation in this Agreement may be approved by the City Attorney and the Purchasing Agent. Any amendment that increases compensation by more than 25% of the original amount of compensation in this agreement must be authorized by City Council. The Purchasing Agent and City Attorney may authorize any other amendment on behalf of the City.

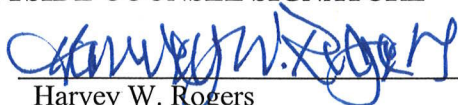
20. FUNDS

City certifies that sufficient funds are available and authorized for expenditure to finance the cost of this Agreement.

21. ELECTRONIC SIGNATURES

The parties agree the City and Contractor may conduct this transaction, including any contract amendments, by electronic means, including the use of electronic signatures.

OUTSIDE COUNSEL SIGNATURE

By 
Harvey W. Rogers

Title Partner
Date 4/8/10

Business License 691220
Tax ID No. 25-0921018

CITY OF PORTLAND, OREGON

Contract No. _____

Amendment/Change Order No. _____

Contract Description: Bond Counsel Services

CITY OF PORTLAND SIGNATURES:

By _____
Bureau Director

Date _____

By _____
Purchasing Agent

Date _____

By _____
Elected Official

Date _____

Approved:

By _____
Office of the City Auditor

Date _____

Approved as to Form:

APPROVED AS TO FORM

By _____
Office of City the Attorney
CITY ATTORNEY

Date 4/8/10

EXHIBIT A

SCOPE AND DURATION OF LEGAL SERVICES

During the course of the engagement period, Counsel may be asked to provide services for the following types of debt obligations:

1. Limited Tax General Obligation and/or Revenue Bonds
2. Unlimited Tax General Obligation Bonds
3. Limited Tax Improvement Bonds
4. Revenue Bonds
 - Water
 - Sewer
 - Gas Tax
 - Parking
 - Housing
 - Other
5. Urban Renewal (Tax Increment) Bonds
6. Tax Anticipation Notes and/or Bond Anticipation Notes
7. Lines of Credit
8. Tax Exempt Commercial Paper
9. Conduit Public/Private Offerings

Counsel may also be asked to advise on:

1. Current or advance refundings,
2. Transactions involving the use of taxable, variable rate, or subordinate lien debt,
3. Transactions involving bonds permitted through federal stimulus programs, such as Build America Bonds or Recovery Zone Facility Bonds,
4. Transactions using credit enhancement, liquidity facilities, or hedging devices (e.g., interest rate caps).

Specific tasks that Counsel may be asked to undertake include (but are not limited to) the following:

- Provide general legal advice pertinent to the City's financing programs and activities
- Assist with the initial debt issuance planning process and preliminary debt structuring
- Prepare authorizing ordinances, escrow agreements, notices of sale, and other documents required for the issuance of bonds and notes
- Coordinate bond and note closings and prepare and distribute transcript documents
- Advise the City on ongoing disclosure requirements
- Advise the City pertaining to IRS audits or other federal regulatory initiatives
- Assist with conduit borrowings
- Advise the City as to the consequences of local, state, and federal tax law and regulations affecting tax exempt financings
- Advise the City as to the consequences of voter initiatives, and constitutional or legislative changes affecting debt financing activities
- Prepare legislation in support of the City's financing activities
- Provide litigation support, if required
- Advise the City on legal issues pertaining to the use of new technologies for bond sales, disclosure and investor relations (e.g., web site)

EXHIBIT B
INDEPENDENT CONTRACTOR CERTIFICATION STATEMENT
SECTION A

COUNSEL CERTIFICATION I, undersigned, am authorized to act on behalf of entity designated below, hereby certify that entity has current Workers' Compensation Insurance.

Signature for Counsel [Handwritten Signature] Date 4/8/10 Entity [Handwritten Initials]

If entity does not have Workers' Compensation Insurance, City Project Manager and Contractor complete the remainder of this form.

SECTION B

ORS 670.600 Independent contractor; standards. As used in various provisions of ORS Chapters 316, 656, 657, and 701, an individual or business entity that performs labor or services for remuneration shall be considered to perform the labor or services as an "independent contractor" if the standards of this section are met. The contracted work meets the following standards:

- 1. The individual or business entity providing the labor or services is free from direction and control over the means and manner of providing the labor or services, subject only to the right of the person for whom the labor or services are provided to specify the desired results;
2. The individual or business entity providing labor or services is responsible for obtaining all assumed business registrations or professional occupation licenses required by state law or local government ordinances for the individual or business entity to conduct the business;
3. The individual or business entity providing labor or services furnishes the tools or equipment necessary for performance of the contracted labor or services;
4. The individual or business entity providing labor or services has the authority to hire and fire employees to perform the labor or services;
5. Payment for the labor or services is made upon completion of the performance of specific portions of the project or is made on the basis of an annual or periodic retainer.

Project Manager Signature

Date

SECTION C

Independent contractor certifies he/she meets the following standards:

- 1. The individual or business entity providing labor or services is registered under ORS Chapter 701, if the individual or business entity provides labor or services for which such registration is required;
2. Federal and state income tax returns in the name of the business or a business Schedule C or farm Schedule F as part of the personal income tax return were filed for the previous year if the individual or business entity performed labor or services as an independent contractor in the previous year; and
3. The individual or business entity represents to the public that the labor or services are to be provided by an independently established business. Except when an individual or business entity files a Schedule F as part of the personal income tax returns and the individual or business entity performs farm labor or services that are reportable on Schedule C, an individual or business entity is considered to be engaged in an independently established business when four or more of the following circumstances exist. Contractor check four or more of the following:
A. The labor or services are primarily carried out at a location that is separate from the residence of an individual who performs the labor or services, or are primarily carried out in a specific portion of the residence, which portion is set aside as the location of the business;
B. Commercial advertising or business cards as is customary in operating similar businesses are purchased for the business, or the individual or business entity has a trade association membership;
C. Telephone listing and service are used for the business that is separate from the personal residence listing and service used by an individual who performs the labor or services;
D. Labor or services are performed only pursuant to written contracts;
E. Labor or services are performed for two or more different persons within a period of one year; or
F. The individual or business entity assumes financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be provided.

Counsel Signature

Date