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(Date)

**Mr. or Mrs. Client**

**Re: Attorney Fee Payment Guidelines**

**Dear Mr./Mrs. :**

**Our firm is pleased to represent you and provide counsel regarding your legal matter. We intend to provide thorough and professional legal representation for you and to resolve your matter in the most timely and most cost efficient manner possible.**

**Your attorney should have discussed with you the amount of legal fees and costs you may expect to incur during your representation. If not, please call and schedule an appointment to discuss this topic. This letter is a follow up to that discussion. It is written to repeat and clarify our fee payment policies so there will be absolutely no misunderstanding.**

**1. Litigation. In litigation matters, our agreement necessarily must be "open-ended" since all litigation involves factors outside the firm's control. You will be advised of factors likely to influence the amount of fees and costs involved in your case. If you want to have a fixed maximum fee, this agreement must be specifically negotiated and confirmed in writing. Any estimate of fees stated to you orally by Your attorney is simply an estimate.**

**2. Fee Agreement. You will be required to sign a fee agreement and to honor this agreement with our firm. It is important that you discuss with Your attorney how you expect to pay your legal fees. A lawsuit is one of the most significant acts that you will ever undertake; therefore, your commitment to pay your legal fees should be the same as it is for any major financial obligation that has a substantial impact on your life.**

**3. Retainer. The retainer quoted by Your attorney is no more than a deposit to cover initial fees and costs. It is not an estimate of total fees.**

**4. Billing. If a matter continues for more than one month, you will be billed monthly. Your payment is due 15 days from the date of the bill. Payment is delinquent if it is not made within 15 days after the billing statement date.**

Statutory interest is charged on overdue bills.

5. **Objections to Bill.** Please review your bill upon receipt. If you do not object to a bill within 15 days, the bill is deemed final. It is also your duty to monitor the rate that legal fees are incurred. In open-ended litigation matters, it is easy for unexpected developments to cause cost overruns. Please remember that a substantial portion (usually 1/3 to 1/2) of your total fees is incurred during or just before trial. If you feel that excessive fees have been incurred or that the fees exceed your ability to pay, as required by the fee agreement, you have a duty to call Your attorney to discuss the matter. Your attorney will always discuss fee matters with you without charge. Please call if you have any questions or concerns.

6. **Costs.** There is frequently a time lag for posting out-of-pocket costs to your account. Costs include long distance telephone expenses, expert witness fees, messengers, and the like.

7. **Trial Deposits.** If your case goes to trial or hearing, you should be prepared to make an advance deposit for expected trial and trial preparation fees. Your attorney will discuss with you the specific amount of additional fees and costs that will be required in advance of trial. The firm policy is to collect trial deposits a reasonable time before trial. In matters involving open-ended litigation you will be asked to pay any unpaid balances plus a trial deposit before trial. You should expect to pay the trial deposit if your case does not settle before trial.

8. **Exceptions.** Please discuss with Your attorney any circumstances that would warrant an exception to this payment policy. The firm will make exceptions under the following limited conditions:

a. A specific plan is negotiated, agreed to, and confirmed in writing. Nine percent (9%) statutory interest will be charged on any outstanding balance.

b. The payment plan is secured by specific collateral, a guarantee, or the equivalent.

c. The client agrees to a reasonable plan to pay the retainer.

d. The client must make a firm commitment to pay all legal fees within six months from the date the retainer agreement is signed.

e. Trial fees or other extensive legal fees and costs may be extended according to a time payment plan if the above conditions are met.

9. **Failure to Pay.** An employee of the firm other than Your attorney, will monitor your account at least monthly. If payments are not made pursuant to our agreement and the problem is not satisfactorily corrected, the firm will cease work on your case. A possessory attorney lien is automatically imposed on all papers and funds in the firm's possession. A formal attorney lien will be filed as a matter of course. If necessary, we will resign. Upon resignation, we will immediately commence in-house litigation or refer the matter to collection. Any further work performed by the firm pending resolution of the case shall not be construed as a waiver of the firm's fee agreement and guidelines. These are the firm's policies. Each attorney and staff member is responsible to all other members of the firm for adhering to these policies.

10. **Discharge.** You may discharge the firm as Your attorney at any time by giving proper written notice. However, at the time of discharge, you are required to pay all money we have advanced for expenses in connection with your case and for all fees we have earned up to the time we receive written notice of discharge.

Our attorneys are committed to provide you with quality legal services. Our firm's support staff is equally dedicated to serving your professional needs. Please read this letter carefully. Please read it once or twice during your litigation. Call me to discuss any questions you may have about our fee policies. It is important that you keep Your attorney informed about any financial circumstances that require special consideration.

We look forward to representing you.

Sincerely,

JOHNSTON, ROOT & LEIBENGUTH, P.C.

Donna Powers  
Office Administrator

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