



U.S. Olympic Committee
Colorado Springs, CO

May 1, 2011

Dear Sirs:

RE: Sun Valley Region Application for Certification as an Olympic & Paralympic Training Site

I am writing on behalf of SustainBlaine, Inc. in support for the Sun Valley region's application for designation as an official USOC training site for cross-county skiing. Sustain Blaine is a county-wide economic development agency serving the communities of Bellevue, Carey, Hailey, Ketchum, Sun Valley and Blaine County Idaho. Represented on our Board of Directors are the mayors and/or councilmen for all six local government entities, along with prominent local businessmen.

Our organization has been spearheading the development of the USOC application for the Sun Valley region. Our Executive Director and his project team have worked closely with the Sun Valley Ski Educational Foundation, Blaine County Recreation District and the Wood River Ability Program to prepare a comprehensive and credible multi-year business plan.

Our communities are fully committed to supporting elite national caliber athletes, coaches and teams visiting the Sun Valley region for training camps and competitions. SustainBlaine is willing to provide on going support to the Local Operator and other Nordic-supporting entities to ensure that formal accreditation is a success both for visitors and local businesses over the course of the next 5 years.

We look forward to working with the USOC, relevant National Governing Bodies and US Olympic Sponsors to ensure that we realize our potential as a world-class Nordic training destination for able-bodied and adaptive athletes.

Collectively Yours,

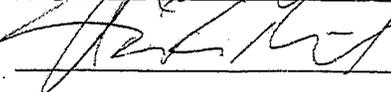

Tom Bowman, Commissioner of Blaine County;


Chris Koch, Mayor of City of Bellevue;


Randy Hall, Mayor of City of Ketchum;


Rick Davis, Mayor of City of Hailey;


Wayne Willich, Mayor of Sun Valley; and


George Kirk, Chairman of the Board, Sustain Blaine Inc.

Sun Valley Region nOTS – Summary for NGBs

May 2011

nOTS – Project Summary

- Project Name:** Nordic Olympic & Paralympic Training Site certification (nOTS)
- ST Goal:** Secure US Olympic Committee & National Governing Body designation of the Sun Valley Region as an official cross-country training location. Increase number of visitors and enhance brand values.
- LT Objective:** Leverage Nordic certification into other snow-sport certification and economic development opportunities
- Documentation:** Preparation of comprehensive business plan.
- Timetable:** Project kicked off Oct 2010. Submittal of application package targeted for May 2011
- Sponsors:** SVSEF, BCRD, SustainBlaine, Wood River Ability Program, and Sun Valley Company together with local citizens

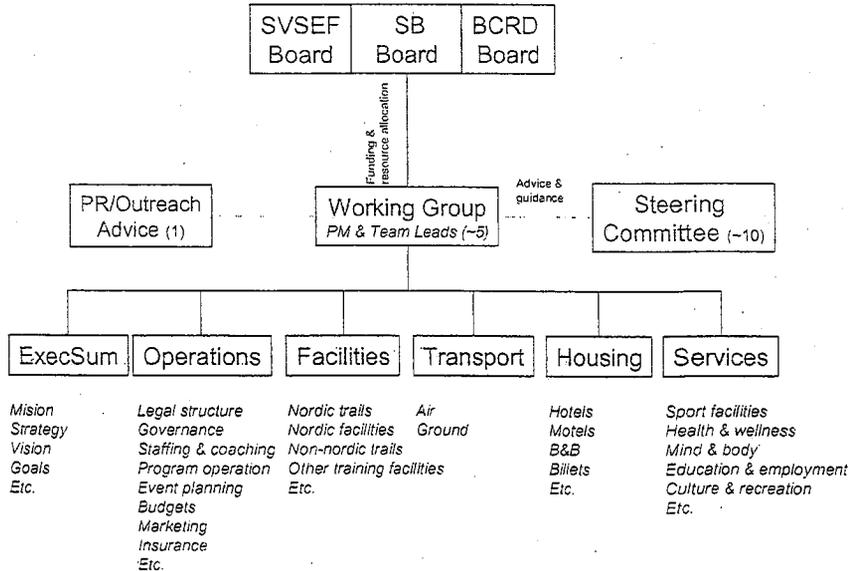
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nOTS – Project Sponsors

Core Sponsors	Legal Structure	Mission	Governance	Staff	Annual Budget
Sustain Blaine Inc. (SB)	501c6	Community economic development	13 person board plus advisory group	1 FT; 2 contract	\$100k
Sun Valley Ski Education Foundation (SVSEF)	501c6	Youth snow-sport programs	15 person board plus committees	12 FT; 15 contract	\$2.5m
Blaine County Recreation District (BCRD)	Idaho State Tax District; 501c3	Community recreation programs	3 person board plus advisory group	15 FT; 130 contract	\$2.2m
Wood River Ability Program (WRAP)	501c3	Disabled athlete snow-sport programs	3 person board plus advisory group	1 FT; 12 contract	\$120k
Sun Valley Company (SVC)	Corporation	Snow-sports & Resorts	NA	NA	NA



nOTS – Project Structure



nOTS – Project Teams

Principles:

- Two project teams – Working Group & Steering Committee
- Community volunteers with passion and ability to make time commitments
- Regular involvement in preparation of required business plan
- Periodic oversight/review meetings
- Potential to remain involved post-application

Working Group (role):

- Harry Griffith (project manager)
- Jim Keating (facilities team)
- Vanessa Cosgrove-Fry (transport team)
- Bob Crosby (housing team)
- Joy Kasputys (services team)

Steering Committee (affiliation)

1. Don Wiseman (ExecDir SVSEF)
2. Marc Mast (ExecDir Wood River Ability Program)
3. Jim Keating (ExecDir BCRD)
4. Dick Fosbury (Chair, World Olympians Organization)
5. Chris Grover (Coach, USST Nordic)
6. Chuck Ferries (former USSA trustee)
7. Gary Black (Editor, Ski Racing Magazine)
8. Jon Engen (Chair, USSA Nordic Committee)
9. Joan Scheingraber (Coach, disabled programs)
10. Candice Pate (SV Marketing Alliance)

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nOTS – Internal Credentials Assessment

Issue No.	Entity	Current Assessment	Relative Deficiency
1	Trails	4.75	High altitude bias
2	Facilities	4.5	Segregated systems
3	Events	4.5	Limited international level
4	Athletes	4	Limited US Team residents
5	Accommodation	3	Limited low cost beds
6	Transport	4	Air costs & risks of winter diversions
7	Athlete Services	4	Limited physiological testing
8	Cultural Amenities	5	
9	Jobs	3	Limited local jobs & internships
10	Education	3	Limited advanced degrees

Overall Assessment score of 4.0

5=World Class,
4=National Caliber,
3=USOC Minimum Threshold

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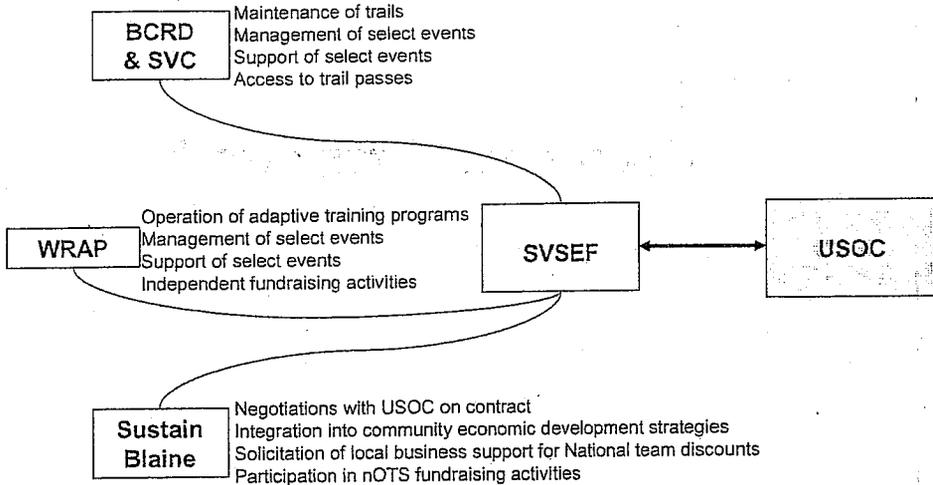
Operational Framework

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nOTS Operations – Local Operator Options

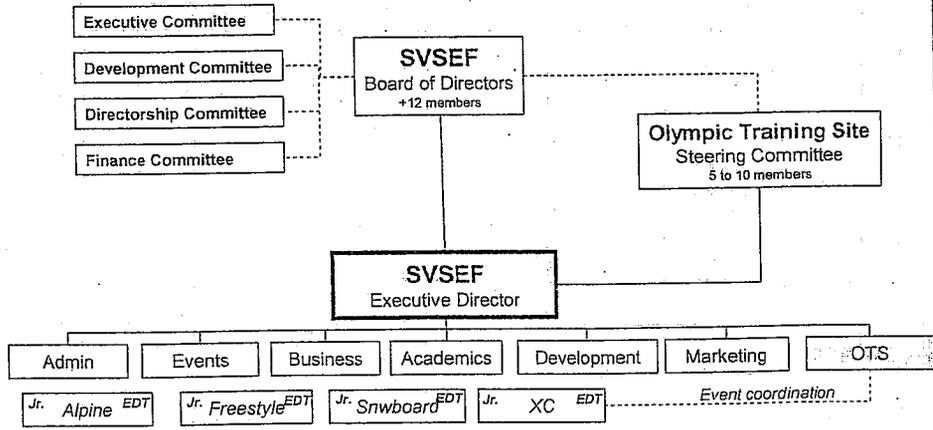
Option	Entity	Snow-sport Admin Skill	Snow-sport Coaching Skill	Facility Access	Fund Raising Capability	Mission Fit	Total Score
1	SVSEF	3	3	3	3	3	15
2	Sun Valley Company	2	2	3	1	1	9
3	BCRD	2	2	3	3	2	12
4	SB/EDC	0	0	0	1	1	2
5	New Entity	1	2	1	1	3	8

nOTS –Business Model



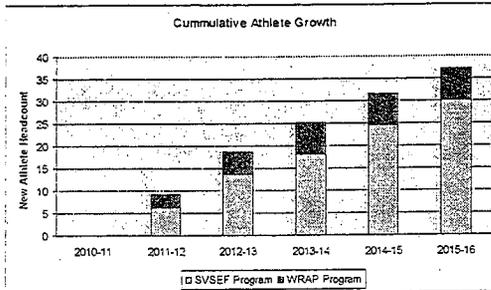
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nOTS –Local Operator Organization



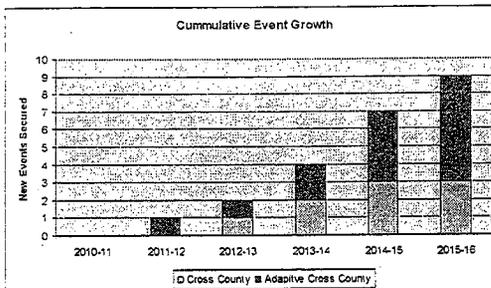
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nOTS –New Training Site Athletes & Events



- Current cross-country athlete counts training under SVSEF and WRAP guidance grows from 179 to 202 in five years

- Projected slow but steady build in elite athletes participating in both programs



- Current major event count is 10 per year (both winter and non-winter camps) growing to 19 in five years

- Paced expansion in elite local Nordic events from current historically high base

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nOTS – Approved Local Operator Budget

SVSEF Nordic Summary Version(\$000)		Historic*		Projected		
Budget Category	Year	Budget Period		1	2	3
		Jul09-Apr10	Jul10-Apr11	Jul11-Jun12	Jul12-Jun13	Jul13-Jun14
Income	Tuition Income	150	181	187	195	200
	Travel & Training Subsidy/Allocation	157	209	216	226	231
	Donor Contributions & Other Income	127	191	297	400	433
	Total Income	433	580	700	821	863
Expense	Salaries & Benefits	196	240	299	372	463
	Program Equipment	25	74	77	80	82
	Travel & Training Expense	169	183	190	198	202
	Host Competition Expense	27	35	64	75	64
	Administrative Expenses	14	46	47	50	51
Total Expense	430	576	677	775	862	
Net Income		3	4	23	46	1

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Application Status

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nOTS – Application Report Status

- Text 100% complete with exception of minor statistical details
- Appendices 95% complete
- Budget prepared and approved
- Supporter letters 95% issued
- Hard copies for community ready for printer

Chapter / Title	Actual Pages of Text	Tables in Text	Actual Appendices	Table/Appendices Details	Status
1 Executive Summary	2	0	10	supporter letters	100%
2 Operations	11	6	7	organizations & biographies, insurance, sponsors, coaches, elite athletes & training days, events	100%
3 Trails & Training Facilities	7	4	7	trail maps & descriptions, grooming & maintenance detail, trail access contracts	95%
4 Accommodations	3	2	1	hotel rooms, management companies, in-home billeting survey	80%
5 Transportation	3	0	1	air & ground transport providers	100%
6 Other Services	6	1	2	Medical & PT providers, other health & wellness providers	80%
Other Budget	na	na	1	detailed 2-year actual and 3-year projection	100%
TOTAL	32	13	29		94%
	100%		61		

nOTS – Application Support Letters

•Application will include explicit letters of support from critical government, national sport body and direct participant entities

•All potential supporters have been contacted and are in hand with exception of NGB's.

No.	Category	Support Entity	Detail	Priority	Responsible for Soliciting	Entity Contact Point
1	Sport Associations	US Ski Association	Bill Marolt, President	1	Chuck Ferris	na
2	Sport Associations	IUSSA Cross County	John Fairo	1	Jon Engen	na
3	Sport Associations	IUSSA Adaptive, currently USOC	Joe Walsh	na	Mark Mast	verbal support only
	Federal Government	Mike Crapo	IUS Senator			
4	Federal Government	James Risch	IUS Senator	1	Harry Griffith	Wendy Jaquet
	Federal Government	Mike Simpson	IUS Congressman			
5	State Government	Butch Otter	Idaho Governor	1	Harry Griffith	Wendy Jaquet
6	Local Government	SustainBlain Board of Directors	all municipalities	1	George Kirk	na
7	Local Operator	Sun Valley Ski Education Foundation	Snowsport operations	1	Don Wiseman	Board
8	Facilities	Blaine County Recreation District	Snowsport operations	1	Jim Keating	Board
9	Facilities	Sun Valley Company	Snowsport operations	1	Harry Griffith	Tim Silver
10	Local Marketing Organization	Sun Valley Marketing Alliance	Media/Outreach	1	Candice Pate	Jake Peters
11	Sport Activities	Wood River Ability Program	Snowsport operations	1	Mark Mast	Mark Mast
12	Local Health Brand	St Luke's Hospitals	Health care services	2	George Kirk	Bill Boegel
13	Local Sport Brand	Smith	Snowsport industry	2	Scott Tucker	
14	Local Sport Brand	Scott USA	Snowsport industry	2	Scott Tucker	
15	Media	NBC Sports	Tim Ryan	2	Mark Mast	

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AGENDA ITEM SUMMARY

DATE: 5/13/2011 **DEPT.:** Historic Preservation Commission / Admin **DEPT. HEAD SIGNATURE:**

SUBJECT:

State Historic Preservation Office
Idaho State Historical Society
Idaho Certified Local Government Program
Grant Agreement for Historic Hailey Crossroads Brochure

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The State Historic Preservation Office has requested that Hailey sign a revised grant agreement and budget for the Historic Hailey Crossroads Brochure. This revision reduces Hailey's obligated match, and increases the federal share of the project costs.

The federal share is \$3,500. Hailey's share is 100% in-kind labor (staff and volunteer), and totals \$826. The total project budget is \$4,326.

At this time, the HPC and city staff request authorization for Mayor Rick Davis to sign the revised agreement and budget.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	___
___ Safety Committee	___ P & Z Commission	___ Police	___
___ Streets	___ Public Works, Parks	___ Mayor	___

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Authorize Mayor Davis to sign revised agreement and budget.

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____
City Clerk _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: _____ *Additional/Exceptional Originals to: _____
Copies (all info.): _____ Copies
Instrument # _____

B. BUDGET

Historic Hailey Crossroads Interpretive Panel & Brochure

	FEDERAL	MATCH
Professional Services		
Historian Research / Brochure Content	\$1,500	\$0
Graphic Designer Brochure	1,000	0
Printer Brochure	1,000	0
SUBTOTAL	3,500	0
Administration & In-Kind Support		
Project Manager 25 hours @ \$20.25/hour	0	506
Grant Administrator / Project Support 10 hours @ \$32/hour	0	320
SUBTOTAL		826
GRAND TOTAL	\$3,500	\$826

Non-Federal Share

Donor: HHPC Chair
Source: Labor
Kind: In-Kind
Amount: \$506

Donor: Hailey Grant Administrator
Source: Labor
Kind: Direct Expense
Amount: \$320

Total: \$826

Mayor Rick Davis

May 24, 2011

Date



MEMORANDUM OF AGREEMENT

THIS AGREEMENT between the Idaho State Historic Preservation Office, Idaho State Historical Society, by and through the State Historic Preservation Officer, and **the City of Hailey** hereinafter called the grantee, relates to a survey and planning project to be undertaken by the grantee, assisted with a matching grant-in-aid to support the National Register of Historic Places program in Idaho. The program was established by the National Historic Preservation Act of 1966, as amended, and is administered by the National Park Service, U.S. Department of the Interior.

The State Historical Society and the grantee agree as follows:

1. Application (Project Description and Budget)

The grantee shall carry out project work as specified in the Application and other attachments, which are hereby incorporated into and made part of this Memorandum of Agreement as Attachment A. The grantee shall carry out project work in accordance with the project "Budget," which is attached and hereby incorporated into and made part of this Memorandum of Agreement as Attachment B. Both parties agree that all funds used by the Idaho State Historical Society for this project shall be federal funds from the Historic Preservation Fund. No state funds are available to satisfy the terms of this agreement. Any major alteration, increases, or decreases in the Project Description or any changes in the Budget must be submitted in writing for review and approval to the State Historic Preservation Office at least 30 days in advance of the proposed effective date and in accordance with the requirements detailed in the project manual which is attached and hereby incorporated into and made part of this Memorandum of Agreement. The State Historic Preservation Office will respond in writing within 15 days.

Final products will be reviewed and evaluated in accordance with the Secretary of the Interior's Standards for Archaeology and Historic Preservation and the approved "Application." Products that do not meet these standards will be rejected and obligation for products established in the "Work Program" will be considered unfulfilled.

Billing is due to State Historic Preservation Office no later than **August 31, 2011**.

2. Period of Performance

All work carried out as part of this grant-assisted project shall be conducted between October 1, 2010 and the project completion date of August 31, 2011 but not until the grantee has received a signed Memorandum of Agreement. Any changes in the period of performance for this project must be approved in writing by the State Historic Preservation Office at least 30 days prior to the project completion date.

A draft of any publication prepared as part of this project shall be submitted at least 30 days before the project completion date for review and approval by the State Historic Preservation Office. All publications and public information materials including audio visual and workshop materials, when applicable, must contain acknowledgment of National Park Service support and the nondiscrimination statement as identified in NPS-49 and the "CLG Grants Handbook".

3. Compensation

Compensation to the grantee shall be on a matching basis as outlined in the "Budget", subject to receipt of funds from the National Park Service and to successful completion of all project work activities. The State Historic Preservation Office agrees to pay the grantee up to **\$3,500** federal funds when received by the Society according to the Certified Local Government allocation system as outlined in the Certified Local Government Program. The grantee agrees to

contribute donated services.

Payment will be made on the following schedule: The grantee may bill the State Historic Preservation Office after the completion and acceptance by the Society of each completed activity and federal and non-federal share supporting fiscal documentation. The Idaho State Historical Society will reimburse the federal share to the grantee upon the receipt of three copies of the reimbursement request if all completion materials and auditable records are approved. All reimbursements will be made for cash expenditures only. Reimbursement will be made when Historic Preservation Funds become available to the Idaho State Historical Society.

Final billing must also include a comparison of completed activities and budget to those in the approved application.

The grantee agrees to maintain all financial and administrative documents and records pertaining to the full life-cycle of the grant for a period of not less than three years after completion of the project.

4. Allowable Costs

Allowable costs are those costs that are documented to the satisfaction of the State Historic Preservation Office, that conform to the approved budget, and that are determined by the Historic Preservation Office to:

- a. meet federal requirements for the program;
- b. be necessary and reasonable for the completion of project work;
- c. have been incurred for project work during the period of the grant; and
- d. meet the obligations outlined in the "Application".

If the application is for acquisition or development of a National Register listed property:

- a. a Preservation Agreement or Covenant will be executed prior to our concurrent with disbursement of grant funds. The active period for the agreement is based on the amount of federal funds involved and is defined in Chapter 5, Section B.12 and Chapter 6, Section E.8.f.12 of NPS-49.
- b. a project sign acknowledging National Park Service assistance will be erected at the project site during the project's term or a copy of a written National Park Service waiver of this requirement.
- c. for a development project, the architectural plans and specifications must be approved by the Society as being in conformance with the "Secretary of the Interior's Standards for the Treatment of Historic Properties".
- d. a current appraisal by an appraiser meeting the professional qualifications in Chapter 6 of NPS-49 will be obtained prior to the acquisition of real property.
- e. a statement of Just Compensation will be obtained from the seller of the property prior to the acquisition of real property with National Park Service grant assistance or matching share.

5. Procurement of Personnel and Services

The grantee agrees to comply with Office of Management and Budget Circular A- 102 when soliciting supplies, equipment and other services. At a minimum all procurement transactions, regardless of whether by sealed bids or by negotiation, and without regard to dollar value, shall be consistent with OMB Circular A-102. Procurement procedures shall not restrict or eliminate competition. Written selection procedures shall provide, at a minimum, the following procedural requirements:

- a. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured, and when necessary shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated.
- b. Clearly set forth all requirements which offerors must fulfill and all other factors to be used in evaluating bids or proposals, such as a deadline for completion of project work.
- c. Contract awards shall be made only to responsible contractors that possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- d. Contract awards shall not normally be made to a contractor or professional who has developed or has drafted bid specifications, requirements, a statement of work, an invitation for bids, and/or a request for proposals for a particular procurement. Only after formal advertising has not resulted in any acceptable bids may the grantee or subgrantee negotiate with any available contractor, including the contractor who produced the bid requirements.

Procurement shall be made by one of the following methods: (1) small purchase procedures; (2) competitive sealed bids (formal advertising); (3) competitive negotiation; (4) noncompetitive negotiation.

Evidence of competitive negotiation for professional services and/or formal advertising must be forwarded to the Historic Preservation Office to evidence compliance with federal procurement requirements prior to disbursement of funds.

6. Project Supervision

The grantee agrees to ensure that work performed by any project participant conforms to the Application and project schedule and is executed to the professional and scholarly standards required by the Historic Preservation Office.

7. Interim Reports and Requests for Reimbursement

The grantee will be required to submit interim fiscal and programmatic reports in compliance with those dates set forth in the Application. Fiscal and programmatic reports are also required on September 10, if the grant crosses the federal fiscal year. Reimbursement requests can be made

for federal funds at the completion of the project. Fifteen days after the completion of the project, 100% of the federal grant award must be requested. The grantee shall contact the Historic Preservation Office immediately in writing if any situation should arise that will affect the timely or successful completion of this project.

The grantee shall indemnify, defend and save harmless the State of Idaho, and the Department, its officers, agents and employees from and against all liability, claims, damages, losses, expenses, actions and suits whatsoever, including injury or death of others or any employee of the contractor or subcontractor caused by or arising out of performance, act or omission of any term of this contract.

THIS AGREEMENT may be terminated short of conclusion upon 15 days written notice from either the State Historic Preservation Office or the grantee. Should this agreement be terminated by the State Historic Preservation Officer, except for reasons of non-compliance by the grantee, the Historic Preservation Office will reimburse the grantee for up to 100% of the eligible costs incurred up to the termination date. Should this agreement be terminated by the grantee, the State Historic Preservation Office, at the discretion of the State Historic Preservation Officer, may reimburse the grantee for up to 100% of the eligible costs incurred to the termination date or may require the grantee to return any or all federal funds transferred to the grantee by the terminating date, depending upon the circumstances of the termination.

THE PARTIES hereto mutually agree to perform this agreement in accordance with this agreement and its attachments. This agreement becomes effective upon signature by the parties below.

Janet Gallimore, Executive Director and
State Historic Preservation Officer
Idaho State Historical Society

Date

City of Hailey

Date

ASSURANCES

The Participant hereby assures and certifies that it will comply with the regulations, policies, guidelines and requirements, including OMB Circulars (A-21, A-87, A-102, A-110, A-122, A-128, A-133) and the National Register Programs Guidelines (49) as they relate to the application, acceptance and use of federal funds for this federally-assisted project. Also the Participant assures and certifies to the grantor that:

1. It possesses legal authority to apply for the grant (and, as applicable, to finance and construct the proposed facilities); that a resolution, motion, or similar action has been duly adopted or passed as an official act of the Participant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the Participant to act in connection with the application and to provide such additional information as may be required. It has the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. It will establish safeguards to prohibit employees from using their positions for a purpose that is, or gives the appearance of, personal or organizational conflict of interest, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
3. It will assist the federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 USC 470), Executive Order 11593, and the Archaeological and Historic Preservation Act of 1974 (16 USC 469a-1 et seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the activity, or notifying the federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the federal grantor agency to avoid or mitigate adverse effects upon such properties.
4. It will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
5. It will comply with all federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the

Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

D1-1350 The Participant/Applicant certifies that, as a condition to receiving any federal financial assistance from the Department of the Interior, it will comply with all federal laws relating to nondiscrimination. These laws include but are not limited to: (a) Title VI of Civil Rights Act of 1964 (42 U.S.C. 2000d-1), which prohibits discrimination on the basis of race, color, or national origin; (b) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicap; (c) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.); which prohibits discrimination on the basis of age; and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, handicap or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity conducted by the applicant. THE APPLICANT HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE shall apply to all aspects of the applicant's operation including those parts that have not received or benefitted from federal financial assistance.

If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the Applicant by the Department, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision

of similar services or benefits. If any personal property is so provided, this

assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Applicant for the period during which the federal financial assistance is extended to it by the Department.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal grants, loans, contracts, property, discounts or other federal financial assistance extended after the date hereof to the Applicant by the Department, including installment payments after such date on account of applicants for federal financial assistance which were approved before such date.

The Applicant recognizes and agrees that such federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Applicant; its successors, transferees, assignees, and subrecipients and the person whose signature appears below who is authorized to sign this assurance on behalf of the Applicant.

6. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the approving federal agency that funds have been approved and that the project will be prosecuted to completion with reasonable diligence.
7. 18 USC 1913. No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, will be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member of Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than \$500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment. (June 25, 1948, ch. 645, 62 Stat. 792.)

8. It will ensure all activities will comply with the Department of the Interior

Standards for Preservation Planning, Identification, Evaluation, Registration, Historical Documentation, Architectural and Engineering, Archaeological Documentation, Treatment for Historic Preservation Projects, and Professional Qualifications.

9. DI 1953. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion. Lower Tier Cover Transactions.

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 43 CFR Part 12, Section 12.5.10, Participants' responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211). Copies of the regulations are included in the proposal package. For further assistance in obtaining a copy of the regulations, contact the U.S. Department of the Interior, Acquisition and Assistance Division, Office of Acquisition and Property Management, 18th and C Streets, N.W., Washington, D.C. 20240.

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
10. It will cause to be performed the required financial and compliance audits in accordance with the single Audit Act of 1984.
11. It will comply with all applicable requirements of all other federal laws, executive orders, regulations and policies governing this program.
12. It will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.
13. It will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.

14. It will comply with the provisions of: Executive Order 11296, relating to evaluation of flood hazards, and Executive Order 11288, relating to the prevention, control, and abatement of water pollution.
15. It will operate and maintain the facility in accordance with the minimum standards as may be required or prescribed by the applicable federal, State, or local agencies for the maintenance and operation of such facilities.
16. It will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project.
17. It will require the facility to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A117.1-1961, as modified (41 CFR 101.17.703). The Participant will be responsible for conducting inspections to ensure compliance with these specifications by the contractor.
18. It will obtain approval by the appropriate federal agency of the final working drawings and specifications before the project is advertised or placed on the market for bidding; that it will construct the project, or cause it to be constructed, to final completion in accordance with the application and approved plans and specifications; that it will submit to the appropriate federal agency for prior approval changes that alter the costs of the project, use of space, or functional layout; that it will not enter into a construction contract(s) for the project or undertake other activities until the conditions of the construction grant program(s) have been met.
19. It will provide and maintain competent and adequate engineering supervision and inspection at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
20. It will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residential structures.
21. It will comply with the minimum wage and maximum hours provisions of the federal Fair Labor Standards Act, as they apply to hospital and educational institution employees of State and local governments.

22. In accordance with E.O. 11755, it will ensure no person undergoing a sentence of imprisonment at hard labor shall be employed on a Historic Preservation Fund assisted grant work. Labor performed by state prisoners who are on work release, parole, or probation does not fall under this prohibition.
23. It will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
24. It will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. §§ 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally assisted construction subagreements.
25. It will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in flood plains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. § 1451 et. seq.); (f) conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
26. Environmental Certification: Based upon a review of the application, proposal narrative, and the supporting documentation contained in the application, it has been determined that the proposed HPF project described in this notification meets the criteria for categorical exclusion listed in the National Register Program Manual NPS 49, Chapter 11, page 2, 4a, numbers 1,3,6,7, and 11.
27. It will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
28. It will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

29. It will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
30. It will indemnify, defend and save harmless the State of Idaho, and the Idaho State Historical Society, its officers, agents and employees from and against all liability, claims, damages, losses, expenses, actions and suits whatsoever, including injury or death of others or any employee of the contractor or subcontractor caused by or arising out of performance, act or omission of any term of this contract.
31. In accordance with National Park Service requirements, it agrees that repayment will be made if terms and conditions of this agreement are not followed or if costs claimed are disallowed following audit.
32. It agrees that this project will comply with all of the above assurances that the State Historic Preservation Office must provide to the Department of the Interior. The Participant acknowledges and agrees to perform under this agreement as an independent contractor and not as an employee of the State of Idaho, and as such is solely responsible for his or her acts or that of his or her employees, servants, agents, or assigns in carrying out the obligations hereof. The Participant further agrees that he or she is solely responsible for all taxes (federal, state, or local) including unemployment, social security, or payroll taxes to which activities under this agreement may be subject.

City of Hailey

Date

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text also mentions the need for regular audits and the role of independent auditors in ensuring the reliability of the financial statements.

The second part of the document focuses on the internal controls that should be implemented to safeguard assets and ensure the accuracy of financial reporting. It outlines the key components of an effective internal control system, including the segregation of duties, the establishment of clear policies and procedures, and the use of physical and technological safeguards.

The third part of the document addresses the ethical responsibilities of those who handle financial information. It stresses that honesty, integrity, and objectivity are fundamental to the profession. The text also discusses the importance of confidentiality and the potential consequences of unethical behavior, such as the loss of trust and the damage to the reputation of the organization.

The final part of the document provides a summary of the key points discussed and offers some concluding thoughts on the role of the financial system in the economy. It reiterates the importance of transparency, accountability, and the adherence to high standards of professional conduct. The text concludes by expressing confidence in the ability of the financial system to continue to evolve and meet the needs of the global economy.

AGENDA ITEM SUMMARY

DATE: 5/23/2011

DEPARTMENT: Legal

DEPT. HEAD SIGNATURE: _____

SUBJECT:

Engagement Agreement with Givens Pursley (Indian Creek and Hailey water rights)

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

I am a letter dated May 9, 2011, from Mike Creamer, a water rights attorney with Givens Pursley. If the Limited Engagement Agreement is acceptable, Givens Pursley would be representing the City of Hailey in the Indian Creek and Hailey water rights case which is presently being litigated. There are two significant conditions set forth in the agreement. First, Givens Pursley is insisting that the trial presently scheduled for July be continued. I have had conversations with the attorney for Indian Creek and I am hopeful that that Indian Creek will consent to a continuance. I hope to learn Indian Creek's position before Monday's meeting. Second, Hailey would be waiving any prospective conflict of interest which Givens Pursley would have with Hailey in the event Givens Pursley represented another party in the future with adverse interests with Hailey.

Ned

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Case # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____
Comments:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	___ _____
___ Safety Committee	___ P & Z Commission	___ Police	___ _____
___ Streets	___ Public Works, Parks	___ Mayor	___ _____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Make a motion to approve the Limited Engagement Agreement and authorize the mayor to sign the acceptance, with the condition that it is effective upon a continuance of the July trial date.

FOLLOW-UP REMARKS:

LAW OFFICES
601 W. Bannock Street
PO Box 2720, Boise, Idaho 83701
TELEPHONE: 208 388-1200
FACSIMILE: 208 388-1300
WEBSITE: www.givenspursley.com

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Jeffrey C. Fereday
Justin M. Fredin
Martin C. Hendrickson

Steven J. Hippler
Donald E. Knickrehm
Debra K. Kristensen
Anne C. Kunkel
Michael P. Lawrence
Franklin G. Lee
David R. Lombardi
Emily L. McClure
Kenneth R. McClure
Kelly Greene McConnell
Cynthia A. Melillo
Christopher H. Meyer
L. Edward Miller
Patrick J. Miller

Judson B. Montgomery
Deborah E. Nelson
Kelsey J. Nunez
W. Hugh O'Riordan, LL.M.
Angela M. Reed
Justin A. Steiner
Robert B. White

Of Counsel
Conley E. Ward

RETIRED
Kenneth L. Pursley
James A. McClure
Raymond D. Givens (1917-2008)

*Attorney-Client Communication
Privileged and Confidential*

May 19, 2011

City of Hailey
Attn: Ned Williamson
City Attorney
115 Second Avenue South
Hailey, ID 83333
wlo@cox-internet.com

Re: *City of Hailey – SRBA Water Right Claims*

Dear Ned:

Thank you for contacting me concerning this firm's representation of the City of Hailey (the "City") in connection with the Indian Creek Ranch Owners Association, Inc.'s (the "Association") objections to Idaho Department of Water Resource's (the "Department") recommendations of the City's water right claims in the Snake River Basin Adjudication ("SRBA"). As we discussed, I am forwarding this letter to you for review and approval by the City to confirm the terms of our representation.

This firm's representation of the City is limited to assisting the City in resolving the City's claimed SRBA water right nos. 37-296A, 37-717, 37-1216, and 37-7854 and the consolidated subcases in which the City has objected to the Association's water right nos. 37-296B, 37-296C, 37-19740, and 37-21412 (collectively the "SRBA Claims Litigation").

We understand that these subcases have been at issue before the SRBA Court for an extended period, that all deadlines for completion of discovery and filing of dispositive motions have passed, and that the matters are now pending trial which is currently set for July 14 and 15, 2011. Given the current posture of the cases, we would be willing to represent the City a mid-

City of Hailey
Attn: Ned Williamson
May 19, 2011
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September trial of these cases, provided the current trial dates can be vacated and reset to begin in mid-September, 2011, or later to allow us sufficient time to become familiar with the subcases and prepare for trial.

As we discussed, it is unlikely that other scheduling deadlines which already have passed would be reopened or that we could significantly improve the scope of evidence that might be introduced at trial on the City's behalf given the current stage of the litigation. In other words, we would be required to take the case as we find it. Until we have had an opportunity to review the files, we cannot provide you with our assessment of the likelihood for the City's success at trial.

As we also discussed, our firm currently is not representing any clients in matters that are adverse to the City. We do, however, represent numerous clients who might request our representation in matters that come before the City, including matters that may be directly adverse to the City. In addition, then, to the condition that the current trial schedule be vacated and reset to mid-September or later, Givens Pursley would require the City to consent to and waive any prospective conflict of interest involving our representation of clients in matters unrelated to our representation of the City in the SRBA Claims Litigation. The scope of this request, consent, and waiver is discussed further in the attached Exhibit A.

Our representation is limited to the scope of work for which we have been retained. This may be expanded only by mutual agreement. Any new matter will require conflict clearance before I can accept the engagement.

I will be the responsible attorney for this matter. From time to time I may call on other attorneys in the firm for assistance or consultation. My hourly rate for 2011 is \$260. Current hourly rates for other attorneys or paralegals that may assist in this matter are shown in the enclosed Fee and Cost Schedule (Exhibit C). Any additional personnel or adjustments in billing rates will be clearly indicated on your billing statements.

Our bills will be submitted to the City on a monthly basis. With the understanding that the City will keep its account current, I will not charge a retainer fee in this matter.

If you or the City have any questions or do not agree to the terms of the representation, please let me know as soon as possible. After the City has had a chance to review the attachments, the appropriate representative should indicate the City's approval by signing the acceptance at the bottom of this letter. Please arrange for the signature on the acceptance to be emailed or faxed to me.

City of Hailey
Attn: Ned Williamson
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Thank you for entrusting this work to our firm. I will do my best to provide high quality legal counsel.

Sincerely,

Michael C. Creamer

Encl: Exhibit A: Conflict Disclosure and Waiver
Exhibit B: General Terms and Conditions
Exhibit C: Fee and Cost Schedule

MCC:ch

ACCEPTANCE OF LIMITED ENGAGEMENT AGREEMENT

I have read the preceding letter and the exhibits that follow, including the Conflict Disclosure and Waiver. The City of Hailey agrees to the firm's representation on those terms and consents to those conflicts as described in the Conflict Disclosure and Waiver. I am authorized to enter into this Engagement Agreement on behalf of City of Hailey.

CITY OF HAILEY

Dated: _____

By _____

Name: _____

Title: _____

GIVENS PURSLEY LLP

Conflict Disclosure and Waiver

In this discussion, "you" refers to City of Hailey. "I," "me," "we," "us," and the "firm" all refer to Givens Pursley LLP.

Our representation of you is governed by Rule 1.7 of the Idaho Rules of Professional Conduct ("Rules").¹ The Rules prohibit the firm from representing two clients where our representation of one client would be directly adverse to another client unless four conditions are met: (1) despite the conflict, we reasonably believe that we can provide competent and diligent representation to each client, (2) the representation is lawful, (3) we do not represent competing clients on the same matter in the same litigation or other formal proceeding, and (4) both clients waive the conflict after being fairly advised of the circumstances. The purpose of this letter is to advise you of actual and potential conflicts and seek your informed consent before we undertake your representation. In making your decision, we encourage you to consult with your own independent counsel.

By agreeing to this representation, you waive any conflicts of interest described in this letter and consent to our representation of you.

¹ Rule 1.7 of the Idaho Rules of Professional Responsibility (effective July 1, 2004) provides:
RULE 1.7: CONFLICT OF INTEREST: CURRENT CLIENTS

- (a) Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:
- (1) the representation of one client will be directly adverse to another client; or
 - (2) there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third person or by the personal interests of the lawyer, including family and domestic relationships.
- (b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a), a lawyer may represent a client if:
- (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
 - (2) the representation is not prohibited by law;
 - (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal; and
 - (4) each affected client gives informed consent, confirmed in writing.

Specific Waivers.

This firm currently does not represent any clients who are adverse, or potentially adverse, to the City. Our existing or future clients may, however, have matters pending before the City or adverse to the City in the future. To zealously represent our clients, lawyers of this firm may help them appeal or otherwise contest decisions made by the City staff, City Planning and Zoning Commission, or City Council. Such appeals may be through the City's internal process or through the judicial system. Further, we may be required to take legal or other action against the City in other forums and be required to zealously represent the interests of those other clients.

We request your consent for lawyers from this firm, including me, to represent other clients on matters that may be directly adverse to the City's interests so long as the matter is unrelated to our limited scope of representation of the City described in this letter.

In consenting to the above-described conflicts, the City represents that it has had the opportunity to consult with its own legal counsel and agrees that such consent can be requested and given.

Conflicts involving water rights.

You also should be aware that this firm represents many clients with interests in water rights. We are not aware of any immediate physical conflict (such as well interference) between your water rights and those of another client. At some level, however, virtually all water rights are physically interconnected and therefore potentially in conflict with each other. And further, in various water right basins, surface and ground water supplies are limited, while water demands continue to grow. One result is that certain of our clients may be seeking to acquire water rights in the same market in which other of our clients also are seeking to acquire water rights. Such business adversity among our clients is natural and does not necessarily create a conflict of interest for this firm—so long as we are not representing both clients in the same transaction or dispute.

Potential adversity on unrelated matters.

Our representation of you is limited to the particular matters we undertake for you. We ask your understanding and consent that our representation of you does not allow you to prevent us from undertaking unrelated work for other clients, even if you view that unrelated work as undesirable from your perspective.

Future conflicts.

If a conflict of interest between the City and another of our clients were to emerge during the course of this representation, we will take appropriate action at that time. In such event, we will endeavor to resolve the conflict, if possible, in a manner acceptable to both the City and our other client(s). If that cannot be accomplished, it is possible that we would need to withdraw

from representation of one or both entities. Of course, any secrets or confidences you have shared with us will be preserved in any event

Positional conflicts (policy issues or legal precedents).

The firm's lawyers are engaged in a variety of public policy, regulatory, and legislative matters with broad implications. We represent clients that may hold viewpoints or advocate public policy positions contrary to yours. For example, we represent businesses and industries of all types, banks and other financial institutions, business owners, venture capitalists, trusts, doctors and hospitals, trade organizations, real estate investors and developers, professional groups, industry associations, homeowner groups, citizen groups, user groups, policy advocacy organizations, nonprofits, and governmental entities at all levels, as well as other public and quasi-public entities. We appear before courts, agencies, regulatory and governmental bodies, and state and federal legislatures. Consequently, there could be instances in which we pursue a policy issue or legal precedent on behalf of one client that you might not consider favorable or desirable.

Communication regarding conflicts.

If you ever become aware of any circumstances that raise concerns about the appropriateness of our representation of you or another client, please inform us immediately. The attorneys who represent our other clients on matters potentially adverse to you may not always be familiar with all circumstances related to our representation of you. Consequently, the firm may not be in a position to detect every situation that may raise concerns about the appropriateness of the concurrent representations. Therefore, we rely on you to notify us of any concerns that come to your attention.

Our continued representation of other clients.

You are free to terminate our representation of you for any reason at any time. If you do so, you have agreed that we may continue to represent other clients whose conflicts with you are known today or may be reasonably anticipated based on the disclosures made in this letter. Thus, even if you no longer wish for us to represent you in the future, we may continue to represent other clients of this firm. If you have questions about this or any other concerns, please do not hesitate to ask.

GIVENS PURSLEY LLP

General Terms and Conditions

“You” refers to City of Hailey. “I,” “we,” and the “firm” all refer to Givens Pursley LLP.

Entire Agreement. The preceding cover letter and the enclosed exhibits constitute our Engagement Agreement with you. It is our entire agreement and replaces any prior agreements or understandings. It will apply as well to any additional work you assign to this firm.

Initial Scope of Work. A description of the initial scope of work is provided in the cover letter. The authorized scope of work also encompasses any work already performed by the firm on these matters, per your instruction. Changes to the scope of work are addressed below.

Changes to Scope of Work Need Not Be in Writing. You may assign additional work or order changes to the scope of work at any time. Such additions or changes need not be in writing. However, any other material change in the terms of this Engagement Agreement should be made or confirmed in writing by either you or the firm.

Changes to Scope of Work Subject to Further Conflict Review. Additions or changes to the scope of work may raise new conflict of interest issues that could preclude our ability to represent you on that matter. Accordingly, no change or addition to the scope of work will be deemed a part of this representation unless and until we clearly and affirmatively state to you that we have agreed to take the matter on. If you desire a written confirmation of such decision, we would be happy to provide it at your request.

Retainer Fee. No retainer fee is required in this matter.

Billing Procedures. The firm typically provides monthly billing statements by regular mail. Billing statements are broken out by matter and are sent to the person and address identified for the particular matter. Our billings will be forwarded to the City addressed to the City Clerk. Please advise us if you would like the matters to be organized differently or if you wish for the statements to be directed to a different person.

Late Fees. The amounts shown on the firm’s statements are payable within thirty days after the date of the statement (unless chargeable to a Retainer Fund). Statements that are not paid within thirty days will be assessed a late payment charge at the rate of one and one-half percent per month (18.0 % per annum) on the unpaid balance. The firm reserves the right to suspend all work, and to withhold work product to the extent permitted by law, if bills are not timely paid.

Billing Questions. The firm will be pleased to answer any questions you have about billing. If you have concerns about any portion of a bill, please raise them promptly. We expect you to pay without delay all but the disputed or questioned portion of the bill. The firm's acceptance of partial payment does not constitute an accord and satisfaction. Any concerns or disputes about billing should be raised promptly. If the dispute cannot be resolved, you and the firm are both free to terminate the representation, while the other party retains all rights and remedies.

Fees and Staffing. Unless otherwise agreed, the firm calculates fees based upon the hourly rates of the attorneys, paralegals, and other timekeepers who perform professional services for you. We will consult with or assign research or other tasks to timekeepers other than the person primarily responsible when in our professional judgment it is necessary or appropriate to do so. This may involve timekeepers with a higher or (more typically) lower billing rate than the responsible attorney. You will be billed for their time as well. In special circumstances, the firm may negotiate a fixed fee agreement for specific projects. This is not the case here, unless a separate written agreement to that effect has been provided. Billing rates for attorneys and other timekeepers currently expected to be working with you are provided in the accompanying Fee and Cost Schedule (Exhibit C). Rates for other attorneys and staff who work on your behalf are available upon request and will be displayed on our monthly bills. Billing rates are subject to adjustment on an annual basis, but this is not necessarily the calendar year for all attorneys at the firm. Any adjustment in the hourly rate or the addition of other timekeepers not listed on the attached Fee and Cost Schedule will be reflected in your monthly billing statements.

Budget Estimates. For most matters, it is difficult to predict the amount of time that will be required, particularly where legal research, negotiation or litigation are involved. Therefore any estimates of fees or costs provided to you are not guarantees or caps on the fees that may be incurred, unless expressly stated in writing.

Billable Time. You will be charged for all time spent by timekeepers performing work reasonable and appropriate for your representation. This may include legal analysis and research, review and drafting of documents, telephone calls, correspondence, meetings, responding to client inquiries, site visits, data gathering and preparation, outlining and budget development, strategy development, task coordination, drafting and negotiation of agreements, lobbying, presentations, and travel.

Billable Costs. You will be billed for all costs appropriately incurred on your behalf. This may include postage, long distance telephone, photocopying, messenger service, electronic research fees (such as Westlaw or Lexis), staff overtime on specific rush projects, filing fees, and travel costs including meals and mileage. If extraordinary costs are expected to be incurred, you will be advised in advance and may be asked to make advance payment.

Nonbillable Time and Costs. The firm does not bill for routine secretarial costs, word processing, or internet connections.

Retention of Experts and Other Professionals. From time to time, it may be necessary to retain experts, consultants, mediators, lawyers, or other professionals outside of this firm in connection with our representation of you. No such person or firm will be retained without your prior approval. Ordinarily, such professionals will submit their bills directly to you, and you will be solely responsible for paying their fees and costs. In some instances it may be advantageous for the professionals to be retained directly by this firm. The firm agrees to add no administrative or overhead charge to fees or costs billed by the consultant or other professional. In the event that this firm pays their fees and costs, you will be responsible to promptly reimburse the firm therefor. If the fees are expected to be substantial, you may be asked to provide advance funding. Whatever the arrangement, we will always obtain your prior approval.

Confidentiality. The firm is obligated to protect your secrets and confidences, as provided in the Idaho Rules of Professional Conduct. This obligation continues after the firm's representation is terminated. In special cases, confidentiality may be addressed in a separate written agreement.

Work Product. You are entitled to copies of all work product developed by the firm on your behalf. To the extent permitted by law, however, the firm may withhold work product if you have failed to pay fees and costs properly charged to you.

File Retention. The firm generally keeps each client's legal file for five years after the matter is closed, after which time the file may be disposed of. If you wish to retain legal materials for a longer period, you should request that the file, or parts thereof, be copied for you. The firm reserves the right to retain a copy of all files. Unless otherwise directed, the firm will not retain original copies of executed documents, but will instead forward them to you. Please keep all documents provided to you in a safe location.

Termination by Client. You may terminate your relationship with the firm unilaterally at any time upon written notice to the firm. Termination shall not affect your obligation to pay for services rendered. This includes fixed fees (if any), fees and costs associated with the provision of services prior to termination, and fees and costs necessarily incurred by the firm in order to wind down or hand over the work.

Suspension of Work. Your failure to timely pay bills may result in immediate suspension of services being provided by the firm. Suspension will not occur without prior notice to you and an opportunity to cure.

Withdrawal by Firm. The firm reserves the right to withdraw from this representation for good cause. Good cause may include your failure to honor the terms of the Engagement Agreement, your failure to pay amounts billed in a timely manner, your failure to cooperate or follow the firm's advice on a material matter, or any fact or circumstance that would, in the firm's view, impair an effective attorney-client relationship or would render the firm's continuing representation unlawful or unethical. If the firm withdraws, you will take all steps necessary to free the firm of any obligation to perform further, including the execution of any

City of Hailey
Attn: Ned Williamson
May 19, 2011
Page 10

documents (including forms for substitution of counsel) necessary to complete its withdrawal, and the firm will be entitled to be paid for all services rendered as well as disbursements, costs, and other charges made or incurred on your behalf prior to the date of the withdrawal or necessarily incurred in the course of winding down or handing work over.

GIVENS PURSLEY LLP

Fee and Cost Schedule

Fees and costs are subject to adjustment annually. Any adjustment will be reflected in your monthly billing statements.

Professional Fees

Lawyers will be brought into this representation on an as needed basis. The hourly fees of lawyers and paralegals that we currently anticipate might be called upon to assist in this representation are listed below.

Michael C. Creamer.....\$260 per hour
Jeffrey C. Fereday.....\$340 per hour

Billing rates for other attorneys at Givens Pursley LLP range between \$175 and \$500 per hour. Paralegal billing rates range between \$95 and \$185 per hour. Document clerks bill between \$30 and \$45 per hour.

These rates will remain in effect for 2011. Any additional personnel will be reflected in your monthly billing statements.

Costs

Standard charges are as follows:

Photocopying	\$0.15/page (black and white), \$0.30/page (color)
Facsimile	\$1.00/page
Messenger Service	\$10.00 (downtown), \$15.00 (up to 20 miles), \$20.00 (Eagle and Meridian), \$30.00 (Nampa, Caldwell and beyond)
Westlaw/Lexis	Prevailing rate
Long Distance	Prevailing rate
Overtime Staff	\$25.00/hour
