

**AN ORDINANCE APPROVING A LEGAL SERVICES AGREEMENT WITH
HOWARD & HOWARD**

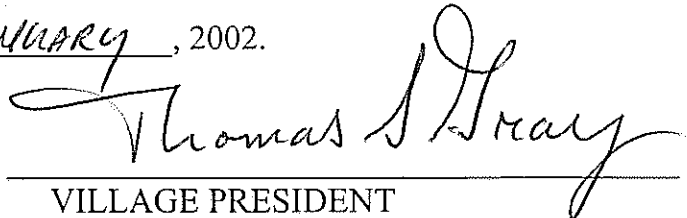
*BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE
VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:*

SECTION 1: That certain legal services agreement with Howard and Howard,
a copy of which is attached hereto, is hereby approved.

SECTION 2: The Village President is hereby authorized to execute the
agreement on behalf of the Village, and the proper officers and employees of the Village are
hereby authorized to carry out the contract according to its terms.

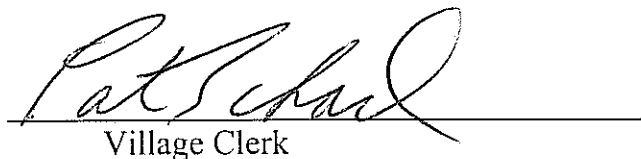
SECTION 3: This Ordinance is effective immediately.

PASSED this 22 day of JANUARY, 2002.



VILLAGE PRESIDENT

ATTEST:



Village Clerk



AYES: 6
NAYS: 0

PASSED: 1-22-02
APPROVED: 1-22-02

ABSENT: 0

Howard & Howard

law for business

telephone no.: 309.672.1483

Michael R. Lied

email: MLied@howardandhoward.com

January 7, 2002

Mr. John M. Myers
Rabin, Myers & Hanken, P.C.
1300 S. Eighth Street
Springfield, IL 62703

Re: Retainer Agreement: Labor Arbitration/Village of Chatham and International Union of Operating Engineers, Local 965, AFL-CIO
Filling Job Vacancies

Dear John:

We recognize that the selection of a law firm is a critical and important decision. We are honored that the **Village of Chatham** is considering us to serve as its legal counsel. We appreciate the trust and confidence you have shown in us, and we assure you that we will continue to be worthy of that trust and confidence.

We have found over our many years that there is no substitute for candor in our attorney-client relationships. This need for candor begins even before our formal relationship and continues throughout our attorney-client relationship. Accordingly, the purpose of this letter is to set forth our mutual understanding of the terms and conditions under which the **Village of Chatham** retains, and Howard & Howard agrees to perform, legal services.

1. The **Village of Chatham** retains Howard & Howard for the purpose of providing legal counsel and legal services for the term of this Agreement.
2. We agree to provide the **Village of Chatham** all necessary and required legal services requested by the **Village of Chatham** during the term of this Agreement.
3. We owe the **Village of Chatham** a duty to preserve the confidences and secrets of the **Village of Chatham** which we acquire pursuant to the attorney-client relationship.
4. We owe the **Village of Chatham** a duty to exercise our independent professional judgment on behalf of the **Village of Chatham**.
5. We owe the **Village of Chatham** a duty of loyalty.

6. As your principal contact, I will make sure that the **Village of Chatham's** legal matters are resolved quickly and efficiently. Our objective will be to match our attorneys' experience and expertise with the particular legal matter involved. We also recommend that the **Village of Chatham** provide us with a list of the **Village of Chatham** personnel authorized by you to seek our counsel.

7. As consideration for this Agreement and for the performance of legal services, the **Village of Chatham** agrees to pay Howard & Howard for time and expenses actually incurred as follows:

a. We will carefully record the work performed and expenses incurred in rendering legal services for the **Village of Chatham**.

b. We will provide the **Village of Chatham** with a detailed monthly written statement of work performed and expenses incurred.

c. We assure the **Village of Chatham** that we will, at all times, assign the legal work to the lawyer most capable of competently performing the task at the least possible cost to the **Village of Chatham**.

d. Our charges will be based upon a variety of factors, including the time expended, the novelty and difficulty of the questions presented, the individual attorney's experience and areas of specialization, the preclusion of other employment, time limitations or demands, as well as the amounts involved and the results obtained. Please note that the basis of our charges includes several factors other than, and in addition to, merely the time expended. The amount charged for time expended will be at the prevailing Howard & Howard hourly rates in effect from time to time, and such rates will vary with the particular lawyer involved.

e. The **Village of Chatham** agrees to pay Howard & Howard promptly upon receipt of each monthly statement.

8. After the engagement as to this matter ends, we will return your file materials to you; you agree that we may retain copies of the file, reproduced at your expense. You also agree that any materials left with us after the engagement may be retained or destroyed, at our discretion.

9. This Agreement shall continue unless terminated as specified or unless modified in writing by the mutual agreement of the **Village of Chatham** and Howard & Howard.

10. The **Village of Chatham** may terminate this Agreement at any time upon written notice to Howard & Howard. Howard & Howard may terminate this Agreement at any time upon thirty (30) days' prior written notice to the **Village of Chatham**.

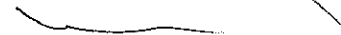
11. Howard & Howard has offices in several cities, and we represent clients on a regional or national basis. In certain areas of the law -- for example, litigation, bankruptcy or

environmental matters -- we represent clients in matters involving dozens or hundreds of other parties. It is possible that some of our present or future clients will have disputes with the **Village of Chatham** during the time that we are representing the **Village of Chatham**. Therefore, we ask that the **Village of Chatham** agree that our firm may continue to represent or undertake to represent existing or new clients in those matters that are not substantially related to our work for the **Village of Chatham**, even if the interests of such clients in those other matters are directly adverse to then **Village of Chatham**. We agree, however, that the **Village of Chatham's** prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as the result of our representation of the **Village of Chatham**, we have obtained sensitive, proprietary or other confidential information of a non-public nature that, if known to any such other client of ours, could be used in any such other matter by such client to the material disadvantage of the **Village of Chatham**.

Please review this letter carefully. If you agree that it accurately reflects our understanding, please sign one of the copies enclosed and return it to our office. We look forward to a long-standing, mutually satisfying relationship.

Very truly yours,

HOWARD & HOWARD ATTORNEYS, P.C.



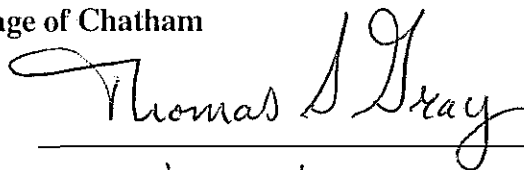
Michael R. Lied

Enclosure

We have reviewed this letter and agree that it accurately reflects our understanding.

Village of Chatham

By: _____



Dated: _____

1/22/02

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 02-03, adopted by the President and Board of Trustees of said Village on the 22 day of JANUARY, 2002, said Ordinance being entitled:

**AN ORDINANCE APPROVING A LEGAL SERVICES AGREEMENT WITH
HOWARD & HOWARD**

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 22 day of JANUARY, 2001.



Village Clerk