

19-0426



411 East Wisconsin Avenue  
Suite 2400  
Milwaukee, Wisconsin 53202-4426  
414.277.5000  
Fax 414.271.3552  
www.quarles.com

Attorneys at Law in  
Chicago  
Indianapolis  
Madison  
Milwaukee  
Minneapolis  
Naples  
Phoenix  
Scottsdale  
Tampa  
Tucson  
Washington, D.C.

April 8, 2019

VIA EMAIL

Ms. Deborah A. Neuser  
City Clerk  
City of Manitowoc  
City Hall  
900 Quay Street  
Manitowoc, WI 54220

Scope of Engagement Re: Proposed Defeasance of City of Manitowoc (the "City")  
Electric Power System Revenue Refunding Bonds, Series 2014, dated November 10,  
2014

Dear Ms. Neuser:

We are pleased to be working with you again as the City's bond counsel.

The purpose of this letter is to set forth the role we propose to serve and responsibilities we propose to assume as bond counsel to the City in connection with the defeasance of the above-referenced Bonds (the "Securities") by the City.

Role of Bond Counsel

Our bond counsel engagement is a limited, special counsel engagement. Bond counsel is engaged as a recognized independent expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of municipal obligations. If you desire additional information about the role of bond counsel, we would be happy to provide you with a copy of a brochure prepared by the National Association of Bond Lawyers.

As bond counsel we will: examine applicable law; prepare authorizing and closing documents; consult with the parties to the transaction, including the City's financial advisor (if any) prior to the defeasance of the Securities; review certified proceedings; and undertake such additional duties as we deem necessary to render the opinion. As bond counsel, we do not advocate the interests of the City or any other party to the transaction. We assume that the parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

1. The escrow agreement has been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of the escrow agreement by the other parties thereto, constitutes a valid and binding obligation of the City, enforceable in accordance with its terms.
2. If the interest on the Securities is currently excludable for federal income tax purposes from the gross income of the owners of the Securities, the establishment of the escrow account will not cause the loss of such exclusion from federal income taxation.
3. Based on the provisions of the authorizing resolution, the bonds are deemed to be paid under the resolution, are no longer secured by or entitled to the benefits of the resolution, except for the purposes of payment from the moneys and securities in the escrow account, and all of the requirements for the defeasance of the bonds have been complied with.

The opinion will be executed and delivered by us in written form on the date the escrow account for defeasance of the Securities is funded (the "Closing") and will be based on facts and law existing as of its date. Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this transaction, specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide any post-closing compliance services including any assistance with the City's continuing disclosure commitment, ongoing advice to the City or any other party concerning any actions necessary to assure that interest paid on the Securities will continue to be excluded from gross income for federal income tax purposes, or participating in an Internal Revenue Service, Securities Exchange Commission or other regulatory body survey or investigation regarding or audit of the Securities.

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.

The services we will provide under this engagement are strictly limited to legal services. We are neither qualified nor engaged to provide financial advice and we will make no representation about the desirability of the proposed plan of finance, the feasibility of the projects financed or refinanced by the Securities, or any related matters.

Diversity of Practice; Consent to Unrelated Engagements

Because of the diversity of practice of our firm, members of our firm other than those who serve you may be asked to represent other clients who have dealings with the City regarding

Ms. Deborah A. Neuser  
April 8, 2019  
Page 3

such matters as zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel work. Ethical requirements sometimes dictate that we obtain the City's consent to such situations even though our service to you is limited to the specialized area of bond counsel. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel work does not usually provide us information that will be disadvantageous to you in other representations. We do not believe that such representations of others would adversely affect our relationship with you, and we have found that local governments generally are agreeable to the type of unrelated representation described above. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type. Your approval of this letter will serve to confirm that the City has no objection to our representation of other clients who have dealings with the City, unrelated to the borrowing and finance area or any other area in which we have agreed to serve it. If you have any questions or would like to discuss this consent further, please call us.

We also want to advise you that from time to time we represent underwriters and purchasers of municipal obligations, as well as other bond market participants. In past transactions or matters that are not related to the issuance of the Securities and our role as bond counsel, we may have served as counsel to the financial institution that has or will underwrite, purchase or place the Securities or that is serving as the City's financial advisor. We may also be asked to represent financial institutions and other market participants, including the underwriter, purchaser or placement agent of the Securities or the City's financial advisor, in future transactions or matters that are not related to the issuance of the Securities or our role as bond counsel. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

#### Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the defeasance transaction, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee as bond counsel will be \$6,000, including all out-of-pocket expenses. Such fee and expenses may vary: (i) if material changes in the structure of the defeasance occur, or (ii) if unusual or unforeseen circumstances arise which require a significant increase in our time, expenses or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. It is our understanding that the City is responsible for our fee and that it will be paid out of the funds deposited in the escrow account at Closing by the escrow agent.

Ms. Deborah A. Neuser  
April 8, 2019  
Page 4

If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates for time actually spent, plus out-of-pocket expenses. Our fee is usually paid either at the Closing or pursuant to a statement rendered shortly thereafter. We customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

#### Limited Liability Partnership

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.

#### Conclusion and Request for Signed Copy

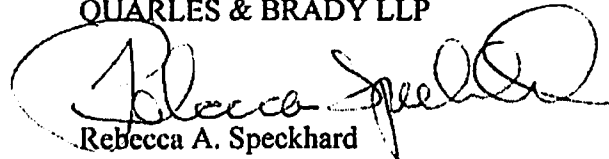
If the foregoing terms of this engagement are acceptable to you, please so indicate by returning a copy of this letter dated and signed by an appropriate officer, retaining the original for your files. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you.

Ms. Deborah A. Neuser  
April 8, 2019  
Page 5

We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:SMW:bes  
#630561.00070

cc: Mr. Steven Corbeille (via email)  
Ms. Mackenzie Reed-Kadow (via email)  
Kathleen McDaniel, Esq. (via email)  
Mr. Nilaksh Kothari, (via email)  
Ms. Cynthia Carter (via email)  
Mr. Bradley D. Viegut (via email)  
Ms. Emily Timmerman (via email)  
Mr. Jordan Masnica (via email)  
Mr. Tim Wiencek(via email)

Accepted and Approved:

CITY OF MANITOWOC

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

Its: Mayor \_\_\_\_\_  
Title

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

By: \_\_\_\_\_  
Deborah Neuser, City Clerk