

MASON COUNTY, WASHINGTON

RESOLUTION NO. 35-98

A RESOLUTION of the Board of County Commissioners of Mason County, Washington, retaining Foster Pepper & Shefelman PLLC as bond counsel for the County.

WHEREAS, it is deemed necessary and in the best interests of Mason County, Washington (the "County"), and its inhabitants that the County from time to time issue and sell its bonds or bond anticipation notes for proper County purposes; and

WHEREAS, it is deemed necessary and advisable that attorneys who are skilled in such matters be employed as bond counsel to draft the resolutions and other documents necessary for the issuance and sale of such bonds and notes, that firm to furnish its legal opinion of the validity of those bonds or notes at the time of their issuance and sale; and

WHEREAS, the law firm of Foster Pepper & Shefelman PLLC of Seattle, Washington, is skilled in providing legal advice with respect to governmental financing of this type, and the legal opinions of that firm are nationally recognized by investors in municipal securities; and

WHEREAS, it is deemed in the best interests of the County that counsel experienced in such matters be retained to provide special bond counsel services; and

WHEREAS, RCW 36.32.200 requires a written contract of employment between the County's legislative authority and special counsel to be executed by the parties, and approved by the presiding superior court judge of the County, for such employment;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MASON COUNTY, WASHINGTON, as follows:

Section 1. The law firm of Foster Pepper & Shefelman PLLC of Seattle, Washington, (FP&S) is employed by the County as bond counsel to draft the resolutions and other documents required by the County in connection with the issuance and sale of its bonds (the "Bonds") and bond anticipation notes (the "Notes"), that firm to furnish its legal opinion on the validity of the Bonds and Notes and the exclusion from gross income for federal income tax purposes of the interest thereon at the time of the delivery thereof to the purchasers thereof. Included in the services to be rendered by that law firm is participation in the drafting of all resolutions and other documents necessary through the issuance and sale of the Bonds and Notes, and furnishing of an approving legal opinion upon the validity of the Bonds and Notes at the time of the delivery thereof to the purchaser, but there shall not be included the drafting or review for accuracy of any official statement, offering circular or other sales material relating to the issuance of the Bonds and Notes prepared by the County, its consultants or underwriters or otherwise used in connection with such Bonds and Notes, except for the accuracy and completeness of the description of the Bonds or Notes and resolutions authorizing those obligations.

Section 2. The County shall pay FP&S as compensation for its services to be rendered as aforesaid in accordance with the following schedule:

| <u>Amount of Issue</u> | <u>Fee</u> |
|-----------------------------|---------------------------------|
| \$100,000 or less | \$2,000 |
| \$100,001 to \$1,000,000 | \$2,000 plus \$3 per \$1,000 |
| \$1,000,001 to \$5,000,000 | \$4,700 plus \$1.50 per \$1,000 |
| \$5,000,001 to \$10,000,000 | \$10,700 plus \$1 per \$1,000 |
| \$10,000,001 and up | \$15,700 plus \$.50 per \$1,000 |

The following adjustments shall be made in the above schedule under the following circumstances:

(1) The fee for refunding issues shall be the amount calculated on the schedule times 1.3; (2) The fee for Notes shall be the amount calculated on the schedule times .66, and if Notes are rolled over, the fee will be over half the fee charged for the original issue of Notes; and (3) an additional fee of \$750 per road improvement district or utility local improvement district (ULID) included in a bond issue shall be charged for reviewing the formation and assessment roll transcript. Consultations with respect to RID or ULID formation, attendance at meetings and public hearings, and document preparation will be billed on an hourly basis at standard rates. Bond counsel also shall be reimbursed for any actual out-of-pocket expenses, such as travel, document production and reproduction, and communications, incurred by it in rendering its services. The payment of the fee is contingent on the successful delivery of the Bonds and Notes, respectively.

Section 3. The County shall furnish FP&S a complete certified transcript of all proceedings had in connection with the issuance of the Bonds and Note in order to enable that firm to furnish its approving opinion on the validity thereof at the time of the sale and delivery of such Bonds and Notes. The County also shall cause the purchaser of the Bonds and Notes from the County to furnish to bond counsel before final printing and circulation thereof any proposed official statement, underwriting circular or bond prospectus for review of the accuracy of any statement relative to the services of bond counsel and to the description of the Bonds and Notes and laws relating thereto.

Section 4. If the Board of County Commissioners shall in writing request FP&S to perform other legal services relating to the issuance and sale of such Bonds and Notes, the County shall compensate FP&S at an hourly rate of not to exceed \$225 per hour (based on the actual billing rates for the lawyer or lawyers performing such services) for such services actually performed, plus out-of-pocket expenses. Other conditions for the furnishing of such services may be arranged between

FP&S and the Board of Commissioners. If as a part of such other legal services the firm agrees to perform a "due diligence" review of any official statement, offering circular, bond prospectus or other sales material, the furnishing of FP&S's legal opinion provided for in Section 1 shall be conditioned on its satisfaction of the sufficiency of such statement, circular, prospectus or other material.

Section 5. The terms of this resolution shall be effective for a period of two years from its adoption and shall apply to any bond, note or other obligation issue, the sale of which has been specifically authorized during that two-year period. This resolution shall not apply to work performed by FP&S for the County under any other resolution or contract.


Section 6. Any actions previously taken by officers or employees of the County and consistent with the provisions of this resolution are ratified and confirmed.

ADOPTED by the Board of County Commissioners of Mason County, Washington, at a regular open public meeting, held this 14th day of April, 1998.

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON



Chairman and Commissioner

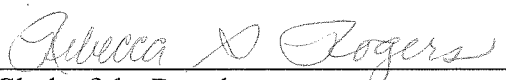


Commissioner



Commissioner

ATTEST:



Clerk of the Board

APPROVED AS TO FORM:


 CHIEF DPA

Deputy Prosecuting Attorney

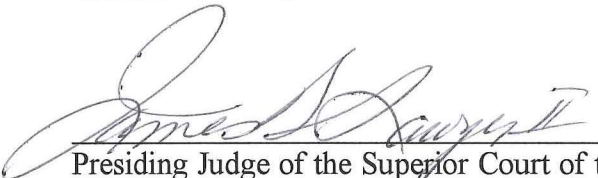
April 21, 1998

We accept employment as bond counsel in accordance with the provisions of the foregoing resolution.

FOSTER PEPPER & SHEFELMAN PLLC

By  Member

The foregoing contract is approved this 15th day of April, 1998.


Presiding Judge of the Superior Court of the State of Washington in and for Mason County