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October 23, 2023

VIA EMAIL

Ms. Caitlin Elliott
Finance Officer
Town of North Topsail Beach
finance@ntbnc.gov

***Town of North Topsail Beach, North Carolina
2024 Installment Financing Contract for New Fire Station***

Dear Caitlin:

Thank you for asking Parker Poe Adams & Bernstein, LLP (the “*Firm*” or “*Parker Poe*”) to serve as bond counsel for the Town of North Topsail Beach, North Carolina (the “*Town*”) in connection with the execution and delivery of the above-described installment financing contract (the “*Contract*”).

Scope of Engagement. Our understanding is that the Town intends to execute and deliver the Contract to finance the demolition of the existing Fire Station No. 2 and the construction of a new fire station on the same property and the Contract will be secured by the Town’s pledge to make installment payments to a financial institution to be determined (the “*Lender*”) as well as a lien on the site of the new fire station. DEC Associates Inc. is serving as the Town’s financial advisor. As bond counsel, the Firm will provide legal services for the Contract and an opinion as to the validity of the Contract and the federal and state tax treatment of the interest portion of the installment payments coming due under the Contract, subject to usual and customary exceptions.

Our services as special counsel include:

1. participation in meetings with Town staff, the State Treasurer’s staff, the Lender and the rest of the working group with respect to the Contract;
2. review of a Request for Proposal to be drafted by the Town’s financial advisor and a review of bids received by potential lenders;
3. preparation of various resolutions, the Contract and other documents relating to the authorization, execution and delivery of the Contract;
4. preparation of all other papers required as a condition precedent to the execution and delivery of the Contract;

5. assistance to the Town with matters related to the Contract, as needed; and
6. delivery of an opinion as to the validity of the Contract and the federal and state tax treatment of the interest component with respect to the Contract.

The Town will be represented by the Town Attorney with respect to all material matters as between the Lender and the Town. The Firm does not represent any other party involved in this transaction with respect to the Contract. The scope of the legal services that Parker Poe will provide may be expanded during the course of this engagement pursuant to communications establishing a specific mutual understanding of the services the Firm is to perform.

Advance Waiver of Conflicts. We are making you aware that our Firm has represented, currently represents and expects to represent in the future many financial institution, one of which is likely to be the Lender, in matters unrelated to the Contract. Because the Town is represented in this transaction by the Town Attorney, and the Town Attorney shall serve as the Town's counsel with respect to all material matters and negotiations as between the Lender and the Town, we do not consider our role as bond counsel to the Town to create a conflict of interest. However, we are requesting that the Town waive any potential conflict of interest that may arise. If any issues arise that we believe create a genuine conflict of interest, we will immediately inform you and work with the Town Attorney to resolve the matter consistent with our ethical responsibilities.

Staffing and Legal Fees. I will be the Town's primary contact for our Firm's work on the Contract with support from Molly McCabe and Carlos Manzano and our tax partner, Mike Larsen. The Firm will provide services as bond counsel for the Contract for a fee of \$25,000.

Standard Terms of Engagement. Additional information regarding fees and other important matters is set forth in the enclosed Standard Terms of Engagement, which are incorporated as part of this letter. Please review this letter and the Standard Terms of Engagement carefully.

We sincerely appreciate the opportunity to serve as bond counsel for the Town of North Topsail Beach in connection with the execution and delivery of the Contract. If the provisions set forth above are consistent with your understanding, please sign on the following page, keep a copy of the letter for yourself and return the original to us for our records.

Very truly yours,

Rebecca B. Joyner
Rebecca B. Joyner

cc: Carlos Manzano, Esq.

Ms. Caitlin Elliott
October 23, 2023
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ACCEPTED:

TOWN OF NORTH TOPSAIL, NORTH CAROLINA

Ms. Caitlin Elliott
Finance Officer

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. Conclusion of Representation: Retention and Disposition of Documents. Unless previously terminated, our representation of the client in this matter will conclude upon our sending the client our final statement for services rendered in the matter. At its request, the client's documents and property will be returned to it, although we reserve the right to copy any documents we deem appropriate. Our files and documents pertaining to the matter will be retained by the Firm. For various reasons, including the minimization of unnecessary storage expenses, and consistent with applicable professional conduct rules, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us 5 years after the termination of the engagement, without further notice to the client.

7. 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 or elects not to consummate the financing, the Firm and the client will mutually agree at that time on appropriate compensation based on the amount of time the Firm has spent on the matter to that date.