

J

RESOLUTION NO. 17-07

**RESOLUTION AUTHORIZING THE APPROVAL AND EXECUTION OF AN ENGAGEMENT LETTER
FOR DISCLOSURE BOND COUNSEL SERVICES RELATED TO THE ISSUANCE OF BONDS
TO FINANCE THE IMPLEMENTATION AND CONSTRUCTION
OF A NEW WATER SUPPLY DELIVERY SYSTEM
FOR THE MORTON GROVE-NILES WATER COMMISSION
WITH THE CITY OF EVANSTON AS WATER SUPPLIER**

**(MORTON GROVE-NILES WATER COMMISSION
AND MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.)**

WHEREAS, in 2017, the Morton Grove-Niles Water Commission ("MGNWC" or "Commission") was established by the Village of Morton Grove, a home rule Illinois municipal corporation ("Morton Grove"), and the Village of Niles, a home rule Illinois municipal corporation ("Niles"), by the adoption of ordinances pursuant to Division 135 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-135-1, *et seq.*) ("Division 135"). The establishing ordinances are Morton Grove Ordinance 17-5, which was adopted on March 13, 2017, and Niles Ordinance No. 2017-19, which was adopted on March 14, 2017. In order to accomplish the objectives set forth in the above-referenced Ordinances, Morton Grove and Niles also approved, under those same Ordinances, an intergovernmental agreement entitled, "Intergovernmental Agreement For The Establishment And Operation Of The Morton Grove-Niles Water Commission And For The Purchase And Sale Of Water To The Commission For Commission Use And To Commission Wholesale Water Customers" (the "IGA"), to provide for the governance and operation of the MGNWC and to create the Board of Commissioners of the Morton Grove-Niles Water Commission ("MGNWC Board") to govern the MGNWC; and

WHEREAS, the MGNWC Board desires to approve and enter into an "Engagement Letter For Disclosure Bond Counsel Services Related To The Issuance Of Bonds To Finance The Implementation And Construction Of A New Water Supply Delivery System For The Morton Grove-Niles Water Commission With The City Of Evanston As Water Supplier (Morton Grove-Niles Water Commission and Miller, Canfield, Paddock and Stone, P.L.C.)" (the "Engagement Letter") in substantially the same form as the copy of the Engagement Letter attached hereto as Exhibit "A" and made a part hereof; and

WHEREAS, the MGNWC Board requires Disclosure legal bond counsel services to assist with the issuance of municipal bonds to finance all aspects of implementation and construction of the below-described water delivery system project, including land acquisition, short-term and long-term capital costs of the new water system, incurred professional services (e.g., engineering, legal and other required consultants), and construction of water transmission lines, pumping and storage, and other related water delivery and receiving infrastructure to be owned by the MGNWC that will extend from the City of Evanston's ("Evanston") point of delivery near the intersection of Emerson Street and McCormick Boulevard, which is Evanston's western border, to existing water receiving points (e.g., reservoirs and pumping facilities) owned and operated respectively by the MGNWC, Morton Grove and Niles, and located in Niles near the intersection of Harlem Avenue and Touhy Avenue, and located in Morton Grove near the intersection of Caldwell Avenue and Oakton Street, for Morton Grove and Niles (the "Services"); and

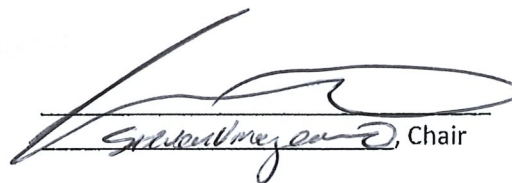
ADOPTED this 7th day of July, 2017, pursuant to a roll call vote as follows:

AYES: 2

NAYS: 0

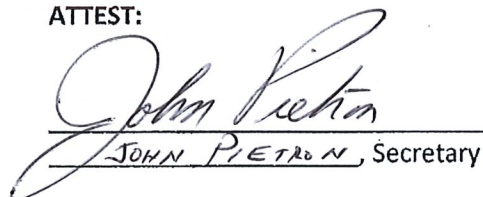
ABSENT: 0

PASSED by the Board of Commissioners of the Morton Grove-Niles Water Commission, Cook County, Illinois on a roll call vote at a Regular Meeting thereof held on the 7th day of July, 2017, and approved by the Chair, and attested by the Secretary on the same day.



Chair

ATTEST:



JOHN PIETRON, Secretary

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

PAUL DURBIN
TEL (312) 460-4211
FAX (312) 460-4201
E-MAIL durbin@millercanfield.com

Miller, Canfield, Paddock and Stone, P.L.C.
225 West Washington, Suite 4300
Chicago, Illinois 60606
TEL (312) 460-4200
FAX (312) 460-4201
www.millercanfield.com

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy

FLORIDA: Tampa

ILLINOIS: Chicago

NEW YORK: New York

CANADA: Windsor

CHINA: Shanghai

MEXICO: Monterrey

POLAND: Gdynia
Warsaw • Wrocław

June 29, 2017

Morton Grove-Niles Water Commission
c/o Niles Village Hall
1000 Civic Center Drive
Niles, Illinois 60714
Attn: Steven Vinezeano

**Re: Morton Grove-Niles Water Commission
Water Revenue Bonds, Series 2017 (the "Bonds")**

Dear Mr. Vinezeano:

We appreciate the opportunity to serve as disclosure counsel in connection with the Morton Grove – Niles Water Commission's (the "Commission") issuance of the Bonds for financing the construction of the water distribution system (the "System") to be located in the Village of Morton Grove and Village of Niles, each located in Cook County, Illinois. We look forward to the opportunity to work on this financing with you, the Commission and the entire financing team.

Disclosure counsel is engaged as counsel with respect to Illinois law and federal law relating to disclosure requirements that pertain to governmental debt obligations, whose primary responsibility will be to render an objective legal opinion with respect to the Commission's issuance of the Bonds and its compliance with Rules 10(b)-5 and 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. As disclosure counsel, we will examine applicable law, draft or review all required disclosure documents; review such other financing documents of the Commission and undertake such additional duties as we deem necessary to render such opinion. The above-described services specifically include, but are not limited to, the following:

- Consult with Commission officials, Bond Counsel and other legal counsel to the Commission (the "Commission Counsel") concerning disclosure requirements, questions and issues relating to the System and the issuance the Bonds and continuing disclosure requirements.
- Attend upon request any meeting of the Commission, the Village of Niles or the Village of Morton Grove relating to disclosure matters that pertain to the Commission's issuance of the Bonds and the System.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Morton Grove-Niles Water Commission

-3-

June 29, 2017

- the Continuing Disclosure Undertaking, together with the Official Statement, satisfy the requirements contained in Rule 15c2-12(b)(5) promulgated by the United States Securities and Exchange Commission for the issuance of the Bonds and for provision of the information at the times and in the manner required by said rule.

The opinion will also address such other matters, if any, that are at the date of closing normally included in the opinions of disclosure counsel for bonds of this nature. The opinion will be dated and executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing") and will be based on existing law as of its date. Upon the delivery of the opinion and the filing of all appropriate closing documents, our responsibilities as disclosure counsel will be concluded with respect to the issuance of the Bonds.

In rendering the 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.

As disclosure counsel, we will not assume or undertake responsibility for the preparation of any supplemental ordinances or any other nondisclosure document with respect to the Bonds that is traditionally prepared by Bond Counsel. However, our responsibility will include the preparation or review of any portion thereof that is necessary to render our disclosure counsel opinion with respect to the Bonds.

In performing our services as disclosure counsel, we will serve as special counsel to the Commission and we will represent its interests. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in the transaction. Our representation of the Commission does not alter our responsibility to render an objective opinion as disclosure counsel.

We understand and agree that this is not an exclusive engagement and the Commission may retain any other counsel of its choosing. Except as discussed above, we recognize that we shall be disqualified from representing any other client (i) in any matter which is substantially related to our representation of the Commission as described herein and (ii) with respect to any matter wherein confidential information furnished to us could be used to the Commission's material disadvantage.

We are a relatively large law firm and we represent many other governmental entities, companies and individuals. It is possible that some of our present or future clients may have interests which conflict with the Commission's in litigation, business transactions or other legal matters during the time that we are representing the Commission. Subject to the requirements of the Illinois Rules of Professional Responsibility which govern us, we may in the future consult with you about our continued representation or the undertaking of a new representation of clients in any such matter that is not substantially related to our work for the Commission and does not risk potential use of confidential information to the Commission's material disadvantage.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

STANDARD TERMS OF ENGAGEMENT

Includes information provided in accordance with the Illinois Rules of Professional Conduct

This statement sets forth certain standard terms of our engagement as your lawyers in this matter. It supplements our engagement letter with you and is an integral part of our agreement. Therefore, you should review this statement carefully and contact us promptly if you have any questions. Unless modified in writing by mutual agreement, these terms and those in the engagement letter will control our relationship. We suggest that you retain this statement and our engagement letter in your file. Our engagement is also subject to and governed by the applicable rules of professional conduct.

How We Approach Our Work for You

We will perform our legal services for you in accordance with our professional judgment. Any expressions by us concerning the outcome of your legal matters are expressions of that judgment but are not guarantees. Such opinions are necessarily limited by the facts that you and others disclose to us and the state of the law at the time our opinions are expressed.

The person or entity we represent is the person or entity identified in our engagement letter, and the word "you" in this statement means that person or entity only. Unless we agree with you in writing, our engagement does not include representation of any affiliates of such person or entity. For example, if you are a corporation, a partnership, or a limited liability company, our representation of you does not include representation of any parents, subsidiaries, employees, officers, directors, shareholders, members or partners. If you are a trade association or other voluntary organization, our engagement does not include representing any of your members. If you are an individual, our representation does not include your spouse or other family members. If you believe this engagement includes additional entities or persons as our clients, you should inform us immediately and ask us to include those persons in our engagement letter.

Who Will Provide the Legal Services

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis.

How Our Fees Will Be Set

Generally, our fees are based on the time spent by the lawyers and paralegal personnel who work on your matter. We will charge for all time spent performing professional services for you including, by way of illustration, telephone and office conferences with you, your representatives, consultants, opposing counsel, and others; conferences among our legal and paralegal personnel; factual investigation; legal research; drafting letters, agreements, pleadings, briefs, and other documents; responding to requests by your auditors; and travel. We will keep accurate records of the time we devote to your work. If you have insurance relating to the matter on which you have engaged us, and your insurance carrier pays less than the rates on which we have agreed or declines to pay for any matter on which you have engaged us, you agree to pay the difference.

The hourly rates of our lawyers and legal assistants are reviewed and adjusted periodically on a firm-wide basis to reflect current levels of legal experience, changes in overhead costs, and other factors. Because these changes are made on a firm-wide basis, we customarily do not inform each client of the specific changes in the hourly rates of the personnel working on their matters. However, the rates charged by our personnel will be reflected on the invoices we send you, and we encourage you to raise promptly any questions you may have regarding our rates and any changes to them.

From time to time you may request and we may furnish estimates of legal fees and other charges that we anticipate will be incurred in representing you. Due to a wide range of variables, many of which are unforeseeable, these estimates are by their nature inexact and cannot be considered as limitations on the fees we will charge. The actual fees and charges ultimately billed may vary from such estimates.

With your advance written agreement, the fees ultimately charged may be based upon a number of factors, including: the time and effort required, the novelty and complexity of the issues presented, the value of the services to you, the amount of money or value of property involved, the results obtained, and the time constraints imposed by you and other circumstances, such as an emergency closing or the need for injunctive relief from a court.

For certain well-defined services and special circumstances, we will, if requested, quote a flat fee. In all such situations, both the amount of the fee and the scope of the services to be provided must be expressed in the engagement letter. In

Attorney-Client Privilege

Sometimes in the course of our representation of clients, we confront ethical or other legal issues that require that we seek the advice of an attorney, either one of our own attorneys or an attorney from another firm. As part of our agreement regarding your representation by the firm, you agree that such discussions, whether they occur during or after our engagement, are protected by the attorney-client privilege.

Termination of Engagement

Our engagement as your attorneys terminates upon our completion of the services you have retained us to perform, whether or not our final invoice has been rendered or paid. If you later retain us to perform further or additional services, our attorney-client relationship will begin again with the signing of a new engagement letter.

You may terminate our engagement with or without cause at any time on by notifying us of your decision to do so. Termination of our services will not affect your responsibility to pay for services rendered and expenses and other charges incurred up to the date when we receive notice of termination, and for any further work required of us in order to facilitate an orderly turnover of matters in process at the time of termination.

We may terminate our engagement for any of the reasons permitted under the rules of professional conduct which govern us, including: your failure to pay our invoices promptly, misrepresentation of (or failure to disclose) any material facts, action taken contrary to our advice, or any other conduct or situation that in our judgment impairs an effective attorney-client relationship between us or presents conflicts with our professional responsibilities. Subject to the rules of professional conduct which govern us, we may also terminate our engagement by reason of your failure to abide by your consent to our representation of a client in accordance with the terms of the section entitled "Representation in Other Matters" above. If required, we will request a stipulation executed by you allowing us to withdraw as attorney of record in any judicial, arbitration, or similar proceedings. We may also apply for a court order approving our withdrawal from representing you, and you agree in advance to our withdrawal.

Subsequent Engagements

If, during this engagement or thereafter, you retain us for an additional engagement, it will be presumed, absent a written agreement between us to the contrary, that the terms and conditions contained in this document will apply to such subsequent engagements.

Alternative Dispute Resolution: Mandatory Arbitration

Should any dispute arise concerning the services provided to you by us or the charges we make for those services and related expenses, you and we shall first try in good faith to settle the dispute directly. If the dispute is not resolved, it shall be submitted to third party neutral facilitation in accordance with the mediation rules of the American Arbitration Association. If the dispute is not resolved through mediation, the dispute shall be settled by binding arbitration in accordance with the laws of the State of Illinois. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association except as modified here. Judgment upon the award rendered by the arbitrators may be entered in any court of record having jurisdiction thereof. The mediation and arbitration proceedings, including any hearings, shall be held in the Detroit metropolitan area. Both you and we agree that neither of us is entitled to or shall request or claim punitive or exemplary damages and that the arbitrators shall not have the authority to award punitive or exemplary damages or any other damages in excess of actual pecuniary damages.

Client Documents

We will maintain any documents you furnish to us in our client file (or files) for this matter. At the conclusion of the matter (or earlier, if appropriate), it is your obligation to advise us as to which, if any, of the documents in our files you wish us to turn over to you. These documents will be delivered to you within a reasonable time after receipt of payment for outstanding fees and costs. We will retain any remaining documents in our files for a certain period of time and ultimately destroy them in accordance with our record retention program schedule then in effect.

We are not advising you with respect to this statement of the terms of our engagement. If you wish advice, you should consult independent counsel of your choice.