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ADMITTED TO PRACTICE LAW IN IDAHO, CALIFORNIA, NEW YORK AND OREGON

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November 11, 2020

Shelley Joint School District No. 60
Attn: Chad Williams, Superintendent
545 Seminary Avenue
Shelley, ID 83274

cwilliams@shelleyschools.org
lfarmer@shelleyschools.org

Re: *2021 Bond Election and Bond Issue*

Dear Board of Trustees and Superintendent Williams:

Shelley Joint School District No. 60 (the “**District**”) has indicated it will need to retain a bond counsel (“**Bond Counsel**”) with respect to a proposed bond election and the bond issue authorized thereby (the “**Bonds**”). We would be honored to serve as Bond Counsel to the District, and this letter presents our qualifications and engagement terms.

A. Scope of Work

Generally speaking our scope of work (the “**Scope of Work**”) for the District is to advise the District on matters of Idaho law that affect the District’s ability to achieve a financing, to issue the requisite legal opinions, and to structure the District’s indebtedness most advantageously, and to assist with project delivery.

I am going to summarize our scope of work in three parts: the bond election, the bond issue if the election passes, and construction advice.

1. Bond Election—Phase 1

Our Scope of Work for the Bond Election would consist of the following:

- (a) consultation on size and scope of bond issue and debt capacity;
- (b) the resolution to call the bond election;
- (c) the phrasing of the election question on the ballot;
- (d) optional additional explanatory language concerning the required tax impact disclosure; and
- (e) legal advice on permitted election activities.

2. Bond Issue—Phase 2

If the bond election is successful, our Scope of Work continues and includes:

- (a) the resolution under which the Bonds will be issued and the terms of the Bonds are established;
- (b) policies for bond fund and fund balance required by rating agencies;
- (c) tax and disclosure due diligence questionnaires relating to use of proceeds of the Bonds;
- (d) on-going tax compliance policy;
- (e) continuous disclosure undertaking;
- (f) closing documents for the bond issue;
- (g) assistance with disclosure in the “Official Statement” about selected matters affecting the Bonds; and
- (h) legal opinions described below.

The Bonds will be offered for sale to prospective purchasers “subject to the approval of Hawley Troxell Ennis & Hawley LLP, Bond Counsel.” This means that if all requested documentation with respect to the bond issue is submitted to us in the manner and in a form sufficient to enable us to conclude that the bond issue is a legal, valid and binding obligation in accordance with its terms, we will render our unqualified **bond counsel opinion** to that effect to the purchasers of the Bonds. Our opinion will also opine that interest on the Bonds is excludable from Federal and State of Idaho income taxation.

In our role as disclosure counsel, we will review the District’s preliminary official statement and final official statement, or any placement memorandum if the Bonds are offered in a non-public offering, prepared by the District and its underwriter. We will advise the District on compliance with disclosure regulations promulgated by the Securities & Exchange Commission, principally Rule 15c2-12. We will render an **opinion that the portions of the official statement relating to the Bonds are true and correct.**

3. Consultations on Bidding and Construction Matters—Phase 3

To some extent prior to the Bond issue and to a greater degree after the Bonds are issued and the District proceeds with the financed projects, the District may need legal advice on bidding and construction contracting.

B. Staffing

1. Nicholas G. Miller

Mr. Miller is Hawley Troxell's managing partner and the firm's most senior public finance attorney having initiated a bond practice, and a "Redbook" listing, to Hawley Troxell in the late 1980's.

A native of Caldwell, Mr. Miller graduated with distinction from Stanford University and received his law degree from Stanford Law School where he was Senior Article Editor of the Stanford Law Review. Mr. Miller is a member of the National Association of Bond Lawyers, and is the only attorney in Idaho who is a member of the American College of Bond Counsel.

2. Chelsea Porter

Chelsea Porter is a member of the firm's Public Finance and Local Government Law practice group, as well as the Business and Banking practice groups. She serves as bond counsel, issuer's counsel and disclosure counsel in various public finance transactions. She also aids clients with ongoing compliance issues throughout the life of their bonds.

3. Tom Mortell

Tom Mortell is chair of the firm's health law group as well as a member of the firm's Board of Partners. His health care practice focuses on advising public hospitals and other health care providers on all aspects of healthcare law. He also advises public entities on procurement, construction bidding, and construction disputes. Mr. Mortell's hourly rate for services in this matter is \$310 and would not be contingent on a successful bond election and subsequent bond issue, although practically speaking most of his work would occur after successful election passage and bond issue that would provide the sources of funds for his work.

C. Fee Proposal

1. Phase 1

The Scope of Work in Phase 1 is limited in scope and in time. If the election is successful, the cost of the Scope of Work for Phase 1 is included in the fees for Phase 2 described below. If the election is unsuccessful, our fee is \$2000.

2. Phase 2

We charge a fixed fee that is related to the principal amount of the Bonds. This fee compensates us for the time and effort to perform the Scope of Work, the risk inherent in rendering the legal opinions that are in effect for the life of the Bonds, and the contingency of a

successful election. For a bond issue between \$5 and \$10 million, our fee would be \$20,000 inclusive of all expenses.

Our fees and expenses are payable on the date of closing of the Bonds and may be paid from proceeds of the Bonds.

3. Phase 3

We will perform Phase 3 work at hourly rates with monthly billing. Our client services policy relating to monthly billing is attached.

D. Disclaimers

Our engagement as bond counsel and disclosure counsel is on behalf of the District. In unrelated matters, we have consulted with, and may in the future act as, counsel to the financial firms the District has retained as its financial advisor or underwriter. Although we work collaboratively with the financial firms to prepare the District's Bonds for sale, we do not represent the financial advisor or underwriter.

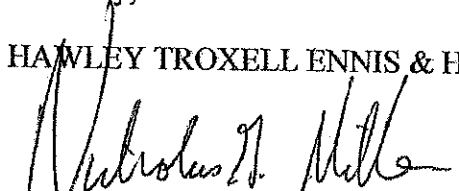
E. Signature

We would appreciate acknowledgment of your agreement with the terms of this letter by signing below in the place provided for such purpose on the enclosed copy of this letter. Please return one copy to us for our files.

We believe we have the capability to serve the District well and would be honored to be of service to the District on this important project.

Sincerely,

HAWLEY TROXELL ENNIS & HAWLEY LLP



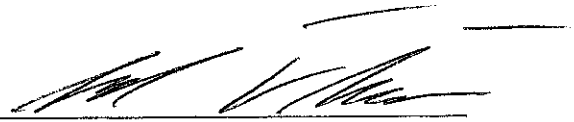
Nicholas G. Miller

NGM/tjon

Accepted and agreed to:

SHELLEY JOINT SCHOOL DISTRICT NO. 60

By: _____

A handwritten signature in black ink, appearing to be "M. V. [unclear]", written over a horizontal line.

Date: _____

11/17/20

CLIENT SERVICE POLICIES

A) CLIENT SERVICE

At Hawley Troxell Ennis & Hawley LLP, we maintain the firm's century-old tradition of professional excellence and integrity by providing every client with the highest quality legal service. Regardless of a client's size, business, or location, the services we provide are individually fashioned to meet each client's specific needs and wishes. We are aware of our clients' concerns for efficiency and economy and make every effort to keep costs down, consistent with proper representation.

The ideal client-attorney relationship requires a mutual understanding of expectations and an open line of communication. The following policies were developed with that objective in mind and with a commitment to hold the line on escalating legal costs.

B) INITIAL CONFERENCE

The client-attorney relationship generally begins with an initial conference. When scheduling this conference, you will be asked to provide information regarding potential parties involved in your situation so that we can ensure we have no conflict of interest with other clients or firm members. The purpose of this initial meeting is for your attorney to learn about your situation, and then to discuss with you the scope and amount of services that will need to be provided, who will provide those services, and the fees and costs involved.

A fundamental principle in the client-attorney relationship is that the attorney maintains confidentiality of information relating to the representation. We encourage you to communicate fully and frankly with your attorney.

C) ENGAGEMENT LETTER OR REPRESENTATION AGREEMENT

The initial meeting will be followed by an engagement letter from your attorney that will outline the pertinent facts of the case, the scope of the representation, the fees to be charged, and the possible expenses to be incurred.

D) RETAINER

A retainer may be requested at the beginning or during the course of representation. Depending on our arrangement with you, this retainer may be used throughout the representation to pay for out-of-pocket costs and our fees. At the conclusion of the representation the retainer will be used to pay our final invoice for costs and legal services. If a balance remains, it will be refunded to you. If the retainer is exhausted, you are responsible for payment of fees and out-of-pocket costs not covered by the retainer. Payment of a retainer does not relieve you of your obligation to make prompt payment of our monthly invoices.

Unless otherwise directed, all retainer funds are placed in an interest bearing client trust account. The interest on this account is donated, by law, to support public interest objectives of the Idaho Law Foundation.

E) FEES AND EXPENSES

We usually compute our fees on an hourly basis. These standard hourly rates are subject to modification at any time. Time charges may, if applicable, include waiting time in court or elsewhere and time spent in

~~travel. Other fee arrangements include setting a reasonable fixed fee for services, and occasionally the~~
firm represents a client on a contingent fee basis. Premium rates may also be charged for work involving greater complexity, intensity of effort, specialized services, or additional liability potential.

We believe in providing the most efficient and cost-effective services to our clients. As a commitment to this philosophy, you will not be charged for long-distance phone calls, regular USPS postage, facsimile transmissions or computer assisted legal research. There will be times when other out-of-pocket expenses are incurred as a necessary part of your representation and these will be billed to you accordingly. These can include photocopies, deliveries, travel, document production, court reporter services, expert witness fees, and court fees.

Unless arrangements are made, the firm does not advance costs of more than \$300. Necessary costs above that amount may be billed directly to you by the service provider.

F) BILLING STATEMENTS

Unless otherwise agreed, you will receive monthly statements. These statements provide you with chronological information about the services provided and the cost of such services. We can, however, provide you with as much—or as little—detail as you wish, regarding the services we provide. You should discuss your billing preferences with your primary attorney. All invoices are due and payable in full upon receipt. If your account becomes delinquent:

- You will be subject to an interest charge of 12% per annum for invoices delinquent for more than 30 days.
- You will be subject to attorney fees and expenses allowed by law if your account is referred for collection.
- The firm may find it necessary to terminate services and withdraw from representation.

Problems or questions about bills should be promptly directed to your primary attorney or the Executive Director at (208) 344-6000.

G) WORKING RELATIONSHIP

You convey to the firm, as your legal representative, the power of attorney to execute all pleadings and take such other actions as may be necessary or advisable on your behalf. Any settlement affecting your interests will, however, require your prior consent.

Your satisfaction with our law firm depends on your relationship with the individuals who are helping you solve your problem. If you have concerns about which attorneys work on your matter, please discuss these concerns with your primary attorney. If, at any time during our representation, you become unhappy or dissatisfied with our work, we encourage you to contact your primary attorney and discuss your concerns.