

# FORSYTH COUNTY

## BOARD OF COMMISSIONERS

MEETING DATE: JANUARY 21, 2021

AGENDA ITEM NUMBER: 4A-4B

**SUBJECT:**

- A. RESOLUTION AUTHORIZING EXECUTION OF A STANDBY BOND PURCHASE AGREEMENT RENEWAL WITH WELLS FARGO BANK, NATIONAL ASSOCIATION FOR THE 2007B VARIABLE RATE GENERAL OBLIGATION BONDS**
- B. RESOLUTION AUTHORIZING EXECUTION OF AN ENGAGEMENT LETTER BETWEEN FORSYTH COUNTY AND PARKER POE ADAMS & BERNSTEIN LLP TO REVIEW THE 2007B VARIABLE RATE GENERAL OBLIGATION BONDS STANDBY BOND PURCHASE AGREEMENT RENEWAL**

**(FINANCE DEPARTMENT-DEBT SERVICE)**

**COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:** Recommend Approval

**SUMMARY OF INFORMATION:**

- A. The 2007B Variable Rate General Obligation Bonds (the "Bonds") require a standby bond purchase agreement to be in place so that investors will purchase the Bonds when remarketed as designed. Wells Fargo Bank, National Association has provided this standby bond purchase agreement since 2009. The agreement is for three years and at a rate of 0.60%. Our financial advisor, Hilltop Securities Inc. has reviewed and recommended to proceed with the renewal.
- B. As a part of the standard process of any bond-related transactions, we engaged our bond counsel, Parker Poe Adams & Bernstein LLP to provide legal review of the renewal. We are asking for the authorization to execute the engagement letter with Parker Poe Adams & Bernstein LLP.

ATTACHMENTS:

YES

NO

SIGNATURE:

*f. Dudley Watts, f. /AMS*  
COUNTY MANAGER

DATE:

January 19, 2021

**RESOLUTION AUTHORIZING EXECUTION OF A STANDBY BOND PURCHASE  
AGREEMENT RENEWAL WITH WELLS FARGO BANK, NATIONAL  
ASSOCIATION FOR THE 2007B VARIABLE RATE GENERAL OBLIGATION BONDS  
(FINANCE DEPARTMENT – DEBT SERVICE)**

**WHEREAS** Wells Fargo Bank, National Association has provided Forsyth County with this standby bond purchase agreement for the 2007B Variable Rate General Obligation Bonds (the “Bonds”) since February of 2009 to provide a liquidity facility pursuant to which the Bank would purchase Bonds under certain circumstances, and the Bank is willing to purchase the Bonds, on the terms and conditions set forth in the original agreement as last amended by this proposed renewal;

**WHEREAS** the County requested the renewal on September 18, 2020, from Wells Fargo Bank, National Association at the same terms as the prior agreement extension, and the Bank proposes to extend the standby bond purchase agreement to February 19, 2024, where the County pays a commitment fee at a rate per annum equal to 0.60% multiplied by the par amount of the Bonds still outstanding at each quarterly due date; and

**WHEREAS** based on current market conditions, the County Finance Department after consultation with its Financial Advisor, Hilltop Securities Inc. recommends approval of the proposed three-year renewal at a rate of 0.60%;

**NOW, THEREFORE, BE IT RESOLVED**, that the Forsyth County Board of Commissioners authorizes the County Manager and County Chief Financial Officer to execute, on behalf of Forsyth County, a renewal of the 2007B Variable Rate General Obligation Bonds standby bond purchase agreement and associated fee letter with Wells Fargo Bank, National Association at a rate per annum equal to 0.60% in addition to \$2,500 for the Bank’s legal fees, subject to a pre-audit certificate thereon by the County Chief Financial Officer, where applicable, and approval as to form and legality by the Forsyth County Attorney.

Adopted this 21<sup>st</sup> day of January 2021.

January 22, 2021

Paul L. Fulton, Jr., Chief Financial Officer  
Forsyth County  
201 North Chestnut Street  
Winston Salem NC, 27101

Re: Standby Bond Purchase Agreement dated as of February 1, 2009 among County of Forsyth, North Carolina, Regions Bank (as Paying Agent) and Wells Fargo Bank, N.A., successor by merger to Wachovia Bank, National Association, relating to Variable Rate General Obligation School Bonds, Series 2007B, as previously amended (the "Agreement")

Dear Paul,

The purpose of this letter (the "Fee Letter") is to amend certain terms of the referenced Agreement effective the date of this letter according to the following terms and conditions.

Section 2.06 (a) is hereby amended to read as follows:

- (a) **Facility Fee.** The County will pay to the Bank a facility fee (the "Facility Fee") (which shall be fully earned when due and nonrefundable when paid) computed on the basis of the actual number of days elapsed in a year of 360 days at a rate per annum of 0.38% through and including February 19, 2021 and 0.60% thereafter of the Available Commitment in effect from time to time payable quarterly in arrears on the first day of March, June, September and December, and on the Expiration Date, or such earlier date upon which the Purchase Period ends; provided, however, the rate per annum shall increase immediately as set forth below if the long-term municipal bond rating assigned to the Bonds (the "Bond Rating"), without regard for any credit enhancement, by any two or more of the Rating Agencies should fall to any of the following levels:

Bond Rating (S&P/Moody's/Fitch)	Facility Fee Increase (Per Annum)
AAA/Aaa/AAA to AA+/Aa1/AA+	+.05%
AA+/Aa1/AA+ to AA/Aa2/AA	+.075%
AA/Aa2/AA to AA-/Aa3/AA-	+.075%

AA-/Aa3/AA- to A+/A1/A+	+ .15%
A+/A1/A+ to A/A2/A	+ .15%
A/A2/A to A-/A3/A-	+ .15%
A-/A3/A- to BBB+/Baa1/BBB+	+ .25%
BBB+/Baa1/BBB+ to BBB/Baa2/BBB	+ .35%
BBB/Baa2/BBB to BBB-/Baa3/BBB-	+ .50%

If one or more of the ratings are withdrawn or suspended by any Rating Agency for any reason related to the County's financial condition, operations or reputation, or an Event of Default occurs, the Facility Fee shall automatically increase to that which would apply if all the Bond Ratings were "BBB-/Baa3/BBB-" plus one hundred basis points (1.00%) per annum. All of the foregoing pricing increases shall be cumulative. References above are to rating categories as presently determined by the Rating Agencies, and in the event of the adoption of any new or changed rating system or a "global" rating scale by any such Rating Agency, the ratings categories shall be adjusted accordingly to a new rating which most closely approximates the ratings currently in effect.

Other conditions:

**Definitions.** Except as otherwise defined herein, the capitalized terms used in this Amendment shall have the meanings ascribed to them in the Agreement.

**Confirmation of Agreement.** Except as specifically amended herein, all of the terms and conditions of the Agreement shall remain in full force and effect and are hereby ratified in full by the County and the Bank. By executing this Amendment below, the County (i) represents and warrants that no Default or Event of Default has occurred or is continuing under the Agreement, as amended herein, and (ii) except for those things reflected in the County's financial statements and public disclosure documents related to the County's financings since the time of the Agreement, reaffirms all representations and warranties as of this date outlined in Article V of the Agreement, with Section 5.08 amended to reference the date of June 30, 2019 in place of June 30, 2017. The County shall deliver to the Bank a certified copy of all documents, resolutions, and such other documents as the Bank may reasonably request authorizing the execution, delivery and performance of this Amendment and the terms herein. The County and the Bank further agree that this Amendment shall act only as a one-time extension of the Expiration Date and that all future extensions of the term of the Agreement shall be governed by the provisions of Section 9.09 of the Agreement, unless specifically agreed otherwise pursuant to a written agreement between the County and the Bank.

**Counterparts.** This Amendment may be executed in any number of counterparts, each of which taken together when so executed and delivered shall be deemed to constitute one and the same instrument.

**Governing Law.** This Amendment and the Agreement, as amended hereby, shall be deemed to be contracts made under, and for all purposes shall be construed in accordance with, the laws of the State of North Carolina.

**Legal Fees.** By accepting the terms of this letter, the County agrees to pay Bank's legal fees of \$2,500 related to this amendment and extension. The County will be directly billed for legal fees by Bank's counsel, Amy Johnson of Moore & Van Allen PLLC.

Please indicate your acceptance of these amendments by signing below and by scanning and returning a copy of this letter by e-mail to [reid.andrews@wellsfargo.com](mailto:reid.andrews@wellsfargo.com) no later than 5:00 p.m., January 22, 2021 with three copies with your original signature to follow for delivery by January 26, 2021. After January 22, 2021, the Bank's proposal herein is void and subject to further extension in writing by the Bank.

Sincerely,  
WELLS FARGO BANK, N.A.

Reid Andrews  
Senior Vice President

Acknowledged and Agreed,  
COUNTY OF FORSYTH, NORTH CAROLINA

By: \_\_\_\_\_  
Paul Fulton, Chief Financial Officer

January 22, 2021

J. Dudley Watts, Jr., County Manager  
Paul L. Fulton, Jr., Chief Financial Officer  
Lee Plunkett, Assistant Chief Financial Officer  
Forsyth County  
201 North Chestnut Street  
Winston Salem North Carolina 27101

Re: Standby Bond Purchase Agreement dated as of February 1, 2009 among County of Forsyth, North Carolina, Regions Bank (as Paying Agent) and Wells Fargo Bank, N.A., successor by merger to Wachovia Bank, National Association, relating to Variable Rate General Obligation School Bonds, Series 2007B, as previously amended (the "Agreement")

Gentlemen,

The purpose of this letter (the "Amendment") is to amend certain terms of the referenced Agreement effective the date of this letter according to the following terms and conditions.

(1) The following definitions in Section 1.01 are hereby amended to read as follows:

*"Expiration Date"* means February 19, 2024, as such date may be extended from time to time by the Bank by delivery of written Notice of Extension to the Paying Agent and the County in the form of Exhibit D; provided that if any such date is not a Business Day, the Expiration Date shall be the next succeeding Business Day.

*"Fee Letter"* means the Fee Letter dated the date hereof from the Bank and agreed to and accepted by the County as the same may be amended, restated, supplemented or otherwise modified from time to time.

(2) The following definitions are hereby added to Section 1.01 as follows:

*"Anti Corruption Laws"* means all laws, rules and regulations of any jurisdiction applicable to the County from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

*"Anti Money Laundering Laws"* means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to the County related to terrorism financing

or money laundering, including any applicable provision of the Patriot Act and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311 5330 and 12U.S.C. §§ 1818(s), 1820(b) and 1951 1959).

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*Sanctions*” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority with jurisdiction over the Bank or the County.

“*Sanctioned Country*” means at any time, a country or territory which is itself the subject or target of any Sanctions (including, as of the Closing Date, Cuba, Iran, North Korea, Sudan, Syria and Crimea).

“*Sanctioned Person*” means, at any time, (a) any Person listed in any Sanctions related list of designated Persons maintained by OFAC (including, without limitation, OFAC’s Specially Designated Nationals and Blocked Persons List and OFAC’s Consolidated Non SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s).

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

- (3) Section 3.02 of the Agreement is hereby amended to read as follows:

**Section 3.02 Mandatory Redemption.** The County agrees that Bank Bonds shall be subject to redemption 30 days after the Purchase Date (“*Bank Bond Initial Redemption Date*”); provided, however, if (a) the County has delivered to the Bank a request in the form attached hereto as Exhibit A at least one Business Day prior to the Bank Bond Initial Redemption Date, (b) no Default or Event of Default shall have occurred and (c) the representations and warranties of the County set forth in the Agreement are true and correct in all material respects, then Bank Bonds shall be subject to mandatory redemption in ten equal semi-annual payments of principal installments, the first such installment being payable on the 180<sup>th</sup> day following the applicable Purchase Date (the date of each such redemption being a “*Bank Bond Redemption Date*”). Interest on such Bank Bonds shall be payable as provided in Section 3.01. Notwithstanding the foregoing, the County may optionally redeem any Bank Bond without penalty. All principal and interest with respect to Bank Bonds shall be due and payable in full on the earliest of (a) the date such Bonds are remarketed and sold or deemed sold by the Bank or a Bank Bond to a Purchaser pursuant to Section 2.04(c), (b) the date the interest rate borne by the Bonds is converted to a rate other than a Covered Rate, (c) the date this Agreement is terminated pursuant to the terms hereof except as a result of the occurrence of an Expiration Date, (d) on the date of the delivery of an Alternate Liquidity Facility, (9) the Bank Bond Redemption Date or (f) such earlier date pursuant to Section 8.03 hereof.

- (4) Section 5.19 is hereby added to the Agreement as follows:

**Section 5.19 Anti-Corruption Laws; Sanctions.**

(a) None of (i) the County nor any of its respective commissioners, officers, or, to the knowledge of the County, any of its respective employees, or (ii) to the knowledge of the County, any agent or representative of the County that will act in any capacity in connection with or benefit from this transaction, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) is controlled by or is acting on behalf of a Sanctioned Person, (C) has its assets located in a Sanctioned Country, (D) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a Governmental Authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (E) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons.

(b) The County, each director, officer, and to the knowledge of County, employee, and agent and is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all material respects and applicable Sanctions.



- (5) Section 6.01 of the Agreement is hereby amended to read as follows:

**Section 6.01 Compliance with Laws and Regulations.** The County shall comply with all laws, ordinances, orders, rules and regulations of duly constituted public authorities which may be applicable to it or to its property, including without limitation, all Anti Corruption Laws and applicable Sanctions.

- (6) Section 6.22 is hereby added to the Agreement as follows:

**Section 6.22 Use of Proceeds.** The County will not use, and the County will ensure that its subsidiaries and its or their respective directors, officers, employees and agents shall not use any amounts advanced hereunder in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti Corruption Laws. The County will not, directly or indirectly, use any such amounts, or lend, contribute or otherwise make available any such amounts to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person. The County shall provide such information and take such actions as are reasonably requested by the Bank in order to assist the Bank in maintaining compliance with anti money laundering laws and regulations.

- (7) Section 6.25 is hereby added to the Agreement as follows:

**Section 6.25 US QFC Stay Rules.**

(a) Recognition of U.S. Resolution Regimes. In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this subsection (a) apply notwithstanding the provisions of subsection (b).

(b) Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings. Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of subsection (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to

exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence that the exercise of such Default Right is permitted hereunder.

(8) Other conditions:

**Definitions.** Except as otherwise defined herein, the capitalized terms used in this Amendment shall have the meanings ascribed to them in the Agreement.

**Confirmation of Agreement.** Except as specifically amended herein, all of the terms and conditions of the Agreement shall remain in full force and effect and are hereby ratified in full by the County and the Bank. By executing this Amendment below, the County (i) represents and warrants that no Default or Event of Default has occurred or is continuing under the Agreement, as amended herein, and (ii) except for those things reflected in the County's financial statements and public disclosure documents related to the County's financings since the time of the Agreement, reaffirms all representations and warranties as of this date outlined in Article V of the Agreement, with Section 5.08 amended to reference the date of June 30, 2020 in place of June 30, 2017. The County shall deliver to the Bank a certified copy of all documents, resolutions, and such other documents as the Bank may reasonably request authorizing the execution, delivery and performance of this Amendment and the terms herein. The County and the Bank further agree that this Amendment shall act only as a one-time extension of the Expiration Date and that all future extensions of the term of the Agreement shall be governed by the provisions of Section 9.09 of the Agreement, unless specifically agreed otherwise pursuant to a written agreement between the County and the Bank.

**Counterparts.** This Amendment may be executed in any number of counterparts, each of which taken together when so executed and delivered shall be deemed to constitute one and the same instrument.

**Governing Law.** This Amendment and the Agreement, as amended hereby, shall be deemed to be contracts made under, and for all purposes shall be construed in accordance with, the laws of the State of North Carolina.

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Please indicate your acceptance of these amendments by signing below and by scanning and returning a copy of this letter by e-mail to reid.andrews@wellsfargo.com no later than 5:00 p.m., January 22, 2021, with three copies with your original signature to follow for delivery by January 26, 2021. After January 22, 2021, the Bank's proposal herein is void and subject to further extension in writing by the Bank.

Sincerely,  
WELLS FARGO BANK, N.A.

Reid Andrews  
Senior Vice President

Acknowledged and Agreed,  
COUNTY OF FORSYTH, NORTH CAROLINA

By: \_\_\_\_\_  
J. Dudley Watts, Jr., County Manager

By: \_\_\_\_\_  
Paul L. Fulton, Jr., Chief Financial Officer

Acknowledged,  
REGIONS BANK, PAYING AGENT

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_

cc: Chad Cowan, Hilltop Securities Inc.

**EXHIBIT A**

**FORM OF REQUEST FOR TERM OUT FUNDING**

[Date]

Wells Fargo Bank, N.A.  
150 Fayetteville Street, 2nd Floor  
Raleigh, North Carolina 27601  
MAC D0182-024  
Attention: Government Banking/Reid Andrews

**County of Forsyth, North Carolina  
Variable Rate General Obligation School Bonds,  
Series 2007B**

Ladies and Gentlemen:

Reference is hereby made to that certain Standby Bond Purchase Agreement dated February 1, 2009, (as amended, the "Agreement") among the County of Forsyth, North Carolina (the "County"), Regions Bank, (the "Paying Agent") and Wells Fargo Bank, N.A., successor by merger to Wachovia Bank, National Association (the "Bank"). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Agreement.

The County hereby requests, pursuant to Section 3.02 of the Agreement, that the principal of the Bank Bonds outstanding on the date hereof be payable during the amortization period as set forth in Section 3.02.

In connection with such request, the County hereby represents and warrants that as of the date hereof:

- (a) no Default or Event of Default shall have occurred and be continuing; and
- (b) the representations and warranties of the County set forth in the Agreement are true and correct in all material respects.

We have enclosed along with this request the following information:

1. The outstanding amount of the Bank Bonds;
2. The nature of any and all Defaults and Events of Default; and
3. Any other pertinent information previously requested by the Bank.

Very truly yours,

**COUNTY OF FORSYTH, NORTH CAROLINA**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**RESOLUTION AUTHORIZING EXECUTION OF AN ENGAGEMENT LETTER  
BETWEEN FORSYTH COUNTY AND PARKER POE ADAMS & BERNSTEIN LLP TO  
REVIEW THE 2007B VARIABLE RATE GENERAL OBLIGATION BONDS  
STANDBY BOND PURCHASE AGREEMENT RENEWAL  
(FINANCE DEPARTMENT – DEBT SERVICE)**

**WHEREAS** Forsyth County periodically renews its standby bond purchase agreement with Wells Fargo Bank National Association for its 2007B Variable Rate General Obligation Bonds, and the County is currently negotiating its latest renewal;

**WHEREAS** the County engaged Bond Counsel, Parker Poe Adams & Bernstein LLP to review the standby bond purchase agreement and proposed extension and other documentation to review the County’s authorization of the extension documents, and any other work requested by the County Chief Financial Officer; and

**WHEREAS** Parker Poe Adams & Bernstein LLP will incur fees for the review of the proposal and have provided an engagement letter to provide the services with an estimated total cost not to exceed \$5,000.00;

**NOW, THEREFORE, BE IT RESOLVED**, that the Forsyth County Board of Commissioners authorizes the County Manager or County Chief Financial Officer to execute, on behalf of Forsyth County, an engagement letter with Parker Poe Adams & Bernstein LLP to review the renewal of the 2007B Variable Rate General Obligation Bonds standby bond purchase agreement with Wells Fargo Bank, National Association, subject to a pre-audit certificate thereon by the County Chief Financial Officer, where applicable, and approval as to form and legality by the Forsyth County Attorney.

Adopted this 21<sup>st</sup> day of January 2021.

**Rebecca B. Joyner**  
*Partner*  
Telephone: 919.835.4499  
Direct Fax: 919.834.4564  
rebeccajoyner@parkerpoe.com

Atlanta, GA  
Charleston, SC  
Charlotte, NC  
Columbia, SC  
Greenville, SC  
Raleigh, NC  
Spartanburg, SC  
Washington, DC

December 15, 2020

**VIA EMAIL**

Mr. Paul Fulton, Jr.  
Chief Financial Officer  
Fourth Floor  
Forsyth County Government Center  
201 North Chestnut Street  
Winston-Salem, NC 27110  
fultonpl@forsyth.cc

*Forsyth County, North Carolina*  
*Variable Rate General Obligation School Bonds, Series 2007B*  
*Standby Bond Purchase Agreement Extension*

Dear Paul:

As a follow up to our conversations, I hereby provide an engagement letter for the services of Parker Poe Adams & Bernstein LLP ("*Parker Poe*"), as bond counsel in connection with the extension of the above-referenced standby bond purchase agreement (the "*Agreement*") between the County of Forsyth, North Carolina (the "*County*") and Wells Fargo Bank, N.A.

Our services as bond counsel in connection with this matter include:

1. review of the Agreement and related extension and other documentation;
2. review of County authorization of extension documents;
3. performance of any other work to be performed as requested by the CFO in the normal course of business;

Our work will be billed at established hourly rates, plus any related expenses, fees, and other costs, upon conclusion of the Agreement extension. My standard rate, which will be applied to this matter, is \$480 per hour.

The scope of the services that Parker Poe will provide may be expanded during the course of the engagement pursuant to communications establishing a specific mutual understanding of the services Parker Poe is to perform. I have attached our Standard Terms of Engagement, which form a part of this engagement letter.

Mr. Paul Fulton, Jr.  
Chief Financial Officer  
December 15, 2020  
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No one other than the County is entitled to rely on our opinion unless we specifically authorize reliance thereon. As always, we look forward to completing this transaction for the County.

Very truly yours,

*Rebecca B. Joyner*  
Rebecca B. Joyner



**PARKER POE ADAMS & BERNSTEIN LLP**

**STANDARD TERMS OF ENGAGEMENT REGARDING LEGAL REPRESENTATION**

1. Scope of Work and Limitations. The scope of our work and the limitations on the services to be performed will be in accordance with the Engagement Letter.

2. No Guaranteed or Contingent Outcome. While we will perform our professional services on behalf of the client to the best of our ability under the circumstances, we cannot and have not made any guarantees regarding the outcome of our professional efforts. Any expressions about the possible outcome of the matter or the results achievable are our best professional estimates only, and are limited by our knowledge at the time they are expressed.

3. Communications. As requested, we will send to the client copies of pertinent correspondence, documents and other materials prepared or received by us in the course of the representation. The client is encouraged to contact us as to any questions or comments regarding the services, fees, or status of the matter or as to any pertinent facts or considerations which may come to the attention of the client. Material information and documents received by the client should be forwarded to the firm without delay.

4. Attorney Assignment. Each client will have an attorney who shall have primary responsibility for the client's matters. When appropriate, work on the client's matters may be assigned to other attorneys in the firm who have a sufficient level of experience and time availability to handle competently and efficiently portions or all of the client's matters. In addition, assistance of non-attorney support personnel under the direct supervision of firm attorneys may be required, as appropriate.

5. Confidentiality. The firm will protect the confidence of the client and will not divulge confidential information concerning the client's business or legal matters, as required by the Rules of Professional Conduct. However, we understand that, unless you advise us to the contrary, you do not object to our mentioning to others our representation of you or our listing of your name as one of our clients in professional literature or in material published about this law firm.

6. Termination. The firm reserves the right to withdraw from representing the client upon written notice at any time, with or without cause. Likewise, the client may terminate the firm's services prospectively upon written notice to the firm. Unless otherwise requested by the client, the firm will consider the representation terminated upon either the failure of the bond referendum or the completion of the financing.