

**A RESOLUTION AUTHORIZING THE MAYOR TO SIGN AN
ENGAGEMENT LETTER WITH DORSEY & WHITNEY, LLP AS
BOND COUNSEL FOR THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT
BONDS FOR SPECIAL IMPROVEMENT DISTRICT NO. 117.**

WHEREAS, the City of Laurel is considering issuing special improvement district bonds for the purpose of creating a special improvement district; and

WHEREAS, it is in the best interest of the City of Laurel to have outside counsel review and implement the bond program; and

WHEREAS, the City of Laurel has previously employed Dorsey & Whitney, LLP as specific bond counsel with favorable results.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Laurel, Montana,

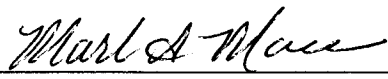
That the Mayor is authorized to sign the engagement letter, a copy of which is attached, with Dorsey & Whitney, LLP, to perform this service for approximately \$6,000, plus disbursements.

Introduced at a regular meeting of the City Council on April 21, 2015, by Council Member Mountsier.

PASSED and APPROVED by the City Council of the City of Laurel this 21st day of April, 2015.

APPROVED by the Mayor this 21st day of April, 2015.

CITY OF LAUREL



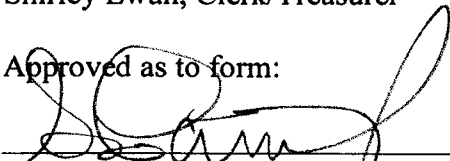
Mark A. Mace, Mayor

ATTEST:



Shirley Ewan, Clerk/Treasurer

Approved as to form:



Sam S. Painter, Civil City Attorney

DAN SEMMENS
semmens.dan@dorsey.com

April 13, 2015

Ms. Heidi Jensen
Chief Administrative Officer
City of Laurel
P.O. Box 10
Laurel, MT 59044

Via Email and Federal Express

Re: Special Improvement District – Sidewalk Improvements
City of Laurel, Montana

Dear Heidi:

We would very much like to serve as bond counsel to the City of Laurel, Montana (the "City") with respect to the proposed creation of a special improvement district (the "District") and the issuance of its special improvement district bonds (the "Bonds") of the City in the approximate principal amount of \$195,000. The purpose of this letter is to describe our services and give you an idea of the fee that would be involved with the City's creation of the District and its proposed issuance of the Bonds.

As bond counsel, our principal function is to render an opinion with respect to authorization and issuance of the Bonds. The opinion is rendered in written form at the time the Bonds are delivered to the purchaser. The opinion addresses three basic matters:

- 1) the validity of the Bonds, based upon the proceedings taken in their authorization and issuance;
- 2) certain matters relating to the security for the payment of the Bonds; and
- 3) the exemptions from current federal and state income taxation of the interest payable on the Bonds.

In fulfilling that function and responsibility, we will perform the following services:

- 1) draft the documents with respect to the creation of the District, i.e., draft the resolution of intention to create the District, the necessary notices and the resolution creating the District;
- 2) advise the City and its engineer, if any, with respect to any statutory procedures and requirements relating to assessment methodology;
- 3) assist the City in developing terms and conditions, taking into consideration construction schedules, time for billing of the assessments and the like;
- 4) prepare the final bond resolution and form of Bonds (we understand the Bonds will be sold to the INTERCAP Program);
- 5) coordinate with the City Clerk, or other designated officer of the City, the adoption of the resolution and other actions necessary to be taken by the governing body of the City;

- 6) prepare closing papers for the City and supervise closing on the Bonds; and
- 7) deliver the opinion discussed above to the City and the purchaser.

The fee for our services is a function of the size of the bond issue and the amount of time expended. Unfortunately, a minimum amount of work is necessary no matter the size of the transaction, especially with special improvement districts. Based on an estimated bond issue of approximately \$195,000 for improvements and incidental costs in the District, we estimate our fee to be \$6,000, plus disbursements. If, as we proceed, we discover factors that are currently unanticipated that would cause us to exceed these estimates, we would let you know. We would expect to be paid at the time of closing on the Bonds, or, if the District is not created, at the time of failure to create the District. Our fees are eligible costs of the project and should be included in the budget for the creation of the District. It is mutually understood that the services set forth in this letter are solely for the benefit of the City.

We understand the City will sell the Bonds to the Montana Board of Investment (the "BOI") under the INTERCAP Program (the "Program"). You should understand that, on occasion, we are asked by the BOI to advise it on matters relating to the Program. As bond counsel for the City's Bonds, we would not represent the State of Montana or the BOI in the negotiation of the terms of the Bonds or other aspects of the proposed financing. At this point, the terms of the financing have been established in the approved Program documents and regulations, and our principal task would be to draft resolutions and forms of Bonds that conform to the Program requirements. Accordingly, we do not anticipate that our advising the BOI from time to time with respect to matters involving the Program will represent any practical impediment to our acting as bond counsel to the City with respect to the Bonds; in fact, we believe our familiarity with the Program could well be an advantage to the City in completing their proceedings efficiently. We trust that our serving as bond counsel to the City for their Bonds and counsel to the BOI on certain matters with respect to the Program is acceptable to you.

We hope that this proposal to serve as Bond Counsel on this financing meets with the approval of the City. If there are any questions, please give us a call so we can answer those questions or provide any additional information about our firm or our qualifications to serve the City in this capacity.

Very truly yours,



Dan Semmers

DPS/dk

ACKNOWLEDGMENT

The undersigned acknowledges receipt of the attached and foregoing engagement letter dated April 13, 2015, and confirms consent to the representation described therein on behalf of the City.

CITY OF LAUREL, MONTANA

By Marta Mae
Its Mayor