

AGREEMENT FOR LEGAL SERVICES  
(Mortgage Secured Loan)

This Agreement, made between \_\_\_\_\_  
which proposes to construct/improve a \_\_\_\_\_ in the  
(Type of Project)  
community of \_\_\_\_\_, \_\_\_\_\_ County,  
Texas, hereinafter referred to as "Corporation", and \_\_\_\_\_,  
Attorney-at-Law, of \_\_\_\_\_, hereinafter  
referred to as "Attorney":

WITNESSETH:

Corporation hereby retains and employs Attorney to perform the usual and customary legal work generally required for obtaining funds from the United States of America for the above stated purpose. The Attorney will perform such services as are necessary to accomplish the recited objective including, but not limited to, the following:

1. Unless presently incorporated, prepare and file Articles of Incorporation with the Secretary of State, attend the initial meeting of members and directors, prepare membership certificates and service agreements for all members, and take such action as may be necessary to cause Corporation to become duly incorporated and authorized to undertake the proposed project.

2. Furnish advice and assistance to the governing body of the duly incorporated corporation in connection with:

- a. The notice for and administration 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 necessary;

- e. The completion and execution of documents for obtaining a loan made or insured or a grant made by the United States of America, U.S. Department of Agriculture;
- f. Entering into construction contracts;
- g. Preparation and adoption of By-Laws, Rules and Regulations, and rate schedules; and
- h. Such other corporate action as may be necessary in connection with the financing, construction and initial operation of the system.

3. If right of way easements across privately owned land are required, the Attorney will prepare and file for record such easements as are necessary to provide adequate and continuous rights of way for construction, operation, and maintenance of the project. Easements may be based on field notes or upon reference to an instrument of record for a description of the land over which the easement is granted. The Attorney will furnish to the Corporation and the United States of America Form FmHA 442-22, Opinion of Counsel Relative to Rights-of-Way.

4. Negotiate and prepare contracts, franchise agreements, permits, licenses, and certificates from Federal and State agencies, counties, municipalities, railway companies, and other public and private entities which are required for the successful construction, operation, and maintenance of the project, including those required in connection with the purchase, production, sale and delivery of water, waste disposal, health department certification, certification of service area, etc.

5. Examine title to such tracts of land (and water rights if applicable) as may be required by the Corporation for the facility and, if necessary, prepare conveyances of title to the Corporation. Furnish Form FmHA 1927-9, Preliminary Title Opinion, for all land currently owned by the Corporation and all land to be acquired by the Corporation listing all conditions, reservations, defects, encumbrances and exceptions to said title which would affect the lien position of the U.S.A. After the loan has been closed, furnish Form 1927-10, Final Title Opinion.

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

7. Prepare all other instruments and perform such other services as may be required by the United States of America in order to comply with all requirements for obtaining the loan.

8. Attend and participate in loan closing.

THE fee of the Attorney for legal services will be \$\_\_\_\_\_.\*  
This fee will be payable as follows:

- a. One fourth (1/4) is payable upon closing of the loan and/or grant; and
- b. One half (1/2) is due and payable when all documents required for issuance of the Final Opinion by the Office of General Counsel (OGC) of the United States Department of Agriculture have been received. If appropriate closing information necessary for the OGC final opinion is not received by Rural Utilities Service within 90 days after loan closing or completion of the project, whichever is first, the remaining legal fees will be forfeited and used to obtain alternate legal services.
- c. The final one fourth (1/4) is payable on issuance of the Final Opinion by OGC.

In addition to the legal fees, the Attorney will bill the Corporation for recording fees including filing fee to the Secretary of State for filing Articles of Incorporation.

Such fee is understood to be the total compensation for the Attorney. Additional travel, fax, telephone, copies or similar additional expenses are not allowable.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

(Attorney)

By: \_\_\_\_\_

Address: \_\_\_\_\_

Phone/Fax: \_\_\_\_\_

\* The actual legal fee is negotiable between the corporation and attorney. We encourage the corporation to solicit the legal services at the most economical costs. The total fee allowable will not exceed one percent (1%) of the proposed construction costs; however, only in justifiable circumstances will the maximum be allowed. (\$\_\_\_\_\_ (fee) = \$\_\_\_\_\_ per hour x \_\_\_\_\_ no. of hours)