

January 31, 2022

Mr. Don Adams
County Manager
Jackson County
401 Grindstaff Cove Road
Suite A207
Sylva, NC 28779

Dear Mr. Adams,

On behalf of my colleagues at Davenport & Company LLC (“Davenport”), we are pleased to provide this Letter Agreement to Jackson County (the “County”) to provide financial advisory services. In accordance with Rule G-23 of the Municipal Securities Rulemaking Board, Davenport is required to have a written agreement with the County disclosing the financial advisory services it will provide and the basis of its compensation.

Based upon our recent discussions, we understand that the County would like Davenport to provide transactional services related to the County’s proposed General Obligation bond issuance to fund an aquatics center project (the “Project”). Included below, please find Davenport’s proposed Scope of Services for the engagement and the basis for compensation.

At the County’s discretion, additional Financial Advisory services may be requested from time-to-time, including financial reviews, capital planning, debt capacity analyses, debt affordability analyses, debt issuance support, debt refinancing analysis and support and other financial advisory services. At the time of such request for additional services, the County and Davenport will agree on a Scope of Work and Fee Arrangement that will be memorialized as an addendum to this Agreement.

Scope of Services: Transaction Services: Competitively Offered General Obligation Bonds, Series 2022:

1. Prepare a detailed financing calendar to ensure the Bonds are priced and closed in time to meet the County's financing needs. The financing calendar will include all required notices, County Board actions, public hearings (if necessary), Local Government Commission ("LGC") requirements, Rating Agency requirements (if necessary), and other financing milestones.
2. Coordinate the due diligence and issuance process with the LGC and assist in obtaining any necessary approvals.

3. In cooperation with County Staff, the LGC and the County's Bond Counsel, assist in reviewing the necessary documentation including the following:
 - Bond Orders.
 - Issuance / Sale Resolutions.
 - Preliminary / Final Official Statement
 - Notice of Sale
 - Other related Bond documentation.

4. Coordinate all aspects of the rating agency interactions, including:
 - Schedule the rating agency meetings / calls.
 - Provide each rating agency with the required background information on the County's proposed bond issuance, finances and other items of interest in preparation for the rating agency interactions.
 - Prepare a comprehensive rating agency presentation on behalf of the County to be used as the basis for discussion with the rating agencies. This presentation will incorporate financial, economic, demographic and economic development-related information specifically coordinated to help position the County to receive favorable rating agency feedback.
 - Assist with the preparation for the rating agency meetings / calls, including working to prepare those individuals directly and indirectly involved with the ratings process to help ensure a positive interaction that maximizes the County's opportunity to benefit from the rating agency interaction.
 - Coordinate any required follow-up correspondence between the rating agencies and the County to help ensure a complete ratings process.
 - Interface with the rating agencies on the County's behalf to coordinate the drafting and publication of the County's official rating reports.

5. Assist in preparing for and conducting the public sale of securities, including:
 - Review bond related documentation with a particular emphasis on information pertinent to the rating agency presentations and pricing parameters.
 - Model the proposed bond issue and produce schedules outlining sources and uses of funds, debt service, escrow requirements, bond statistics, and other schedules necessary for bond counsel.
 - Provide market related insights as to issuance timing and debt service structure.
 - Coordinate with the Davenport Fixed income Sales and Trading Desk to structure the bid parameters in the Notice of Sale to align with current market expectations.
 - Run sensitivity analyses on all bid parameters to ensure the County's goals and objectives are met under reasonably anticipated market conditions.
 - Monitor bidder registration and reach out to potential bidders to assist in review/due diligence process in order to maximize participation in the competitive bid process.
 - Analyze bids received to ensure accuracy and compliance with bid parameters.

- Coordinate with the LGC and winning bidder to ensure timely receipt of bid details, good faith wire, and confirmation of final amortization amounts.
 - Prepare final financing numbers and amortization schedules for review and signoff by working group.
6. Coordinate with the LGC on the preparation of a detailed closing memorandum to facilitate the efficient closing of the financing and memorialize the key aspects of the financing.
7. Attend County Board meetings, Local Government Commission meetings, and Working Group calls, as requested.

Compensation:

For professional services described above, Davenport will charge a fixed financial advisory fee of \$65,000 payable upon the successful closing of the transaction. Additionally, customary direct out-of-pocket expenses will be charged at cost and indirect expenses (e.g. Conference Calls, Shipments, Printing, Binding and Presentation Materials) will be charged at an amount equal to 4% of the fee. These fees and the reimbursement for expenses will be paid upon the successful completion of the services as determined by the County, or at such other time as mutually agreed upon.

Termination:

Either party may terminate this agreement with 30-day written notice. Davenport will be reimbursed for its out-of-pocket expenses and services provided prior to termination.

Please do not hesitate to reach out to us if you have any questions. We appreciate the opportunity to submit this proposal and we look forward to the opportunity to assist the County.

Sincerely,



Ted Cole
Senior Vice President

Accepted by:

Jackson County, NC

By

Title

Date