

Resolution
failed
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CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Laurel, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. R17-41, entitled: "RESOLUTION RELATING TO UP TO \$195,000 SPECIAL IMPROVEMENT DISTRICT NO. 118 BONDS; PRELIMINARILY AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF AND AUTHORIZING THE PROCESS FOR SELECTING A PURCHASER THEREOF; AND AUTHORIZING THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY THEREOF AND RELATED MATTERS" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on August 1, 2017, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: McGee _____; voted against the same: Stokes, Mountsier, Nelson, Dickerson, Eaton _____; abstained from voting thereon: _____; or were absent: Poehls, Herr _____.

WITNESS my hand officially this 1st day of August, 2017.

City Clerk-Treasurer

RESOLUTION NO. R17-41

**RESOLUTION RELATING TO UP TO \$195,000 SPECIAL
IMPROVEMENT DISTRICT NO. 118 BONDS;
PRELIMINARILY AUTHORIZING THE ISSUANCE AND
PRIVATE NEGOTIATED SALE THEREOF AND
AUTHORIZING THE PROCESS FOR SELECTING A
PURCHASER THEREOF; AND AUTHORIZING THE
PLEDGE OF THE REVOLVING FUND TO THE
SECURITY THEREOF AND RELATED MATTERS**

BE IT RESOLVED by the City Council (the "Council") of the City of Laurel, Montana (the "City"), as follows:

Section 1. Recitals and Statutory Authorization.

1.01. Prior Acts. This Council has duly and validly created and established in the City under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the "Act"), a Special Improvement District, designated as Special Improvement District No. 118 (the "District"), for the purpose of financing a portion of the costs of certain local street improvements on South Washington Avenue between East Railroad Street and South East 4th Street (the "Street Improvements") and for certain properties in the District new sidewalks and drive approaches (the "Sidewalk Improvements") and paying costs incidental thereto, including costs associated with the sale and the security of special improvement district bonds drawn on the District (the "Bonds"), the creation and administration of the District, the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"), and the funding of a reserve account securing the Bonds in the District fund (the "Reserve Account").

1.02. Proposed Bond Issue. The City proposes to issue Special Improvement District bonds drawn against the District in the maximum estimated principal amount of up to \$195,000 to pay the costs of the Bonds. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefited by the Improvements. Assessments will be levied against the property in the District in an amount not less than the principal amount of the Bonds to be issued and will bear interest at a rate that is not less than fifty basis points above the average annual interest rate on the Bonds then outstanding.

The costs of the Street Improvements and Sidewalk Improvements (collectively, the "Improvements") and incidental costs are currently estimated to be as follows:

	Street Improvement Costs	Sidewalk Improvements Costs	Total Improvement Costs
Construction	\$131,795.00	\$34,405.00	\$166,200.00
District Reserve (5.0%)	7,731.66	2,018.34	\$9,750.00
Revolving Fund (5%)	7,731.66	2,018.34	\$9,750.00
Costs of Issuance	8,000.00	1,000.00	\$9,000.00
Roundoff	237.90	62.10	\$300.00
Total Assessed Costs	\$155,496.21	\$39,503.79	\$195,000.00

1.03. Negotiated Sale. Pursuant to Montana Code Annotated, Sections 7-12-2172 and 17-5-107, the City may sell the Bonds at a public or a private negotiated sale as the governing body shall determine. The City determines it is in the best interest of the City to sell the Bonds at a private negotiated sale and desires to solicit bids from banks or other financial institutions in an effort to obtain a favorable interest rate on the Bonds.

Section 2. Sale and Term of Bonds.

2.01. Principal Amount. Pursuant to the authority described in Section 1, this Council desires to issue and sell the Bonds in a maximum principal amount of \$195,000.

2.02. Selection of Purchaser and Negotiation of Sale. Pursuant to Montana Code Annotated, Sections 7-12-4204 and 17-5-107, this Council desires to sell the Bonds at a private negotiated sale. The City desires to undertake a solicitation process described herein to select a suitable purchaser of the Bonds (the "Purchaser") willing to purchase the Bonds at the lowest interest rate among those responding and an interest rate acceptable to the City. The Mayor, the Chief Administrative Officer and the City Clerk-Treasurer or their designees are authorized to select a purchaser for the Bonds and negotiate the sale of the Bonds and to select a purchaser of the Bonds pursuant and subject to Section 2.03.

2.03. Pricing and Terms. The Bonds are authorized to be sold to the purchaser of the Bonds (the "Purchaser") that provides the City the most favorable interest rate and other terms and conditions, as determined in the sole discretion of the City. The City Clerk-Treasurer or her designee is hereby authorized to provide or make available the terms and conditions relating to the sale of the Bonds substantially in the form similar to the attached Exhibit A, with such revisions as are deemed appropriate (the "Terms and Conditions") to banks and other financial institutions and solicit proposals to purchase the Bonds. The City may, in its sole discretion, accept a proposal to purchase the Bonds or reject any and all such proposals.

All costs of issuing the Bonds (including, without limitation, the fees and expenses of Bond Counsel) shall be paid by the City as part of the financing from proceeds of the Bonds or other available sources.

2.04. Bond Purchase Agreement. The Mayor, Chief Administrative Officer and the City Clerk-Treasurer are hereby authorized and directed to approve the final principal amount of the Bonds, dated date, term, payment dates and installment amounts, interest rates, and redemption provisions of the Bonds, subject to the limitations contained in the preceding paragraphs and the Act. Upon approving such terms, the Mayor, the Chief Administrative Officer, and the City Clerk-Treasurer are hereby authorized and directed to negotiate, approve, execute and deliver to the Purchaser a bond purchase agreement substantially in the form attached as Schedule 2 to the attached Exhibit A and which may be revised prior to execution (the "Bond Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability any of the Mayor, the Chief Administrative Officer, or the City Clerk-Treasurer, another Council member or a designee of the Chief Administrative Officer shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by two appropriate officers

of the City of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

The form of the Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Council.

PASSED AND APPROVED by the City Council of the City of Laurel, Montana, this 1st day of August, 2017.

Mayor

Attest:

City Clerk-Treasurer

EXHIBIT A
**SPECIAL IMPROVEMENT DISTRICT NO. 118
 BONDS**

CITY OF LAUREL, MONTANA

BASIC TERM SHEET

August ____, 2017

[Bank]
 [Address]

Dear _____:

This letter sets forth the general terms and conditions relating to Special Improvement District No. 118 Bonds (the "Bonds") of the City of Laurel, Montana (the "City").

The purpose of this letter is to summarize the basic terms and conditions regarding the proposed purchase and sale of the Bonds so that you can submit a proposal to the City regarding the interest rate at which you propose to purchase the Bonds and other relevant terms.

1. Summary of Terms and Conditions:

Issuer of Bonds:	City of Laurel, Montana
Estimated Principal Amount:	\$195,000.00
Closing Date:	On or about [____], 2017, on a date to be selected by the City
Par Purchase:	The purchase price of the Bonds will be 100% of the principal amount thereof.
Semiannual Installments:	Principal and interest paid semiannually on January 1 and July 1, commencing January 1, 2018 through and including, July 1, 2037
Amortization Bonds:	The Bonds will bear interest at a single, uniform interest rate throughout the term of the Bonds and semiannual principal and interest installments (the sum of principal and interest) will be equal or substantially equal on each payment date.
Term of Bonds:	Approximately 20 years (40 semi-annual payment installments), subject to prepayment and redemption

No Bank Fees:	There shall be no fee of any kind charged by the bank or other financial institution in connection with the Bonds
Additional Terms and Conditions:	As set forth below in this letter
Bank Qualification:	The City will designate the Bonds “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, the Bonds will be “bank qualified” bonds.

2. **Purpose and Security:** The Bonds will be issued for the purpose of financing the cost of construction of certain local improvements (the “Improvements”) within or for the benefit of Special Improvement District No. 118 (the “District”), in accordance with the provisions of Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the “Act”). The Bonds will be special, limited obligations of the City and do not constitute general obligations of the City. The Bonds are payable primarily from the collection of special assessments, which are a lien against the assessable real property within the District benefited by the Improvements to be undertaken therein or therefor. The special assessments are payable in semiannual installments over a term of approximately 20 years, with 40 semi-annual installments of principal and interest in substantially equal amount, at an annual rate equal to the sum of (i) the rate of interest borne by the then outstanding Bonds, plus (ii) one-half of one percent (0.50%) per annum. The Bonds are further secured by the Special Improvement District Revolving Fund of the City (the “Revolving Fund”) and a reserve account securing only the Bonds in the District Fund (the “Reserve Account”). From the proceeds of the Bonds, the City will deposit \$9,750 into the Reserve Account and \$9,750 into the Revolving Fund. Upon the deposit of \$9,750 in the Revolving Fund, there will be \$ _____ in the Revolving Fund. If there are inadequate amounts received from special assessments to pay an installment of interest and, if applicable, principal due on the Bonds, the City will draw from amounts on hand in the Reserve Account for the District until amounts therein are depleted. The Reserve Account will not be replenished. If all amounts are drawn on the Reserve Account, and, if thereafter special assessments are received in amounts insufficient to repay the interest and, if applicable, principal of on the Bonds timely, the City would make a loan from the Revolving Fund to the District Fund to pay interest on and, if applicable, principal of the Bonds, subject to the availability of amounts in the Revolving Fund. The City will agree to make loans from the Revolving Fund to a sinking fund established for the District in connection with the Bonds to make good any deficiency then existing in the principal and interest subaccounts in such fund and to provide funds to replenish the Revolving Fund by levying a tax or making a loan from the City’s general fund to the extent and for the period authorized by the Act. Within the 2017 Special Improvement District Fund established for the District (the “District Fund”) there shall be maintained four separate accounts, designated as the “Construction Account,” the “Principal Account,” the “Interest Account,” and the “Reserve Account,” respectively. The Revolving Fund of the City secures all outstanding Special

Improvement District bonds of the City to which amounts in the Revolving Fund have been pledged, including the Bonds.

3. **Date and Type:** The Bonds will be dated, as originally issued, on the date of issuance and delivery thereof by the City, and will be issued in registered form as to both principal and interest.
4. **Maturities and Form:** The Bonds are expected to be sold as amortization bonds, meaning they will bear a fixed rate of interest with equal or substantially equal installments of principal and interest due on each semiannual payment date. Principal and interest shall be paid on each January 1 and July 1, commencing January 1, 2018 through and including July 1, 2037.
5. **Interest Payment Dates, Rates:** Interest will be payable each January 1 and July 1, commencing January 1, 2018, to the registered owners of the Bonds as such appear in the bond register as of the close of business on the 20th day (whether or not a business day) of the immediately preceding month. All Bonds are expected to bear interest from date of original issue until paid at a single, uniform rate.
6. **No Book Entry:** The Bonds will be issued in certificated form.
7. **Redemption:**
 - (a) **Mandatory Redemption.** If on any interest payment date there will be a balance in the Principal Account in the District Fund after payment of the principal and interest due on the Bonds drawn against it, either from the prepayment of special assessments levied in the District or from the transfer of surplus money from the Construction Account to the Principal Account in the District, then outstanding Bonds, or portions thereof, in an amount which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the District Fund on that date are subject to mandatory redemption and prepayment on that interest payment date. The redemption price or prepayment amount shall equal the amount of the principal amount of the Bonds to be redeemed and prepaid plus interest accrued to the date of redemption, without premium.
 - (b) **Optional Redemption.** The Bonds are subject to redemption, in whole or in part, at the option of the City from sources of funds available therefor other than those described above under "Mandatory Redemption" (i.e., from proceeds of refunding bonds or other available money) on the terms of this paragraph. The Bonds are subject to redemption, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium, on any date selected by the City; provided that such date may not be earlier than a date that is 30 days following written notice of redemption and prepayment from the City to the Purchaser of the Bonds.

- (c) **Selection of Bonds for Redemption.** If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in order of the principal installments thereof. If less than all of a principal installment of the Bonds are to be redeemed and the Bonds are held by 2 or more holders, the amount of the Bonds of such installment shall be selected for redemption and repayment by the Registrar in a manner it deems fair.
8. **Bond Registrar, Transfer Agent and Paying Agent:** The City Clerk-Treasurer will act as bond registrar, transfer agent and paying agent (the “Registrar”) in connection with the Bonds, provided that the City may subsequently appoint and pay a fee to another qualified Registrar. The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Bonds will be paid by the Registrar. The City reserves the right to remove any Registrar and to appoint a successor.
9. **Delivery:** The City will deliver to the Registrar the Bonds ready for completion and authentication. The Bonds will be registered in the name of the original purchaser thereof. On the day of closing and delivery of the Bonds and following payment of the purchase price thereof, the City will furnish to the Purchaser the opinion of Bond Counsel hereinafter described, a tax certificate in respect of the Bonds and a certificate stating that no litigation questioning the validity of the Bonds is then pending or, to the knowledge of the applicable officers of the City, threatened. Payment for the Bonds must be received by the City in full in immediately available funds at its designated depository on the day of closing. The Purchaser shall submit to the City Clerk-Treasurer not later than the day of closing a certificate, in form satisfactory to Bond Counsel, as to the intention of the Purchaser to purchase the Bonds with intent to hold and various certifications as to its financial sophistication and net worth. Such certificate shall be in the form of the attached hereto as Schedule 1.
10. **Legal Opinion:** An opinion as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax and State of Montana individual income tax purposes will be furnished by Dorsey & Whitney LLP, of Missoula, Montana, and Minneapolis, Minnesota, as Bond Counsel, subject to customary limitations. The legal opinion will state that the Bonds are valid and binding special, limited obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability thereof may be limited by customary matters, such as the exercise of judicial discretion or by state or federal laws relating to bankruptcy, reorganization, moratorium or creditors’ rights.
11. **Content of Proposal:** You are encouraged to submit a proposal to purchase the Bonds. Any proposal must be for the purchase of all of the Bonds. At a minimum, you must submit an amortization schedules for a 20-year Bond issue that clearly shows the single, uniform interest rate in respect of the Bonds and the substantially level dollar amounts of the semiannual installments of principal and interest due each January 1 and July 1, commencing January 1, 2018 through and including July 1, 2037. You must also specify the total dollar interest cost over the term of the Bonds. For purposes of the amortization schedule, please use [_____], 2017 as the date on which interest will commence on principal advanced, recognizing the City, in its discretion, may elect to close on a date

other than [_____], 2017. The entire principal amount of the Bonds will be advanced on the closing date.

12. **Submission of Proposal.** Proposals must be delivered to the City Clerk-Treasurer's office at 115 West First Street, in Laurel, Montana by no later than [5:00 p.m.] MT on [August ____], 2017, in order to be considered. You are instructed to mark the outside of the envelope containing the proposal with the words "Proposal for Purchase of Special Improvement District No. 118 Bonds." The City reserves the right to reject any and all proposals, to accept any proposal, or to negotiate further in respect of any proposal or proposals. The interest rate provided by the proposers will be the primary basis for determining whether the City will proceed with a proposal.

If the City accepts a proposal, the successful proposer must enter into a bond purchase agreement on or before 5:00 p.m. MT on [August ____], 2017 substantially in the form of the attached hereto as Schedule 2.

Very truly yours,

CITY OF LAUREL, MONTANA

By _____
Title: _____

SCHEDULE 1

**SPECIAL IMPROVEMENT DISTRICT NO. 118
BONDS**

CITY OF LAUREL, MONTANA

CERTIFICATE OF PURCHASER

I, the undersigned, being a duly qualified and acting representative of _____, the original purchaser (the "Purchaser") of the \$195,000 Special Improvement District No. 118 Bonds (the "Bonds"), issued by City of Laurel, Montana (the "City"), dated, as originally issued, as of _____, 2017, hereby acknowledge receipt of the Bonds, fully executed and authenticated, in the aggregate principal amount of \$195,000, payable semiannually on each January 1 and July 1 for a term of approximately 20 years, commencing January 1, 2018 and, absent prepayment, ending July 1, 2037, and bearing interest from the date of original registration until paid or duly called for prepayment and redemption at the rate of _____% per annum and otherwise conforming with the provisions of Resolution No. _____, adopted by the City Council of the City on _____, 2017 (the "Bond Resolution"), and on behalf of the Purchaser certify that:

1. The Purchaser is a bank duly organized, validly existing and in good standing under the laws of the state of Montana and has full power and authority to purchase the Bonds and make the loan evidenced thereby.
2. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits represented by the purchase of the Bonds and the making of the loan evidenced thereby.
3. The Purchaser has authority to purchase the Bonds and to execute the Bonds Purchase Agreement and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.
4. The Purchaser understands that an official statement, prospectus, offering circular, or other offering statement has not been provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the City, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds. The Purchaser received and has reviewed a copy of the Bond Resolution.
5. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the City and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Bonds and the security therefor, so that it has been able to make an informed decision to purchase the Bonds and to make the loan evidenced thereby and acknowledges that

it has not relied on the City with respect to any information with respect to the advisability of purchasing the Bonds or the security for the Bonds.

6. The Purchaser understands that the Bonds: (i) are not registered under the Securities Act of 1933, as amended, and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) are not listed on any stock or other securities exchange, and (iii) have not been rated by any credit rating agency.

7. The Bonds are being acquired by the Purchaser for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to (i) an affiliate of the Purchaser; (ii) a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or accredited investors; or (iii) a person or entity that the Purchaser reasonably believes is qualified to purchase the Bonds or that makes representations substantially similar to the representations the Purchaser makes in this certificate. The Purchaser intends to hold the Bonds to evidence the loan it has made to the City for the term of the Bonds.

8. (i) The Bonds will be evidenced by a physical certificate delivered to the Purchaser by the City, (ii) the Bonds will not have a CUSIP number, (iii) the Bonds are not, and will not be, rated by an independent rating agency, (iv) the Purchaser shall not transfer the Bonds except in accordance with Paragraph 7 above, (v) the principal amount of the Bonds purchased by the Purchaser, and the principal amount of the loan evidenced thereby, is \$195,000, (vi) payments on the Bonds shall be made directly by the City to the Purchaser, (vii) payments under the Bonds conform to the loan amortization schedule provided by the Purchaser to the City, (viii) the Bonds and the loan evidenced thereby bear interest at a fixed rate throughout the term of the Bonds, (ix) the Purchaser intends to record the Bonds as a loan on its books and records, and (x) the Bonds are a special, limited debt of the City.

9. The Purchaser acknowledges and agrees that: (i) the transactions contemplated by the Bonds documents are arm's length, commercial transactions between the Purchaser and the City and that the Purchaser is acting solely as a principal and not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) the Purchaser has not performed advisory or fiduciary services to the City with respect to the transactions contemplated by the Bond documents and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the City on other matters); (iii) the Purchaser has financial and other interests that differ from those of the City; and (iv) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

10. The Purchaser: (i) is not acting as an Underwriter with respect to the Bonds, (ii) has not contracted with any person pursuant to a written agreement to have such person participate in an initial sale of the Bonds to the Public, and (iii) has not agreed with the City pursuant to a written agreement to sell the Bonds to persons other than the Purchaser or a related party to the Purchaser. For purposes of this paragraph:

- (a) *Public* means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. Persons generally are “related parties” for purposes of this certificate if they have more than 50 percent common ownership or control, directly or indirectly.
- (b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public.

IN WITNESS WHEREOF, I have hereunto set my hand as Purchaser as of this _____ day of _____, 2017.

[_____]

By: _____
Printed Name: _____
Title: _____

SCHEDULE 2

BOND PURCHASE AGREEMENT

August [], 2017

City of Laurel
115 West First Street
Laurel, MT 59044

Attention: Mark Mace, Mayor
Heidi Jensen, Chief Administrative Officer
Bethany Keeler, City Clerk-Treasurer

[Bank Name and address]

\$195,000
Special Improvement District No. 118 Bonds
City of Laurel, Montana

Ladies and Gentlemen:

The undersigned, [_____], as purchaser (the "Purchaser"), hereby offers to enter into this Bond Purchase Agreement (this "Agreement") with the City of Laurel, Montana (the "City"), for the sale by the City and purchase by the Purchaser of the above-referenced bonds (the "Bonds"). This offer is made subject to the written acceptance hereof by the City and delivery of such acceptance to the Purchaser (in the form of one or more executed counterparts hereof) at or prior to 5:00 P.M., Bozeman, Montana time, on [August __], 2017. Upon such acceptance, this Agreement will be in full force and effect in accordance with its terms and will be binding upon the City and the Purchaser.

The Bonds are being issued pursuant to a resolution (the "Bond Resolution") to be adopted by the City on or about [_____, 2017], authorizing and fixing the terms and conditions of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings given them in the Bond Resolution.

1. Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Purchaser hereby agrees to purchase from the City and the City hereby agrees to sell to the Purchaser, all (but not less than all) of the Bonds upon the terms set forth in the Bond Resolution, including the following terms:

Principal Amount	\$195,000
Closing Date	On or about [_____, 2017] [date selected by City]
Term	Approximately 20-year term (40 semi-annual payments)
Amortization Schedule	Substantially as attached hereto as <u>Exhibit A</u>
Interest rate	_____% , fixed for the entire term
No Fees	No fees charged by Purchaser
Mandatory Prepayment Terms	As required by law
Optional Prepayment Terms	In whole or in part on 30 days prior written notice by the City to the Purchaser at a price of par plus interest on the principal amount redeemed, without premium
Bank Qualification	The City will designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

2. The Bonds will be special limited obligations of the City payable solely from amounts pledged therefor pursuant to the Bond Resolution. The City will establish a District Reserve Account to secure the repayment of the Bonds and will pledge its Special Improvement District Revolving Fund to the repayment of the Bonds.

3. This Agreement will be governed by and construed in accordance with the laws of the State of Montana.

4. This Agreement may be executed in multiple counterparts, each of which will be deemed an original but all of which together will constitute but one and the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature pages so delivered shall have the same force and effect as an originally signed version of such signature page.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CITY OF LAUREL, MONTANA

By _____
Name: Mark Mace
Title: Mayor

By _____
Name: Heidi Jensen
Title: Chief Administrative Officer

By _____
Name: Bethany Keeler
Title: City Clerk-Treasurer

[BANK]

By _____
Name: _____
Title: _____

SCHEDULE 1

AMORTIZATION SCHEDULE