

January 27, 2009

Leamon B. Brice  
Town Manager  
Town of Davidson  
PO Box 579  
Davidson, NC 28036

Anthony Roberts  
Town Manager  
Town of Cornelius  
21445 Catawba Ave.  
Cornelius, NC 28031

Dear Mr. Brice & Mr. Roberts

I am delighted to have the opportunity to represent the Towns of Davidson and Cornelius (the Towns) in Washington DC. Pursuant to our conversations, we have agreed that McAllister & Quinn will work with both Town's jointly and their staffs and with each Town and its staff, individually, to:

obtain federal funding for the Town or Towns through the federal appropriations process and authorization process, including research and developing the Town or Town's request package, completing all necessary letters, forms, disclosure documents and meetings, and ensuring that the projects are given thorough review by the congressional delegation and appropriate congressional committee staff;

communicate the positions of the Town or Towns before Congress and federal agencies on critical regional projects, including, but not limited to, the CATS North Corridor project and the Lake Norman Economic Development Corporation Industrial Park project;

compile a list of three to five viable projects for which to pursue federal funding for each Town or Towns jointly;

find federal grants appropriate to each Town's needs, prepare the application for the grants, and compile letters of support for each Town;

locate and recommend federal/local project partnership programs for the Town or Towns; and

not submit requests for one of the two Towns which competes with a request or potential request by the other Town.

I have found that the most effective way to represent municipalities before congressional delegations is to not overextend myself with too many clients in a state. Accordingly, I will not represent more than five local governments in the State of North Carolina at any

one time to ensure that the interests of my clients receive the highest level of consideration before the North Carolina congressional delegation.

In this specific arrangement, you have agreed that each Town will pay McAllister and Quinn L.L.C. a monthly retainer of \$3,000 per month (\$36,000 annually) for a period beginning February 1, 2009 and ending December 31, 2009. Thereafter, if we desire to continue the arrangement, a new agreement will be finalized among the parties. It is also agreed that one or both of the Towns have the right to terminate this contract at any time as long as it gives McAllister & Quinn 30 written days notice of such termination.

I will have primary responsibility for overseeing the performance of the services contemplated by this engagement. To promote the most efficient delivery of professional services to the Towns, on occasion I will assign matters internally to other lobbyists at McAllister & Quinn whom I believe can best perform the task at hand for the Towns. I will, however, be responsible for addressing any questions that you may have about the manner in which our firm is handling the affairs of the Towns. I, and all members of the firm, will comply with any registration and all other applicable laws and regulations as it relates to the professional services provided.

In addition, we will bill you (to be allocated to each Town's bill) for any expenses advanced or incurred specifically on your behalf (such as long distance telephone charges, postage, delivery fees, travel expenses or the like). We are always prudent in any expenses we incur on our clients behalf. These amounts are included on the statement for the month in which such expenses are entered into our billing system, which typically lags somewhat behind the month when such expenses were incurred on your behalf. It is agreed that the Towns jointly will pay as much as \$500 per month in expenses and anything exceeding \$500 per month will require prior approval by the Towns.

McAllister & Quinn's clients are billed monthly and we request payment within 30 days of when the client receives our invoice. Among other things, this allows you to monitor both the current month's and cumulative fees on a particular project. We reserve the right, upon notice to the Towns and consistent with our professional obligations, to suspend or terminate any work in progress in the event timely payment is not made by 15 days after the due date.

If, after having reviewed this letter, the Towns find the foregoing arrangement to be acceptable, we request that each Town sign the attached copy of this letter and return it to us. In so doing, the Towns will be indicating their agreement to the fee arrangement described herein and will be authorizing us to perform professional services for the Towns on the terms set forth herein. We look forward to representing you. Should you have any questions about our practices and procedures, please let me know as soon as possible.

Sincerely,

MCALLISTER & QUINN L.L.C.

By: \_\_\_\_\_  
Guilford Steven Dye

ACCEPTED AND AGREED:

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

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

Organization: \_\_\_\_\_

Dated: \_\_\_\_\_

ACCEPTED AND AGREED:

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

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

Company: \_\_\_\_\_

Dated: \_\_\_\_\_