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March 5, 2024

VIA EMAIL

Shawn Alfred
Finance Director
City of Manitowoc
900 Quay Street
Manitowoc, WI 54220

Re: Not to Exceed \$5,100,000 City of Manitowoc Revenue Bonds, Series 2024
(The Manitowoc Lutheran High School Federation, Incorporated Project)
(the "Bonds")

Dear Shawn:

We appreciate the opportunity to serve as special issuer's counsel to the City of Manitowoc, Wisconsin (the "City") in connection with the issuance of the Bonds as industrial revenue bonds pursuant to Section 66.1103, Wisconsin Statutes. While we generally serve as the City's bond counsel in connection with its traditional municipal finance projects, we would not be serving as bond counsel in connection with the Bonds. The purpose of this letter is to set forth the role we would serve and responsibilities we would assume as special issuer's counsel in connection with the issuance of the Bonds.

Scope of Services. In our role as special issuer's counsel relating to the issuance of the Bonds, we will:

- examine the applicable law;
- review authorizing and closing documents such as the initial and final resolutions, the indenture, bond agreement or similar governing document, and closing certificates prepared by bond counsel and other counsel in the transaction;
- review the portions of the offering document, if any, for which the City assumes responsibility;
- consult, when necessary, with the parties to the transaction;
- attend meetings as requested by the City;
- review certified proceedings; and
- undertake such additional duties as requested by the City.

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Subject to the completion of the proceedings, we will advise the City as follows:

1. That the City has the authority to issue the Bonds contemplated in the proposed financing;
2. That the financing documents are in customary form for conduit municipal financings of the type being considered, including provisions regarding limitation of liability, indemnification and reimbursement of expenses; and
3. That the Bonds are payable solely from revenues or other collateral provided by or on the behalf of The Manitowoc Lutheran High School Federation, Incorporated (the "Borrower") and do not constitute an indebtedness of the City within the meaning of any State constitutional provision or statutory limitation, nor give rise to a charge against the City's general credit or the City's taxing powers nor create a pecuniary liability of the City and that such limitation of liability is plainly stated on the face of each Bond issued.

As special issuer's counsel, we do not undertake to review or opine as to other matters relating to the financing, such as the validity and enforceability of the Bonds, the creditworthiness of the Borrower, the security for the Bonds or feasibility of the project(s) being financed by the Bonds, the adequacy of the revenues or other collateral for the Bonds, compliance by the City with the procedural requirements of Section 66.1103 of the Wisconsin Statutes, the adequacy of disclosure with respect to the sale of the Bonds, compliance with any federal or state securities laws, or any related matters. We assume that these matters will be the responsibility of other professionals and counsel to the transaction, including, but not limited to, the bond counsel selected by the Borrower (Husch Blackwell LLP), purchaser's or underwriter's counsel, the Borrower's counsel and bank counsel (if any).

In delivering any requested written opinion as special issuer's counsel, we will rely upon facts certified as true in the certified transcript of the proceedings or represented to us as true by officers of the City, and will not undertake to verify any fact by independent investigation.

As you are aware, the Internal Revenue Service has in recent years substantially increased its audit activity of conduit financings. In an audit, the issuer of a conduit bond financing, and not the borrower, is treated as the issuer and therefore the City, as issuer, would become directly involved in the audit process, incurring potentially significant staff costs and legal expenses if the financing were to be selected for an audit and the Borrower does not comply with its contractual obligations to reimburse the City for such costs. Please be aware that the IRS would impute knowledge of such matters as, for example, the nature of the project, the investment and expenditure of Bond proceeds, and the structure of the financing, to the City as issuer of the Bond, even though the City may not have any actual knowledge or involvement in or control over those matters.

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 by the Bond, or any related matters.

Conclusion of Engagement. Our representation of the City as special issuer's counsel in connection with the Bonds will be concluded on the closing of the Bonds; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide continuing advice to the City or to represent the City in an Internal Revenue Service, SEC, or other regulatory survey or audit of the Bonds.

Staffing and Fees. Our services as special issuer's counsel will be billed on an hourly basis at our customary rates. I would expect to perform the majority of the work on this matter with the assistance of Thomas Cameron, an associate in the Public Finance Group. My current hourly rate is \$820 and Thomas's hourly rate is \$475. Our rates are adjusted annually on October 1. For informational purposes only, it is our experience that fees incurred in this type of representation may range from \$10,000 to \$15,000, but this amount could vary significantly depending upon individual circumstances and actual time spent. For example, this amount will be significantly higher if we are asked to attend meetings of the Common Council or any of its committees or participate in weekly working group calls for an extended period of time, extensive conference calls, or if there are significant changes to the structure of the Bonds requiring significant redrafts of documents in the course of the financing. It is our understanding that, as is customary, our fees, together with any out-of-pocket expenses, will be the responsibility of the Borrower, and we will provide a letter to the Borrower outlining these fees and their responsibility for them. At the conclusion of our engagement as special issuer's counsel, we will send our statement for services rendered directly to the Borrower.

Potential Unrelated Matters Involving the City. Because of the diversity of practice of our firm, the firm may be asked to represent other clients in matters adverse to the City, for example, in zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our issuer's counsel work. Ethical requirements require that we obtain the City's consent to such representations. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our issuer's 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. Your approval of this letter will serve to confirm that the City consents and agrees to our representation of other present or future clients in matters adverse to the City which are not substantially related to the borrowing and finance area or any other area in which we have agreed to serve it. We agree, however, that your prospective consent to conflicting representation contained in this paragraph shall not apply in any instance where, as a result of our representation of the City, we have obtained proprietary or other confidential information, that, if known to the other client, could be used by that client to your material disadvantage. We will not disclose to the other client(s) any confidential information received during the course of our representation of the City. 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 Bonds and our role as issuer's counsel, we may have served as counsel to the financial institution that has or will underwrite, purchase or place the Bonds. We may also be asked to represent financial institutions and other market participants, including the underwriter, purchaser or placement agent of the Bonds, in future transactions or matters that are not related to the issuance of the Bonds or our role as issuer's counsel. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

Organization of Firm; Malpractice. 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.

Shawn Alfred
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If the foregoing terms of this engagement are acceptable to you, please so indicate by returning the enclosed 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.

We are proceeding with our work as special issuer's counsel to the City and will review documents provided to us and provide written opinions as requested.

If you have any questions, please do not hesitate to call me at any time.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:TDC

cc: Mackenzie Reed (via email)
Eric Nycz, Esq. (via email)
Thomas Cameron (via email)

Accepted and Approved:

CITY OF MANITOWOC, WISCONSIN

By: _____

Its: _____

Date: _____

From: [Henning, Elizabeth S.](#) on behalf of [Speckhard, Rebecca A.](#)
To: [Shawn Alfred](#)
Cc: [Mackenzie Reed](#); [Eric Nycz](#); [Cameron, Thomas D.](#); [Speckhard, Rebecca A.](#)
Subject: External: Scope of Engagement - City of Manitowoc
Date: Tuesday, March 5, 2024 3:44:05 PM
Attachments: [ProdSignaturelogo160x38_64d3e7bc-f309-4153-a6ea-5dc9cc1fee40.png](#)
[Manitowoc, C of - 2024 Revenue Bonds - Scope Letter.pdf](#)

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**Re: Not to Exceed \$5,100,000 City of Manitowoc Revenue Bonds, Series 2024
(The Manitowoc Lutheran High School Federation, Incorporated Project)**

Attached is our Scope of Engagement letter dated March 5, 2024 in connection with the above-referenced issue.

Please feel free to contact me at (414) 277-5761 or any member of the Quarles & Brady LLP public finance team if you have any questions or comments.



Elizabeth S. Henning | Legal Assistant

Elizabeth.Henning@quarles.com | D. 414-277-5261

Quarles & Brady LLP

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