AGREEMENT made this 6th day of December 2010, by and between the CITY OF NEWPORT, WASHINGTON, a municipal corporation of the State of Washington, hereinafter referred to as the CITY and the City of OLDTOWN, Idaho, hereinafter referred to as OLDTOWN.

WITNESSETH:

WHEREAS, the CITY has an organized and equipped Fire Department which is manned by Volunteer Firemen, and is maintained and operated for the benefit of the residents of the CITY; and

WHEREAS, OLDTOWN is a municipality of the State of Idaho, and as such, desires to provide fire protection services within its contiguous city boundaries on both sides of the Pend Oreille River, excluding certain non-contiguous parcels further described below; and

WHEREAS, OLDTOWN is financially unable to provide its own Fire Department; and

WHEREAS, the Laws of the State of Idaho empower OLDTOWN to enter into written agreements for the protection of OLDTOWN with neighboring incorporated cities and neighboring states; and

WHEREAS, OLDTOWN desires to enter into such an agreement with the CITY for the protection of OLDTOWN; and

WHEREAS, the CITY is authorized by the Laws of the State of Washington to permit the use of its equipment and personnel outside the corporate limits of the CITY under such terms and conditions as the City Council shall determine; and

WHEREAS, the CITY is further authorized by the Laws of the State of Washington to cooperate with other localities on a basis of mutual advantage and to provide services and facilities in a manner that will promote the best interest of such localities; and

WHEREAS, the CITY has determined that it is in the best public interest for the CITY and for the DISTRICT that an Interlocal Cooperation Agreement be entered into for the furnishing by the CITY of fire protection to OLDTOWN for a consideration to be paid by OLDTOWN.

NOW, THEREFORE, it is mutually agreed as follows:
1. The CITY, after careful review and consideration, hereby agrees to provide fire protection within the contiguous boundaries of OLDTOWN, on both sides of the Pend Oreille River, excluding all federally owned property located at and around Albeni Dam and excluding that certain parcel of land located in Albany Falls Orchard Tracts, to wit: Replat Lot 12, commonly known as the Mangy Moose Restaurant for the period commencing January 1, 2011 through December 31, 2013 as follows: $3,552.00 for calendar year 2011 and $3,659.00 for calendar year 2012 and $3,769.00 for calendar year 2013. It is agreed that the annual increase is fixed at 3% per year during the term of this agreement.

2. OLDTOWN agrees to pay said sum for said fiscal year annually to the Treasurer for NEWPORT within 90 days of the end of each of Newport's fiscal year.

3. The consideration set forth in paragraph 1 above, shall represent payments in full by OLDTOWN for all fire protection services provided by the CITY, which shall include, but is not limited to, the availability of standby fire equipment and personnel, the answering of all fire calls and the instruction of the Volunteer Firemen;

4. The answering of all fire calls shall be subject to the answering of any fire calls within the CITY to which fire equipment and personnel have been dispatched;

5. This agreement shall be in full force and effect upon the signing hereof by the parties after the adoption of such authorization as the laws of the respective States require.

6. The parties agree to negotiate the amount to be paid for any renewal of this agreement, and for a change in any of the terms hereof, which negotiation shall be had and concluded by the end of October 2013.

IN WITNESS WHEREOF, the parties have signed this agreement as follows:

OLDTOWN

[Signature]

Lonnie L. Orr, Mayor

CITY OF NEWPORT

[Signature]

Shirley Sands, Mayor

ATTEST

[Signature]

Sheila M. Gormley, City Clerk

Date: 12/6/10

ATTEST

[Signature]

Nickole Schutte, City Clerk

Date: 11/15/10