

RESOLUTION NO. 205

A RESOLUTION OF THE CITY OF PAYETTE, IDAHO, APPROVING AN AGREEMENT FOR BOND COUNSEL SERVICES AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE SAME

WHEREAS, the City of Payette, Payette County, Idaho (the "City"), has determined to create a local improvement district and to issue its local improvement district bonds for certain public improvements consisting generally of the installation of municipal water and sewer lines, and related street repairs, and costs incidental thereto; and

WHEREAS, the City is desirous of retaining the law firm of Moore & McFadden, Chartered, of Boise, Idaho, as bond counsel to the City for services in connection with the creation of said local improvement district and the issuance, sale, and delivery of bonds.

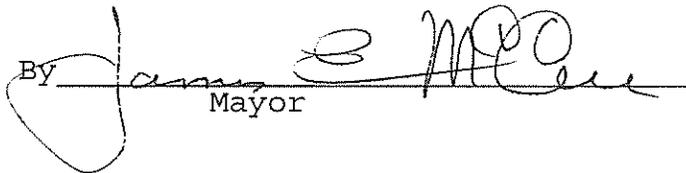
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY PAYETTE, IDAHO, as follows:

Section 1: The Agreement for Bond Counsel Services between the City and Moore & McFadden, Chartered, of Boise, Idaho, a copy of which agreement is annexed hereto and by reference made a part hereof, is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the same on behalf of the City.

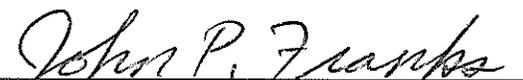
Section 2: This Resolution shall take effect and be in force from and after its passage and approval.

DATED this 15th day of December, 1997.

CITY OF PAYETTE
Payette County, Idaho

By  Mayor

ATTEST:


City Clerk

AGREEMENT FOR BOND COUNSEL SERVICES

THIS AGREEMENT, made as of the 15th day of December, 1997, between the City of Payette, Payette County, Idaho (the "City"), and the law firm of Moore & McFadden, Chartered, 999 Main Street, Suite 910, Boise, Idaho 83702 ("Bond Counsel").

Section 1: PURPOSE OF EMPLOYMENT

The City hereby employs Bond Counsel to perform and render legal assistance and advice relative to the formation of, confirmation of assessments for, and the authorization, issuance, sale, and delivery of bonds (the "Bonds") to finance the improvements within proposed Local Improvement District No. 98-1 of the City for certain public improvements consisting generally of the installation of municipal water and sewer lines, and related street repairs.

Section 2: BOND COUNSEL SERVICES

Bond Counsel shall render the following legal services:

- (a) Advise the City concerning the legal requirements applicable to the creation of the local improvement district and the levy of assessments to pay for the costs and expenses of the acquisitions and improvements therein.
- (b) Advise the City concerning the legal requirements applicable to the issuance and sale of the Bonds.
- (c) Provide representation of Bond Counsel, when requested by the City, at all meetings and hearings held by the City in connection with the creation of the local improvement district, the levy of assessments, and the issuance and sale of the Bonds.
- (d) Prepare all ordinances, resolutions, notices, and any other legal documents necessary for the proper conduct of proceedings for the creation of the local improvement district, the levy of assessments therein, and for the authorization, issuance, sale, and delivery of the Bonds.
- (e) Advise with respect to the giving of statutory notices of hearing and the conducting of such hearings as are required by law.
- (f) Provide such legal guidance and assistance, supervision, and consultation, including advice with respect to applicable federal income tax laws and

federal securities laws, and conduct such proceedings and provide such opinions as may be appropriate.

- (g) Supervise the printing and delivery of the Bonds to the purchaser and prepare all necessary closing documents.
- (h) Assemble and examine a transcript concerning all proceedings taken in connection with the issuance and sale of the Bonds.
- (i) Upon completion of the proceedings to Bond Counsel's satisfaction, provide its legal opinion approving in all regards the legality of all proceedings had for the creation of the local improvement district, the validity and enforceability of assessments levied upon the real property within the local improvement district, and the authorization and issuance of the Bonds, and opining that interest on the Bonds is excluded from gross income for purposes of federal and State of Idaho income taxation (except for certain corporations).

Section 3: COMPENSATION

For rendering the services set forth in Section 2 hereof, Bond Counsel shall be compensated by the City at the rate of \$125 per hour for services actually performed, not to exceed \$5,500.00. Said compensation shall be paid from the proceeds of such Bonds, when available, and shall be due following delivery of the Bonds.

Bond Counsel shall also be reimbursed for direct out-of-pocket expenses, including necessary travel and lodging expenses incurred in attending meetings conducted by the District or other meetings relating to the Bond proceedings, as well as long distance telephone, special messenger or air courier service, and photocopying expenses incurred in performance of its duties hereunder.

In the event the Bonds are not issued, sold, and delivered, Bond Counsel shall be compensated at the foregoing hourly rate for services rendered, and reimbursed for direct out-of-pocket expenses incurred.

Section 4: ADDITIONAL SERVICES

Services in addition to Bond Counsel responsibilities provided for in Section 2 above may be performed by Bond Counsel upon specific direction of the City. For such additional services, including, but not limited to, any litigation services, Bond Counsel shall be compensated separately, and shall account and bill for such services separately at the hourly rate normally

charged by Bond Counsel for the service of the attorneys performing such work.

IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first above written.

CITY OF PAYETTE
Payette County, Idaho

By James E. Moore
Mayor

ATTEST:

John P. Franks
City Clerk

MOORE & McFADDEN, CHARTERED

By Michael C. Moore
Michael C. Moore