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February 23, 2021

Via E-mail [abeeker@hvlnc.gov]

Angela S. Beeker
City Attorney
City of Hendersonville, North Carolina
160 6th Avenue East
Hendersonville, NC 28792-4328

Re: **Bond Counsel for Limited Obligation Bonds (City of Hendersonville, North Carolina), Series 2021**

Dear Angela:

You have requested that our firm provide the City of Hendersonville ("City") with an engagement letter for services of Parker Poe Adams & Bernstein LLP as bond counsel for the above-described limited obligation bonds (the "*Bonds*"). Our understanding is that the City intends to provide for the issuance of approximately \$10,000,000 aggregate principal amount of the Bonds in order to finance the acquisition and construction of a parking deck and streetscape improvements in downtown. The Bonds may also be issued in an additional amount to refinance one or more of the City's existing installment financings. The City plans to use Robert W. Baird & Co., Inc., as underwriter for the Bonds. First Tryon Advisors is serving as the City's financial advisor. I will be the City's primary contact for our firm's work on the Bonds with support from Andy Walsh and Mike Larsen. The firm will provide services as bond counsel for a fee of \$65,000 if the Bonds are issued only for the new money projects, and \$70,000 if the Bonds include both the new money projects and the refinancings. The firm will charge an additional \$5,000 for the representation of a nonprofit corporation to be formed to assist the City with the financing. In each case the fee is inclusive of disbursements for such items as photocopying, long distance telephone, travel, scanning, express delivery and preparation of the transcripts. Our services include:

1. participation in meetings with City staff and, to the extent deemed necessary by the City staff, with the City Council, and the City's financial advisor in structuring the legal aspects of the financing;
2. preparation of an indenture of trust, installment financing contract and deed of trust, under which the Bonds will be issued and various resolutions, relating to the authorization, execution and delivery of the Bonds;

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3. formation of the nonprofit corporation to serve as a counterparty on the installment financing contract and indenture and rendering necessary opinions related to the nonprofit's participation in the financing;
4. preparation of all other papers required as a condition precedent to the execution and delivery of the Bonds;
5. assistance to the City with respect to matters before the Local Government Commission and the rating agencies;
6. participation with underwriter's counsel and the underwriter in the reviewing documents related to the sale of the Bonds; and
7. delivery of an opinion as to the validity of the Bonds and the federal and state tax treatment of the interest on the Bonds, subject to usual and customary exceptions.

We wanted to make you aware that our firm has represented, may currently represent and/or expects to represent in the future, Robert W. Baird & Co., Inc., the underwriter for the Bonds, in transactions unrelated to the Bonds. Because the City is represented by the City Attorney in the transaction related to the Bonds we do not consider our representation as bond counsel for the Bonds to be a conflict of interest; however, if any issues arise that we believe would create a conflict of interest we will immediately inform you and work with the City Attorney to resolve the matter in a satisfactory manner.

We look forward to completing this transaction for the City. If the provisions set forth are consistent with your understanding, please sign below, keep a copy of the letter for yourself and return the original to us.

PARKER POE ADAMS & BERNSTEIN LLP



Scott E. Leo

Attachment

ACCEPTED BY:

CITY OF HENDERSONVILLE

Angela S. Beeker, City Attorney

(Date)

PARKER POE ADAMS & BERNSTEIN LLP
STANDARD TERMS OF ENGAGEMENT REGARDING LEGAL REPRESENTATION

1. Scope of Work and Limitations. The scope of our work and the limitations on the services to be performed will be in accordance with the Engagement Letter.
2. No Guaranteed or Contingent Outcome. While we will perform our professional services on behalf of the client to the best of our ability under the circumstances, we cannot and have not made any guarantees regarding the outcome of our professional efforts. Any expressions about the possible outcome of the matter or the results achievable are our best professional estimates only, and are limited by our knowledge at the time they are expressed.
3. Communications. As requested, we will send to the client copies of pertinent correspondence, documents and other materials prepared or received by us in the course of the representation. The client is encouraged to contact us as to any questions or comments regarding the services, fees, or status of the matter or as to any pertinent facts or considerations which may come to the attention of the client. Material information and documents received by the client should be forwarded to the firm without delay.
4. Attorney Assignment. Each client will have an attorney who shall have primary responsibility for the client's matters. When appropriate, work on the client's matters may be assigned to other attorneys in the firm who have a sufficient level of experience and time availability to handle competently and efficiently portions or all of the client's matters. In addition, assistance of non-attorney support personnel under the direct supervision of firm attorneys may be required, as appropriate.
5. Confidentiality. The firm will protect the confidence of the client and will not divulge confidential information concerning the client's business or legal matters, as required by the Rules of Professional Conduct. However, we understand that, unless you advise us to the contrary, you do not object to our mentioning to others our representation of you or our listing of your name as one of our clients in professional literature or in material published about this law firm.
6. Termination. The firm reserves the right to withdraw from representing the client upon written notice at any time, with or without cause. Likewise, the client may terminate the firm's services prospectively upon written notice to the firm. If the client terminates the firm's services prior to completion of the financing, we will negotiate with the client to pay fees on a reasonable hourly basis for the time spent on the matter. Unless otherwise requested by the client, the firm will consider the representation terminated upon the completion of the financing.