

August 21, 2018

VIA EMAIL

Mayor and City Council
City of Laurel, Mississippi
401 North 5th Avenue
Laurel, Mississippi 39440

Re: Special Tax Counsel to the City of Laurel, Mississippi Related to the Financing of
a Fire Ladder Truck in the Amount of \$685,704.00 ("Financing")

Dear Mayor and City Council:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as special tax counsel to the City in connection with the issuance of the above-referenced Financing. We understand that the Financing is being obtained for the purposes of providing funds for purchasing a fire ladder truck in the amount of Six Hundred Eighty-Five Thousand Seven Hundred and Four Dollars (\$685,704.00).

SCOPE OF ENGAGEMENT

In connection with this engagement, we expect to perform the following duties:

1. Subject to the completion of proceedings to our satisfaction, render our special tax opinion (the "**Special Tax Opinion**") regarding the excludability of interest on the Financing from gross income for federal and State income tax purposes;
2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Financing and coordinate the authorization and execution of such documents;

Our Special Tax Opinion will be addressed to the City and will be delivered by us on the closing of the Financing. The Special Tax Opinion will be based on facts and laws existing as of its date. In rendering our Special Tax Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the City with applicable laws relating to the Special Tax Opinion. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Financing and its security. We understand that you will direct members of your staff and other employees of the City to cooperate with us in this regard. In rendering our Special Tax Opinion, we will expressly rely upon other counsel as to due authorization, execution and delivery of Financing documents executed by the City.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties under this engagement, without a separate engagement as may hereafter be agreed between the parties, do not include:

(a) Preparing request for tax rulings from the Internal Revenue Service ("IRS") or no action letters from the Securities and Exchange Commission ("SEC");

(b) Drafting State constitutional or legislative amendments;

(c) Representing the City in IRS examinations or inquiries, or SEC investigations;

(d) After closing, providing continuing advice to the City or any other party concerning any actions necessary to assure that interest paid on the Financing will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Financing).

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between us. We understand that counsel to the City will assist with the issuance of the Financing, particularly as to the authorization, execution and delivery of Financing documents. We assume that all other parties will retain such counsel, as they deem necessary and appropriate to represent their interest in this transaction. We further assume that all other parties understand that in this transaction we represent only the City, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as special tax counsel are limited to those contracted for in this letter, and the City's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the City will not affect, however, our responsibility to render an objective Special Tax Opinion.

Our representation of the City and the attorney-client relationship created by this engagement letter will be concluded upon closing of the Financing. Nevertheless, subsequent to the closing, we will mail, if required, to the IRS the appropriate IRS Form 8038-G.

PROSPECTIVE CONSENT

As you are aware, Butler Snow represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the City, one or more of our present or future clients will have transactions with the City. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Note. We do not believe that such representation, if it occurs, will adversely affect our ability to represent you as provided in this engagement letter, either because such matters will be sufficiently different from the issuance of the Note so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be

relevant to any aspect of the issuance of the Note. Execution of this engagement letter will signify the City's consent to our representation of others consistent with the circumstances described in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the Financing; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the Financing; and (iv) the responsibilities we will assume in connection therewith, our fee will be based our fee will not exceed \$2,000 plus expenses in an amount not to exceed \$1,000 for items such as travel costs, deliveries, copies, transcripts, telephone charges, filing fees, computer-assisted research and other expenses (see enclosure for standard charges for expenses).

If the Financing is not consummated, we understand and agree that we will not be paid for our time expended on your behalf but will be paid for client charges made or incurred on your behalf.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other material retain by us after the termination of this engagement.

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files.

Thank you again for this opportunity to be of service. We look forward to working with you.

Sincerely,

Butler Snow LLP

Troy Johnston

Enclosures

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STATEMENT TO BE SIGNED BY CITY OF LAUREL, MISSISSIPPI:

The execution by me of the above Engagement Letter was authorized by Resolution of the City Council dated August 21, 2018. I have read the above Engagement Letter and understand and agree to its contents, including the fee and billing arrangements.

CITY OF LAUREL, MISSISSIPPI

By:

Mayor

Date: _____