womblebonddickinson.com

WOMBLE BOND DICKINSON

March 10, 2025

Womble Bond Dickinson (US) LLP

555 Fayetteville Street
Suite 1100
Raleigh, NC 27601

t: 919.755.2100
f: 919.755.2150

Jonathan T. Mize
Partner
Direct Dial: 919-755-2187
Direct Fax: 919-755-6076
E-mail: Jon.Mize@wbd-us.com

VIA EMAIL

Reginald Goodson, Esq.
Interim City Manager
Elizabeth City, North Carolina
Gardner Municipal Building
306 E. Colonial Avenue, 2nd Floor
Elizabeth City, North Carolina 27907

Re: Bond Counsel Services to Elizabeth City, North Carolina

Dear Mr. Goodson:

We are delighted to serve as bond counsel to the City of Elizabeth City, North Carolina ("the City" or "you") in connection with the authorization, issuance, sale and delivery of general obligation bonds, revenue bonds and installment financing obligations (collectively, the "Bonds"). We wish to take this opportunity to set forth the scope of the services we propose to render and the terms of our engagement. We have attached to this letter our Standard Terms of Engagement (the "Engagement Terms"). The Engagement Terms are incorporated by reference herein and, together with this letter, set forth the complete terms of our engagement for the Matter.

SCOPE OF REPRESENTATION

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 status of the Bonds. We will provide all services customarily rendered by bond counsel in connection with the authorization, sale and issuance of the Bonds, including (a) preparation of the various City Council proceedings, notices, certificates and other legal documentation of the City and various other governmental authorities, (b) preparation of the various financing documents relating to the issuance of the Bonds, (c) rendering legal advice as to

the tax consequences of the financing and (d) review of the Preliminary Official Statement, the Official Statement and Bond Purchase Agreement relating to the Bonds.

The scope of our work does not include any real estate work relating to the financing (i.e., title searches, procurement of title policy, recording of security instruments, etc.). We assume that this work will be handled by the City Attorney's office or other local counsel engaged by the City. However, we will assist the City with the coordination of any such work.

CLIENT

In performing our services as bond counsel, our client will be the City, and we will represent the City'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 City does not alter our responsibility to render an objective legal opinion as bond counsel.

LEGAL OPINION

Subject to our satisfactory review of all proceedings and other documentation, we will render an approving legal opinion relating to the validity and tax status of Bonds. The opinion will be signed and delivered by us in written form on the date the Bonds are exchanged for their purchase price and will be based on facts and law existing as of that date. In rendering our approving legal opinion, we will rely upon certified copies of proceedings and certificates of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. The opinion will contain certain qualifications and assumptions that are customary for opinions of bond counsel delivered in North Carolina bond transactions. Upon delivery of our opinion with respect to the Bonds, our responsibilities as bond counsel will be concluded with respect to the Bonds. 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.

OFFICIAL STATEMENT

As bond counsel, we will not assume or undertake responsibility for the preparation of an Official Statement or any other disclosure document with respect to the Bonds, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. Although we will assist the City, the underwriters and underwriters' counsel in preparing the presentation of material in the Official Statement, we will not be responsible for verifying or investigating the accuracy of any factual statement made therein, except that we will provide certain opinions to the underwriters with respect to the accuracy of certain sections of the Official Statement summarizing the terms of the Bonds, the financing documents and the tax treatment of the Bonds.

FEES AND CHARGES

At present, the City's plan of finance is in development and all the tasks involved in its financings are not known. Thus, we are unable to propose a firm amount of fees for our legal services. This is not uncommon for many of the bond issues in which we are engaged.

Our customary arrangement for our bond counsel engagements is that we do not submit monthly invoices based on an hourly rate, but we are compensated for our services following a successful closing on the applicable financing. The amount of our fee is typically negotiated during the month or so before the closing based on the amount of work required to have the transaction in order at that point and is typically paid from the proceeds of the financing. The amount we charge will be the result of our direct discussion with the City and would be based on the amount of time required to deliver our services, the complexity of the transaction, whether there are multiple structures in the financing and similar issues. We expect that the fees we and the City ultimately agree upon will be in line with similar transactions in North Carolina. We would add that this is the approach we have taken over the years with all of our local government clients, and we have never failed to reach a mutually agreeable fee for our services rendered.

CONFLICTS OF INTEREST

Our firm represents a number of financial institutions on other unrelated matters. It is possible that the financial institution that the City chooses as the underwriter or lender for this transaction may be a client of our firm with respect to unrelated matters. Because of our representation of the City in this financing and our representation of the financial institution in other unrelated matters, we hereby request that the City waive any conflict of interest that might arise on account of our representation of the Town in connection with the financing, and the simultaneous representation in unrelated transactions of the selected financial institution. We agree that the City's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the City, we have obtained proprietary or other confidential information of a non-public nature, that, if known to the financial institution, could be used in any such other matter by such client to the City's material disadvantage..

ENTIRE AGREEMENT

This letter, together with the Engagement Terms, constitutes the entire agreement (the "Agreement") between us and the City regarding the Matter. The Engagement Terms govern not only the Matter, but also any subsequent engagements undertaken by mutual written agreement, unless we reach a different written understanding. It is understood and agreed that any changes, modifications or alterations of the Agreement shall be in writing and executed by both Client and the Firm. Any other policies, guidelines or directives from the Client shall not modify the Agreement unless agreed to in writing by the Firm.

CONSENT TO TERMS

By instructing us to proceed with the Matter, you agree that the terms of this agreement will govern our relationship and that you consent to the terms hereof. We would, however, prefer and appreciate your return of a signed copy of this letter. The effective date of the agreement is the date upon which our services commence.

We wish to express our sincere appreciation to the City for entrusting this matter to us. If you have any questions regarding the terms of our engagement, please do not hesitate to give me a call. Otherwise, we would appreciate it if you would execute this letter as indicated below and return a signed copy to us for our files. Please note that if you do not sign and return this letter, your continuation to work with our firm in connection with this matter will constitute your full acceptance of the terms and conditions set forth herein.

We look forward to working with you on this financing.

Sincerely,

WOMBLE BOND DICKINSON (US) LLP

Jonathan T. Mize

AGREED AND ACCEPTED:

Elizabeth City, North Carolina

By:_____

Date:_____

Name:_____

Title:_____

Standard Terms of Engagement

Thank you for choosing Womble Bond Dickinson (US) LLP ("Womble" or the "Firm" or "we"). This document includes our standard terms of our engagement as your lawyers. These terms are incorporated by reference into our engagement letter ("Engagement for Legal Services") with you ("Client" or "you") and, together with such engagement letter, constitutes the complete terms of our engagement in connection with the matter described in such engagement letter (the "Matter"). We ask that you review these terms carefully and contact us if you have any questions.

Scope of Womble's Representation of Client

The scope of the legal services that we will provide is described in the accompanying Engagement for Legal Services.

It is our policy that the person or entity that we represent is the person or entity identified as the Client in our Engagement for Legal Services and does not include any related entities unless specifically referred to in the Engagement for Legal Services. For example, if the Client is a corporation or partnership, related entities could include parents, subsidiaries, shareholders, partners, employees, officers, directors, relatives, shareholders or partners of the corporation or partnership, or other affiliated entities (together, the "Related Parties"). Therefore, unless specifically referenced in our Engagement for Legal Services, the Firm does not represent any Related Parties. It also is our policy that the attorney-client relationship will be considered terminated upon our completion of any services that you retained us to perform. If, in the future, Client wishes to retain the Firm in any additional matter or capacity, such future representation should be the subject of additional discussions and a new separate engagement letter.

Except as may be otherwise provided in the Engagement for Legal Services, our engagement does not include any advice or other legal services relating to federal or state securities laws, including appearing or practicing before the U.S. Securities and Exchange Commission (SEC) or Client's disclosure obligations under such laws, and we understand that the Client will not, without our prior written consent, include documents or information we provide to it in any filings with federal or state securities regulators, including the SEC.

The Firm's Obligations to You

The Firm agrees to use its best efforts, consistent with the standard of care acceptable for the relevant subject matter and jurisdiction, to represent the Client's interests in the Matter and to keep the Client inform ed about the Matter.

Any predictions on the Firm's part concerning the outcome of legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are limited by our knowledge of the facts and are based on the law and the facts known to us at the time they are expressed. There may be unknown or uncertain factors or conditions outside of our control that may impact the outcome of the Matter. Due to the vagaries of legal matters, we cannot guarantee the outcome of any matter.

Client's Duties to the Firm

You will provide us with truthful, accurate information and materials as we require to perform legal services on your behalf.

We will act at your direction and keep you advised of the status of the Matter, and of significant developments as they occur. In turn, we ask that you keep us advised of changes or developments that might affect our representation.

Your failure to disclose material facts to us, to keep us apprised of significant developments, to be truthful with us or to fail to otherwise cooperate with us or otherwise fulfill the terms of our engagement may lead us to determine to withdraw from the engagement. You understand and agree that you will not oppose such a decision, should we make it.

You agree to cooperate fully with us and to promptly provide all material information known or available to you relevant to our representation in the Matter. Client will be available to attend meetings, telephone conferences and any other proceedings necessary to our representation in the Matter.

Conflicts of Interest

We represent companies and individuals throughout the United States and internationally, which may have matters in conflict with Client or one of more of its Related Parties. During our representation of you in the Matter, or any future representations that are initiated without a new or amended engagement letter, the Firm will not be precluded from representing existing or new clients that have legal, financial, business, or other interests directly or indirectly adverse to Client or any Related Parties in any matter that is not substantially related to our work for you and where such matter does not involve any confidential information that the Firm obtained from the Client in the course of any representation of the Client. Accordingly, by retaining this Firm for the Matter, the Client agrees to waive any claim of conflict of interest or breach of duty on part of Firm in any such matter, and will not assert any conflict of interest as a ground for disqualifying Firm from representing other clients in any such matter. You should know that, in similar circumstances with other clients, we have asked for similar agreements to preserve our ability to represent you.

You agree that our representation of the Client in the Matter does not give rise to an attorney-client relationship between the Firm and any of the Client's Related Parties unless an attorney-client relationship with such Related Party has been established by an express agreement with the Firm. You also agree that during our representation of the Client, the Firm will not be given any confidential information regarding any Related Parties unless you believe it is necessary to do so, or if we separately establish an attorney-client relationship with such Related Party providing such confidential information. If the Client believes it is necessary to reveal confidential information of any Related Party that is not a Firm client, we ask the Client to identify such information as being confidential and discuss your reasons for revealing it prior to disclosing the information.

Together with Womble Bond Dickinson (UK) LLP, we are a network firm under Womble Bond Dickinson (International) Limited. You agree that our acting for you will not disqualify Womble Bond Dickinson (UK) LLP, now or in the future, from acting adverse to you in unrelated regulatory counseling, financing or transactional matters. You further agree to waive any potential conflict of interest under the relevant US Rules of Professional Conduct with respect to Womble Bond Dickinson (UK) LLP in these circumstances. Your consent and waiver does not extend to any dispute or litigation matter, including mediation, arbitration, or other dispute resolution proceeding. We will not share with Womble Bond Dickinson (UK) LLP information that we gained while representing you.

Billing, Fees and Disbursements

Except as otherwise specified in the Engagement for Legal Services, we will bill monthly for our time and disbursements. We will issue bills to the Client in the ordinary course of business as work progresses. Our standard practice, unless otherwise agreed to, is to receive payment for services rendered within 30 days of the invoice date. Any statement that is not paid within 30 days of its date will be considered past due. Past due billings will accrue interest at the rate of 1.5% per month (18% per annum) until paid.

The Firm's billing rates are subject to adjustment from time to time by the Firm.

If our invoices are not paid timely after they are rendered, we reserve the right to discontinue our services until our account is brought current, subject to applicable ethical and legal rules. You agree that non-payment of statements shall entitle us to withdraw from your representation and you agree not to contest any such withdrawal and to execute such documents as will allow us to withdraw. Our withdrawal under these circumstances does not excuse the Client from fully satisfying its obligation to pay undisputed fees and costs owed to the Firm

for services rendered in the Matter. Further, your obligation to pay our fees is not dependent on the outcome of our legal representation.

Except as otherwise specified in the Engagement for Legal Services, in addition to our fees, you agree to pay for out-of-pocket disbursements and other charges, including bulk copying, express delivery services, lodging, mileage and transcript preparation.

Information Security
We have adopted policies and systems to make our electronic communications with you secure, and it is equally important that you communicate with us in a manner that protects your confidential information. You should not use any computers or networks that are owned, controlled or may be accessed by others to send or receive confidential information to or from us. If you anticipate that any matter will involve information protected by additional security data laws or protocols, please notify the responsible lawyer promptly so we can discuss and implement any security measures specific to Client's needs.

Service Providers
To continue delivering cost-effective services, the Firm may use legal support services both inside and outside the United States to assist with help desk and technology issues, time entry, and other administrative tasks. In order for those service providers to complete these tasks, we must share certain client information. The Firm has made reasonable efforts to ensure that these services are performed in a manner that is consistent with our obligations under the relevant Rules of Professional Conduct with regards to maintaining client confidentiality and supervision of non-lawyer personnel, and the Firm bears responsibility for the resulting work product. As part of your engagement with the Firm, you agree and consent to the use of these services in the manner described.

Record Retention
When specific matters become inactive, Firm may destroy or otherwise dispose of any physical and electronic documents and information after the inactivation date of a matter, in accordance with our records retention policy, and in accordance with rules specific to appropriate jurisdictions. You may request in writing to have materials related to inactive matters returned to your care rather than destroyed. In the absence of such a writing, you consent to our destruction of records as described.

No Third-Party Benefit
Nothing herein is intended to create any benefit for a third party. The Firm's only duty of representation is to the Client, and that duty only arises when the attorney-client relationship is established in writing and consistent with the terms of this document.

Legal advice given to the Client by this Firm is intended only for the benefit and use of the Client.

Consent to Use of Own Firm Counsel
In connection with our representation of the Client, we might determine that we need to consult with our General Counsel or other firm lawyers working with our General Counsel who do not perform work for the Client on the subject matter of the representation. The Client hereby consents to such consultation and waives any claim of conflict of interest based on such consultation or resulting communications that could otherwise disqualify us from continuing to represent the Client or from acting on our own behalf even if doing so might be deemed adverse to the best interests of the Client. The Client acknowledges that such communications are protected by our own attorney-client privilege from disclosure to the Client. The Client agrees that such discussions and documents about legal and ethical issues affecting the Firm's obligations will remain privileged and confidential.

The Client consents to our seeking advice from our General Counsel's office on legal ethics or related issues that may arise during our representation of you and that our representation of you shall not, thereby, waive any attorney-client privilege that the Firm may have to protect the confidentiality of our communication with counsel.

Termination
Unless previously terminated, our representation of the Client in the Matter will terminate upon our

sending the Client our final statement for services rendered in the Matter.

You may terminate our representation of you at any time, with or without cause, by notifying us in writing. If we terminate the engagement, we will take steps that are reasonably practicable to protect your interests with respect to the scope of our representation. If permission for withdrawal is required by court, we will promptly file a motion for such permission, and you agree to not oppose our request. We will cooperate with successor counsel to ensure a smooth transition of representation.

The Firm may cease doing work for and withdraw from representing you if you misrepresent facts to us or fail to disclose facts that are material to our representation of you in your Matter, if we believe that a position or action you want to pursue is not supported by factual information available to us or applicable law, if you breach this agreement, if your conduct or failure to cooperate makes unreasonable our representation of you, or if you do not pay retainers, fees and costs when they are due, or, if for professional or ethical reasons, we cannot proceed with the representation. If the Firm elects to withdraw, you will take all necessary steps to free the Firm of any obligation to perform further legal services and will be responsible for engaging new counsel to handle the Matter.

Following such termination, any otherwise non-public information you have supplied to us, which is retained by us, will be kept confidential in accordance with all applicable Rules of Professional Conduct. We will retain our own files, including lawyer work product, pertaining to the representation. For several reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any documents or other materials retained by us in a reasonable time, pursuant to our records retention policy, after the termination of the engagement.

Post-Engagement Matters

You are engaging us to provide legal services in connection with the Matter only. Unless you expressly engage us to provide additional advice on an issue arising from this representation, which will be subject to a new separate engagement letter, we have no continuing obligation to advise you with respect to further or future legal developments related to the Matter.

If you would like additional copies of correspondence or other documents from the course of representation in the Matter, we will provide such material at your request and expense.

If, either during our engagement or subsequent to the conclusion of the Matter, we receive a subpoena from a third party related to the Matter, you are obligated to reimburse the Firm for the cost and expense associated with responding to the subpoena, even if our attorney-client relationship with you in that Matter is terminated at that time.

Choice of Law

In consideration of the Firm's agreement to represent the Client, the Client agrees that the validity and effect of this agreement shall be governed by and construed and enforced exclusively in accordance with the laws of the state of North Carolina, without regard to conflict of law principles.

Disputes Related to this Agreement

Should any differences of opinions arise over fees or costs, or should our bills not be paid in a timely manner, parties agree to consult with one another in good faith in an effort to resolve the matter.

In the event that we are not able to satisfactorily resolve our differences, you hereby agree that any and all fee disputes, controversies, claims, or demands arising out of or relating to this agreement, our relationship with you, or our performance of any current or future legal services, shall be resolved exclusively by submission to binding arbitration before the American Arbitration Association under its applicable rules.

The arbitration proceeding shall take place in Winston-Salem, North Carolina before an arbitrator chosen by mutual agreement of the parties. The

decision of the arbitrator(s) shall be final and binding upon the parties. The arbitrator will have the authority to award any relief that a judicial court would have the jurisdiction to grant, and judgment may be entered on the award of the arbitrator and enforced in any competent court having jurisdiction. The arbitrator will be permitted to award attorney's fees as he or she deems necessary and just, and costs will be allocated evenly among the involved parties.

By agreeing to arbitrate all fees and cost disputes, you agree that the final decision of the arbitrator will be final and binding, and that you are waiving your right to a trial by jury. Rules of evidence tend to be less formal and discovery will often be limited. You are encouraged to consult with independent counsel to determine if arbitration is acceptable to you. By signing this agreement, arbitration will become the sole forum for the resolution of any fee and cost disputes, and both parties waive their right to submit their claims to a judicial court. You further consent to submit to the jurisdiction of North Carolina.

Entire Agreement

These Standard Terms of Engagement, the attached Engagement for Legal Services, along with any attached supplemental documentation, contain the entire agreement between Client and the Firm and supersede any prior agreement or conflicts of interest waiver between Client and Firm. These terms govern not only the Matter, but also any subsequent engagements undertaken by mutual written agreement, unless we reach a different written understanding. It is understood and agreed that any changes, modifications or alterations of these Standard Terms of Engagement shall be in writing and mutually agreed to by both

Client Acknowledgement

You acknowledge that you have read the entire agreement, including both the Standard Terms of Engagement and the Engagement for Legal Services. You acknowledge that you have had the opportunity to ask any questions concerning both documents before signing the Engagement for Legal Services, and prior to entering this agreement, you have been advised to consult with independent counsel regarding the benefits and detriments of entering into this agreement. You acknowledge that you have been advised to keep a copy of the agreement, including these Standard Terms of Engagement.

Questions

If you have any questions regarding the terms set forth in the Standard Terms of Engagement or in the accompanying Engagement for Legal Services, please contact the individual who sent Client the document or Client's current relationship attorney. Please note that the relevant Rules of Professional Conduct preclude us from acting as your counsel with respect to these terms, but you are free to consult with independent counsel if you wish.