

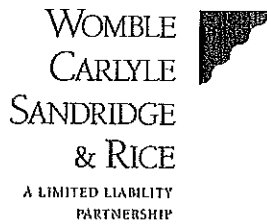
**SPECIAL MEETING OF TOWN COUNCIL**

**AGENDA**  
**July 7, 2016**

**SPECIAL COUNCIL MEETING**

**(6:00 PM)**

1. Invocation
2. Pledge of Allegiance
3. Consideration of a Bond Counsel Engagement Letter from Womble, Carlyle, Sandridge & Rice (see attached letter)
4. Discussion Regarding the Pavilion Project at Veteran's Park
5. Adjourn



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June 24, 2016

Timothy Barth  
Town Manager  
Town of Columbus  
95 Walker Street  
Columbus, NC 28722

Re: Water and Sewer System Improvement Financing for the Town of Columbus,  
North Carolina

Dear Mr. Barth:

We are delighted to be engaged as bond counsel to the Town of Columbus in connection with the above-referenced financing. We wish to take this opportunity to set forth the scope of the services we propose to render and the terms of our engagement.

#### ROLE OF BOND COUNSEL

Bond counsel is engaged as a recognized independent legal expert whose primary responsibility is to render an objective legal opinion with respect to the due authorization, issuance, validity and tax-exempt status of Bonds. We will provide all services customarily rendered by bond counsel in connection with the authorization and issuance of the Bonds, including (a) preparation of the various Town proceedings, notices, certificates and other legal documentation of the Town and various other governmental authorities, (b) rendering legal advice as to the tax consequences of the financing and (c) advising the Town in structuring the Bond issue and expending the proceeds thereof in order for the Bonds to comply with the applicable federal tax laws.

Under the plan of finance, the financing will be provided by a revenue bond issue by the Town, with USDA to purchase the entire bond issue. Under the usual USDA procedures, USDA will not purchase the revenue bonds until the project has been completed. The Town will thus have to issue one or more issues of bond anticipation notes, with the note proceeds to be used to provide construction financing. It is often necessary for note issuers to issue one or more issues of "roll-over notes" to refinance maturing notes until construction is completed. When construction is completed, the revenue bonds will be issued to pay off the maturing notes and provide the permanent financing. Our work as bond counsel will include preparing all documents and proceedings required for the note issues and the bond issue.

## LEGAL OPINION

In connection with each issue of Notes or Bonds, subject to our satisfactory review of all proceedings and other documentation, we will render an approving legal opinion substantially to the effect that:

1. The proceedings show lawful authority for the issuance and sale of the [Bonds][Notes] pursuant to The Local Government Finance Act, Chapter 159, as amended, of the General Statutes of North Carolina.

2. The [Bonds][Notes] constitute valid and binding general obligations of the Town, for the payment of the principal of and the interest on which all taxable real and tangible personal property within the Town is subject to the levy of ad valorem taxes, without limitation as to rate or amount.

3. Assuming continuing compliance by the Town with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended, interest on the [Bonds][Notes] is not includable in the gross income of the owners thereof for purposes of federal income taxation. Interest on the [Bonds][Notes] is exempt from all State of North Carolina income taxes.

In rendering each of our approving legal opinions, we will rely upon the certified copies of proceedings and certificates of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

Each opinion will be signed and delivered by us in written form on the date the Bonds or Notes are exchanged for their purchase price and will be based on facts and law existing as of that date. Upon delivery of our opinion with respect to the Bonds, our responsibilities as bond counsel will be concluded with respect to the particular financing. Specifically, we do not undertake (unless separately engaged) to provide continuing advice to the Town or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes. You may, of course, consult with us as you believe necessary or appropriate for advice on specific questions regarding compliance with the federal tax laws.

In performing our services as bond counsel, our client will be the Town, and we will represent the Town's interests. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our representation of the Town does not alter our responsibility to render an objective legal opinion as bond counsel.

## COMPENSATION

We propose a total fee to the Town of Columbus for this matter of \$15,000. We typically would submit a fee for services to date when the bond anticipation notes are issued, with a final statement for services when the bonds are issued. We will also bill the Town for out-of-pocket

expenses incurred in connection with the engagement, such as copying, express delivery services, lodging and mileage.

#### COMPLETION OF SERVICES

At the conclusion of our work for you on this matter, we will return to you, upon request, any materials you have furnished us in connection with this representation. Thereupon, we will store files respecting this matter for a minimum of six (6) years following the conclusion of our representation of you in this matter, and we will provide you with access to those files upon request. After six years from the conclusion for our representation in this matter, we will review the stored files with respect to whether they should be retained or destroyed. We disclaim any obligation to provide further notice to you before destroying the files concerning this matter at any time after six years from the conclusion of our representation of you in this matter.

#### INTERNAL ADVICE AND PRIVILEGE

Womble Carlyle Sandridge & Rice, LLP is a multi-jurisdictional law firm representing many clients and handling a large number of complex matters each year. As a result, conflict of interest issues arise and, from time to time, may even include disputes between the firm and our own clients over the handling of a matter. Under such circumstances, we need the ability to seek expert analysis of our obligations from our firm personnel assigned to such matters (General Counsel's office) or outside counsel without waiving any attorney client privilege. We believe that seeking expert advice is in our clients' interest as well as our own. Accordingly, in accepting the terms of our engagement, you consent to our seeking advice from our General Counsel's office or outside counsel of our choosing on legal ethics or related issues that may arise during our representation of the Town and that our representation of the Town shall not, thereby, waive any attorney-client privilege that Womble Carlyle Sandridge & Rice, LLP may have to protect the confidentiality of our communications with counsel.

We wish to express our sincere appreciation to the Town of Columbus for entrusting this matter to our firm. If you have any questions regarding the terms of our engagement, please do not hesitate to give me a call.

Very truly yours,  
WOMBLE CARLYLE SANDRIDGE & RICE  
*A Limited Liability Partnership*



Jonathan T. Mize