

SanfordHolshouser

209 Lloyd Street, Suite 350 | Carrboro, NC 27510

www.shlawgroup.com

February 1, 2022

By Electronic Mail

Don Adams
County Manager
Jackson County

Jackson County -- 2022 General Obligation Bonds

Dear Don:

Thank you for giving us at Sanford Holshouser this additional chance to work with you and for Jackson County on the County's planned issue of general obligation bonds for indoor pool facilities. We appreciate the opportunity and the County's continued confidence in us. I am writing now to confirm the scope of our work and our fee arrangements.

Project	Issue up to \$20,000,0000 in general obligation bonds to finance construction of indoor pool facilities.
Our role	Bond counsel to Jackson County
Schedule	We expect to close the financing by the end of summer 2022.
Our fee	\$30,000, payable at the bond closing

We make no separate charges for items such as travel expenses, copying charges, postage or courier fees or anything similar.



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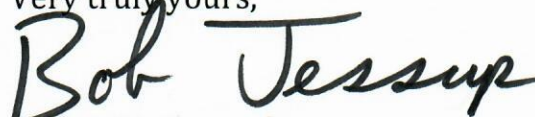
In the attachment to this letter, we've outlined our scope of work in more detail, and we have further described our role in the financing and our billing practices. Please let us know if you have any questions or concerns or otherwise want to talk about anything in the attachment.

* * * * *

I hope you will find this letter to set forth an understanding that is acceptable to the County. Please call me if you have any questions or comments about the scope of our work or the fee arrangements. Otherwise, if the County accepts these terms, please have a copy of this letter signed in the space below, and then please return a copy to me (a copy scanned to me at Bob@SHLawGroup.com, or one sent by first-class mail, will be sufficient).

Thank you once again for this opportunity to work with you and for Jackson County.

Very truly yours,



Robert M. Jessup Jr.

cc: Darlene Fox
Heather Baker, Esq.
Sam Barnes, Esq.
(by electronic mail)

Accepted and approved:

Jackson County, North Carolina

By: _____

Printed name: _____

Title: _____

Attachment to the Sanford Holshouser Engagement Letter

Our scope of work

As bond counsel for Jackson County, we will prepare the appropriate financing documents and coordinate the financing process with the County and the other participants, including the bond purchaser, the LGC and the County's financial adviser. At the closing, we will deliver our legal opinion as to the enforceability of the County's repayment obligations and as to certain tax issues. We will perform all the core services typically expected of bond counsel, including preparing Board resolutions, preparing documents required for the closing and coordinating closing activities. Our quoted fee includes our making a trip to Sylva in connection with the closing.

We strive to provide our services in a friendly, helpful, timely manner. We want you to have confidence in us and in the process. The transaction shouldn't be just a "black box" that nobody at the County really understands or a cursory process of our telling you to "just sign this, just file that." Please note that we are not financial advisers, and the County should not rely on us for financial advice.

Work on the official statement

The preliminary and final official statements that are part of the bond offering process -- prospectus-like documents that provide information to prospective bond investors -- are the County's responsibility. The document is primarily managed by the LGC staff, but it is the County's responsibility under the federal securities laws to assure that the official statement is correct and complete in all material respects. We will not assume or undertake responsibility for the preparation of the official statement, and we will not perform any investigation to determine its accuracy, completeness or sufficiency. We will not review the County's financial condition, the feasibility of the financed projects, or the adequacy of the security provided to bond owners, and we will express no opinion on these matters.

As part of our work as bond counsel, however, we will prepare summaries of bond documents and a form of our legal opinion to be included in the official

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statement. We are responsible for those items. We will also review or prepare, and approve, any other descriptions in the official statement of (1) the terms of the bonds and the financing documents and (2) our legal opinion.

A note on billing practices

If the scope or nature of our required work changes in a material way, we would need to discuss with the County appropriate changes to our fee arrangements.

We will defer any billing until the closing of the financing (or until it becomes clear that the financing will not be completed). We will submit a bill for our fee in connection with the closing. Our fees are not contingent on closing, however; if the financing does not close, we will charge the County based on our hourly rates as in effect from time to time, plus our expenses and disbursements. It is our usual experience that local governments will pay bills within 30 days after presentation, but please let us know if that would be outside your normal processing time.

We represent only the County as a separate entity.

We represent only the County as a separate entity. We do not represent any individual County officer or any individual County governing board member. Our attorney-client privilege and our professional duty of confidentiality, for example, run only to the County as an entity and not to any individual representative. In some cases, the rules of professional responsibility for lawyers may require us to share information received from a County representative with other County representatives, or directly with the governing board.

We will take direction for our work from the County Manager unless we are directed otherwise by the County Attorney. We will, however, respond to requests from any County representative known to us unless we establish a different protocol with the County. We expect to discuss confidential matters concerning the transaction with the County's financial adviser.

We do not and will not represent any other party to the transaction.

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The legal opinions we deliver must be objective.

Although we represent the County, as bond counsel we must deliver legal opinions that are objective; that is, they must set forth our evaluation of legal matters without regard to the County's financial or other interests. We will of course explain and discuss our view of the applicable law and requirements for compliance with all parties.

Conflicts of interest

We at Sanford Holshouser have an active public finance and community economic development practice. Not all the parties to this transaction have yet been identified. It is entirely possible that during our representation of the County, one or more of our other clients may become involved in transactions with the County. In this regard we should mention that our Firm regularly represents BB&T/Truist on housing projects financed in cooperation with the Federal Home Loan Bank. We do not regularly represent that bank on North Carolina local government financing projects.

We certainly do not expect that any other representation would produce an actual conflict with our work as bond counsel on this transaction. We will endeavor to inform you of any such circumstance should it arise, but our expectation would be to continue to represent the County in this transaction.

We are proud of the clients we work for.

We are proud of our work and the clients we work for. We may list the County as a client (and include a description of our work for the County) on our web site and in marketing materials. Please let us know if you object to our doing so. We will only include any information that is a public record, and we will not include any information we think may be particularly sensitive.

When our engagement ends

The County can fire us from our representation at any time for any reason. You will owe us only for the work we have done to that point. We can also terminate our

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work for the County at any time, but we are then required, by the rules of lawyers' professional responsibility, to take all steps reasonably necessary to make sure our resignation does not have a material adverse effect on the County's interests.

Otherwise, we generally consider our engagement as concluded with the closing of the financing, except for the completion of miscellaneous "post-closing matters," such as completing collected sets of financing documents. Our Firm and the County may identify other matters prior to the closing that have to be completed after the closing. After the closing, any work on matters such as arbitrage rebate, document amendments, loan modifications or refinancings, IRS or SEC inquiry, tax law compliance or continuing disclosure would have to be the subject of a separate agreement between the Firm and the County. After the closing, we will also ask the County to provide an evaluation of our work.

After we provide all participants with copies of the final financing documents, it is our practice to then discard all remaining hard copies of any paperwork, and we may delete electronic copies at any time.

- Sanford Holshouser LLP