



# Phillip Crego

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**MEMO TO:**

**MAYOR HUBERT BRODELL  
LARRY FLOWERS, FINANCE DIRECTOR  
ALAN YOUNG, INFORMATION SYSTEMS DIRECTOR**

**RE: Springbrook Software License Agreement and Maintenance Agreement**

Please be advised that I have reviewed the Springbrook Software License Agreement consisting of eighteen pages together with the Springbrook Software Maintenance Agreement consisting of nine pages. These two agreements are prepared in conjunction with city council agenda 10-04-04 Item 5 B.

With one major exception, I do not find any legal impediments to the City of Jonesboro entering into these contracts. I will address the exception later on in this memo. In reaching this conclusion I have relied upon the understanding that the technical jargon and terms of art therein have been reviewed by both finance and information systems. If this is not the case I request that those departments contact me to discuss the matter further prior to the entry of the agreements.

The major exception that I note in each contract is a provision regarding venue and governing law in the event that there is a contractual dispute. As to the software maintenance agreement this provision is contained in paragraph 12 on page 6. In the software license agreement this provision is contained in paragraph 12 of page 7. The paragraph basically provides that in the event that Springbrook should litigate or desire litigation with the City of Jonesboro regarding our obligation they will file suit in the State of Arkansas. However, it provides if the City of Jonesboro desires to litigate problems with Springbrook regarding these contracts suit would need to be brought in the State of Oregon. The respective state laws within the jurisdiction would control. I would strenuously object to the City of Jonesboro being required to bring any litigation in another state. My feeling is that if this company is intending to do business with the City of Jonesboro located within the State of Arkansas, then the Arkansas Courts should govern the dispute. Having said this, this is not a legal impediment to the entry into of the contract I just do not believe it is an advisable term and suggest that Arkansas be the site and governing law for all conflicts regarding these two agreements.