RD Instruction 1942-A
(Guide 14)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farmers Home Administration

LEGAL SERVICES AGREEMENT

This agreement made this _____ day of _____,

_____ between _____

_____
(sponsors)(organizing committee)(Name of organization)

hereinafter referred to as ''Owners,'' and _____,

attorney at law, of _____, hereinafter referred

to as ''Attorney'':

WHEREAS, Owners are intending to _____(have formed)_____
(''public water supply

_____
district,'' ''public service district,'' ''not for profit corporation,'' or

_____, a _____
other official designation) (''body politic,'' ''municipal

_____
corporation,'' ''nonprofit corporation,'' or other organization)

in _____ County _____

under the provisions of _____
(Cite statute(s) under which applicant will be

_____;and
organized)

WHEREAS, the Attorney agrees to perform all legal services necessary

to organize and incorporate said _____

_____ under the provisions of

(1-15-79)SPECIAL PN

said statutes and to perform all other customary legal services necessary to the organization, financing, construction, and initial operation of a _____ system;

WITNESSETH:

That for and in consideration of the mutual covenants and promises between the parties hereto, it is hereby agreed:

SECTION A - LEGAL SERVICES

That the Attorney will perform such services as are necessary to accomplish the above recited objectives including, but not limited to, the following:

1. Preparation and filing of petition for incorporation and supervision and assistance in the taking of such other actions as may be necessary or incidental to cause the Owners to become duly organized and incorporated and to be authorized to undertake the proposed system.

2. Furnish advice and assistance to the governing body of the duly incorporated association in connection with (a) the notice for and conduct of meetings; (b) the preparation of minutes of meetings; (c) the preparation and enactment of such resolutions as may be necessary in connection with the authorization, financing, construction, and initial operation of the system; (d) the preparation of such affidavits, publication notices, ballots, reports, certifications, and other instruments and advice as may be needed in the conduct of such bond elections as may be necessary; (e) the preparation and completion of such bonds or other obligations as may be necessary to finance the system; (f) the completion and execution of documents for obtaining a loan made or insured or a grant made by the United States of America, acting through the Farmers Home Administration, U. S. Department of Agriculture; (g) entering into construction contracts; (h) preparation and adoption of By-Laws, Rules and Regulations, and rate schedules; (i) such other corporate action as may be necessary in connection with the financing, construction, and initial operation of the system.

3. Review of construction contracts, bid-letting procedure, and surety and contractual bonds in connection therewith.

4. Preparation, negotiation, or review of contract with a city or other source of water supply when necessary.

5. Preparation, where necessary, and review of deeds, easements and other rights-of-way documents, and other instruments for sites for source of water supply, pumping stations, treatment plants, and other facilities necessary to the system and to provide continuous rights-of-way therefor; rendering title opinions with reference thereto; and providing for the recordation thereof.

6. Obtain necessary permits and certificates from county and municipal bodies, from State regulatory agencies, and from other public or private sources with respect to the approval of the system, the construction and operation thereof, pipeline crossings, and the like.

7. Cooperate with the engineer employed by Owners in connection with preparation of tract sheets, easements, and other necessary title documents, construction contracts, water supply contracts, health permits, crossing permits, and other instruments.

8. When applicable, secure assistance of and cooperate with recognized bond counsel in the preparation of the documents necessary for the financing aspects of the system. The attorney shall pay all bond counsel in perfecting the financing aspects, e.g., assessment procedures and completion of documents. Where bond counsel is retained, the Attorney will not be responsible for the preparation and approval of those documents pertaining to the issuance of the Owner's obligations.

SECTION B - COMPENSATION

1. Owners will pay to the Attorney for professional services rendered in accordance herewith, fees as follows:

_____

Said fees to be payable in the following manner and at the following times:

_____

SECTION C - OTHER PROVISIONS

1. That upon organization and incorporation the association shall by appropriate resolution adopt and ratify this Agreement, that the association shall be substituted for the individual Owners as a party to this Agreement, and that the Owners as individuals shall thereupon be relieved of all personal liability existing or arising from this Agreement.

2. That upon organization and incorporation should the association fail or refuse to adopt and ratify this Agreement by appropriate resolution within _____ days from the date of the commencement of its legal existence, this Agreement shall terminate and Owners shall be liable to the Attorney for payment of $_____, which sum represents payment in full for the organization and incorporation of the association and for all other legal services rendered to Owners under the terms of this Agreement to the date of said termination.

Attorney:

_____

Owners:

_____

_____

_____

_____

_____

_____