

VIII

R. C. No. 262 - 21 - 22. By FINANCE AND PERSONNEL COMMITTEE.  
April 6, 2022.

Your Committee to whom was referred Res. No. 171-21-22 by Alderpersons Mitchell and Filicky-Peneski authorizing the appropriate City Officials to execute an engagement letter with Quarles & Brady LLP to serve as disclosure counsel with regard to General Obligation Promissory Notes; recommends adopting the Resolution.

_____	_____
_____	_____
_____	_____

Committee

I HEREBY CERTIFY that the foregoing Committee Report was duly accepted and adopted by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor

III

Other Matters

Res. No. 171 - 21 - 22. By Alderpersons Mitchell and Filicky-Peneski.  
March 21, 2022.

A RESOLUTION authorizing the appropriate City Officials to execute an engagement letter with Quarles & Brady LLP to serve as disclosure counsel with regard to General Obligation Promissory Notes.

RESOLVED: That the appropriate City officials are hereby authorized to enter into the attached engagement letter with Quarles & Brady LLP to serve as disclosure counsel for the City of Sheboygan regarding the issuance of \$2,215,000 in General Obligation Promissory Notes, Series 2022A.

FAP

  
\_\_\_\_\_  
R. Filicky-Peneski

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor



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Tucson  
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March 21, 2022

**VIA EMAIL**

Ms. Meredith DeBruin  
City Clerk  
City of Sheboygan  
City Hall  
828 Center Avenue  
Sheboygan, WI 53081-4442

**Re: Scope of Engagement Re: Disclosure Counsel – City of Sheboygan  
\$2,215,000 General Obligation Promissory Notes, Series 2022A (the "Notes")**

Dear Meredith:

As you know, we are working with the City of Sheboygan (the "City") as its bond counsel in connection with the issuance of the Notes. We have provided the City with an engagement letter ("Bond Counsel Scope of Engagement Letter") detailing our role and responsibilities as bond counsel and related matters with respect to the Notes.

We are pleased that we are also serving as the City's disclosure counsel in connection with the Notes. Thank you for your confidence in us. This engagement letter describes the scope of services we will provide as the City's disclosure counsel. If you have any questions about this letter or the services we will provide, or if you would like to discuss modifications, please contact me.

*Scope of Services.* This engagement to serve as the City's disclosure counsel will be a limited, special counsel engagement. The focus of this engagement will be to review the disclosure documents prepared in connection with the sale of the Notes, including the Preliminary Official Statement and Official Statement, or other, similar documents (collectively, the "City's Offering Document"). It is the City's responsibility to verify the information contained in the materials provided to us or confirmed for us by the City. As set forth below in the terms of our engagement, we will not undertake an independent investigation to verify the accuracy or completeness of this information. Nor will we render any opinion or make any representation as to the suitability of the Notes for investment by any investor.



In our capacity as the City's disclosure counsel:

- We will review the City's Offering Document and undertake due diligence with respect to the material representations therein so that we may provide the negative assurance letter described in the following paragraph. Our due diligence will consist of reviewing materials provided to us or confirmed for us by the City; reviewing the City's responses to questions posed in a due diligence questionnaire; assisting the City in its review of its continuing disclosure compliance in the last five years (although the City is ultimately responsible for this review and for such compliance); and discussing the City's Offering Document with the City and Ehlers and Associates, Inc., Waukesha, Wisconsin ("Ehlers"). As noted in the paragraph below, we will not make an independent investigation to verify the accuracy or completeness of the information and facts included in the City's Offering Document, beyond reviewing the materials provided to us or confirmed for us by the City. It is the City's responsibility to verify all such information.
- Subject to satisfactory completion of our due diligence, we will provide the City with a negative assurance letter that, based on our review of the City's Offering Document, our examination of certain materials provided by the City and its representatives, and our participation in conferences and conversations with the City and its representatives, no information has come to the attention of the attorneys in our firm rendering legal services in connection with the matter that has caused them to believe that the Preliminary Official Statement contained as of its date or the Final Official Statement contained as of its date or contains as of the date hereof any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, we do not express any belief with respect to any financial and statistical data and forecasts, projections, numbers, estimates, assumptions and expressions of opinion, information about bond insurers, or any information regarding the Depository Trust Company and the book-entry system for the Notes contained or incorporated by reference in the City's Offering Document and its appendices, which we expressly exclude from the scope of this paragraph.

In providing this negative assurance letter, we will rely on certifications provided by the officers of the City and others furnished to us. As noted, we will not make an independent investigation to verify the accuracy or completeness of the information and facts included in the City's Offering Document. We expect to provide Ehlers with a separate letter allowing it to rely on the above-described negative assurance letter. Our negative assurance letter is not a guarantee; although we expect our due diligence review to assist the City in identifying, confirming and presenting potentially material information, neither our participation in the financing nor our provision of the above-described negative assurance letter will relieve the City of its obligations under the federal securities laws. In particular, ultimate responsibility for disclosing to potential purchasers of the Notes all City information material to their investment decision rests with the City.

All matters other than those set forth above are outside the scope of our engagement as the City's disclosure counsel. Such matters include without limitation any obligation to any underwriter, placement agent or financial advisor involved with the issuance of the Notes other than providing a reliance letter as described above, if applicable. In particular we wish to note that this engagement does not entail any responsibility for us to review matters or provide advice to any party with respect to such matters as the rules promulgated by the Municipal Securities Rulemaking Board ("MSRB"), "blue sky" securities law matters, or other general securities law matters pertaining to any party's status as a broker-dealer or municipal advisor. Nor does this engagement entail any responsibility to advise or assist the City with respect to its ongoing obligation to comply with continued disclosure requirements, if applicable.

Further, we are neither qualified nor engaged to provide financial advice, and hence we will make no representation whatsoever about the suitability of the Notes for purchase by investors, the desirability of the proposed plan of finance, the feasibility of the project(s) financed or refinanced by the Notes, or any such related matters.

*Term of Engagement.* Either the City or Quarles & Brady may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. If the City terminates our services, the City is responsible for promptly paying us for all fees, charges, and expenses incurred before the date we receive termination. We reserve the right to withdraw from representing the City if, among other things, the City fails to honor the terms of this engagement letter – including the City's failing to pay our bills, the City's failing to cooperate or follow our advice on a material matter, or our becoming aware of any fact or circumstance that would, in our view, render our continuing representation unlawful or unethical.

Unless previously terminated, our representation will terminate when we send to City (or its representative) our final bill for services rendered. If the City requests, we will promptly return the City's original papers and property to you, consistent with our need to ensure payment of any outstanding bills. We may retain copies of the documents. We will keep our own files, including attorney work product, pertaining to our representation of the City. For various reasons, including the minimization of unnecessary storage expenses, we may destroy or otherwise dispose of documents and materials a reasonable time after termination of the engagement.

*City Responsibilities.* We will provide legal counsel and assistance to the City in accordance with this letter and will rely upon information and guidance the City and its personnel provide to us. We will keep the City reasonably informed of progress and developments, and respond to the City's inquiries. To enable us to provide the services set forth in this letter, the City will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. The officers and agents of the City will review the City's Offering Document, participate in a due diligence conference to review the City's Offering Document and provide a certificate as to the accuracy and completeness of the City's Offering Document stating that it does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading. The City agrees to pay our bills for services and expenses in accordance with this engagement letter. The City will also cooperate fully with us and be available to attend meetings, conferences, hearings and other proceedings on reasonable notice, and stay fully informed on all developments relating to this matter.



*Staffing.* Alex Gore will handle day-to-day matters with respect to this engagement, with assistance from Jessica Kaye, a Paralegal in our Public Finance Group. We may call upon other lawyers in our Public Finance, Securities Law, or other firm practice groups as necessary. It is our mission to provide the highest quality legal services in an efficient, economical manner. As a result, we involve attorneys and staff at our firm with the experience appropriate to the task at hand. If you have any questions or comments about our services, staffing, billings or other aspects of our representation, please contact me. It is important to me and to Quarles & Brady LLP that the City finds satisfaction in our representation and our responsiveness at all times.

*Fees and Expenses.* Based on: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Notes; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to this engagement; and (iv) the responsibilities we will assume in connection therewith, we estimate that our fee will be \$7,800. Our fees and expenses may vary: (a) if the principal amount of Notes actually issued differs significantly from our current understanding; (b) if material changes in the structure or contemplated schedule of the financing occur; or (c) if unusual or unforeseen circumstances arise which require an increase in our time or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will advise you. Our fee is usually paid at the Closing out of proceeds of the Notes by the purchaser of the Notes. We customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing. If, for any reason, the Bond financing is not consummated or is completed without the rendition of our opinion as disclosure counsel, we will expect to be compensated by the District at our normal hourly rates for time actually spent, plus out-of-pocket expenses.

*Opinions and Beliefs.* Since the outcome of financial transactions such as the issuance of the Notes is subject to factors that cannot always be foreseen, such as the uncertainties and risks inherent in the transactional process, it is understood that we have made no promises or guarantees to the City concerning the outcome of this or any other matter and cannot do so.

*Other Matters.* This letter is meant to supplement our Bond Counsel Engagement Letter. As such, we refer to that letter's statements regarding our firm's status as a limited liability partnership, conflicts, and related items, all of which are incorporated here and do not change by virtue of this expansion to our role.

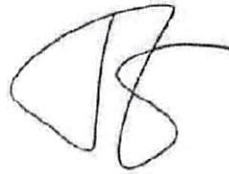
*Other Matters.* Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

Ms. Meredith DeBruin  
March 21, 2022  
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We ask that you acknowledge this letter by signing below and returning a copy to me. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you. We are pleased to have this opportunity to represent you and assure you that we will represent the City as diligently and economically as possible.

Very truly yours,

QUARLES & BRADY LLP



Jeffrey D. Peelen

JDP:jkent

cc: Mr. Todd Wolf (via email)  
Ms. Kaitlyn Krueger (via email)  
Ms. Melissa Clevenger (via email)  
Charles C. Adams, Esq. (via email)  
Rebecca A. Speckhard, Esq. (via email)  
Thomas Cameron, Esq. (via email)  
Alex Gore, Esq. (via email)  
Ms. Jessica Kaye (via email)  
Ms. Sue Porter (via email)

**ACCEPTED AND AGREED**

The undersigned, by duly authorized signature below, agrees to engage you pursuant to the terms set forth in this letter.

Accepted and Approved:

CITY OF SHEBOYGAN

By: \_\_\_\_\_

Its: \_\_\_\_\_

Title

Date: \_\_\_\_\_