



## POLICY NO. 119

SUBJECT: FUNCTIONS AND COMPENSATION OF COOPERATIVE ATTORNEY

### I. PURPOSE

- A. To recognize the need for continuing legal guidance and counsel in the regular and special activities of the Cooperative, so that maximum protection of the legal rights of the Cooperative is ensured and operational conformity to the limitations prescribed by law is maintained.
- B. To provide for the functions of the legal consultant employed as the Cooperative's General Counsel on a monthly retainer fee basis and for additional counsel as required from time to time.

### II. POLICY CONTENT

The Cooperative shall maintain a continuing relationship with an attorney or a firm of attorneys for the purpose of procuring the necessary legal assistance and advice to protect the corporate interests of the Cooperative.

### III. PROVISIONS

#### A. Functions

The services required of the attorney will vary in nature and extent according to the conditions and problems that arise. These services can be divided into routine and special services.

##### 1. Routine Services

Routine services shall be rendered on a retainer fee basis and shall include the following:

- a. Attending regular Board meetings.
- b. Reviewing minutes of all regular Board meetings and checking conformity with the Bylaws and applicable state and federal laws and regulations.
- c. Reviewing or preparing minutes, resolutions, and notice of meetings; reviewing the proceedings of the annual meeting of members and attending such meeting.

- d. Reviewing and providing legal approval of contracts and other documents as to form, substance, and execution.
- e. Drafting miscellaneous letters and addressing legal matters of a minor nature not requiring an unusual amount of time, study, and attention.
- f. Providing advice and consultation concerning miscellaneous matters of the Cooperative business, including personnel actions, as requested by the Board or General Manager.
- g.

2. Special Services

Special services for which the attorney would normally expect special compensation would include the following:

- a. Handling of loan documents and mortgages.
- b. Special right-of-way work.
- c. Handling deeds, abstracts, and legal matters pertaining to the sale or acquisition of property.
- d. All types of legal proceedings, other than those of a minor and routine nature and those handled by the legal department of the insurance carrier.
- e. Special requests for action, opinions, or advice that require study and research.
- f. Preparation of contracts other than those of a routine nature.
- g. Attendance at special Board meetings.
- h. Attendance at other special meetings and programs pertaining to the legal responsibilities and concerns of the Cooperative when required by the Board of Trustees or the General Manager.

B. Compensation

- 1. Routine service shall be compensated for and included in the monthly or annual retainer fee as agreed upon by the Cooperative Board and the attorney.
- 2. Special services as detailed above shall be compensated at the hourly rate (or project fee) as contractually agreed upon from time to time by the General Counsel and the Board of Trustees. Additionally, the Board and

General Counsel should agree in advance on amounts to be charged for processing RUS, CFC and other loans.

3. The Finance Committee has the authority to review quarterly invoices submitted to the Cooperative by the attorney.

IV. RESPONSIBILITY

The Board of Trustees shall designate the General Counsel. The President of the Board shall review and present the General Counsel's annual retainer agreement.

APPROVED BY THE BOARD OF TRUSTEES

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PRESIDENT

EFFECTIVE DATE: \_\_\_\_\_

REVISED DATE: \_\_\_\_\_