

November 1, 2021

Brunswick County, North Carolina
Attention: Julie Miller, CPA
PO Box 249
Bolivia, NC 28451

Re. Placement Agent Engagement Letter

Dear Julie:

On behalf of Robert W. Baird & Co. Incorporated ("Baird" or "we"), we wish to thank you for the opportunity to serve as placement agent for Brunswick County, North Carolina (the "Issuer" or "you") on its proposed placement and issuance of Series 2022 Installment Purchase Refunding Certificates for purpose of refinancing, via privately placed bank loan, the Series 2012 public LOBs. (the "Securities"). This letter will confirm the terms of our engagement; however, it is anticipated that this letter (the "Engagement Letter") will be replaced and superseded by a placement agent agreement or term sheet to be entered into by the parties (the "Placement Agreement") if and when the Securities are priced following successful completion of the placement process. The Placement Agreement will set forth the terms and conditions on which Baird will purchase or place the Securities and will contain provisions that are consistent with those stated in this letter.

1. Services to be Provided by Baird. Baird is hereby engaged to serve as placement agent for the proposed placement and issuance of the Securities, and in such capacity Baird agrees to provide the following services:

- Review and evaluate the proposed terms of the placement and the Securities
- Assist in the preparation of the private placement memorandum and/or other disclosure documents
- Identify and contact potential investors, provide them with offering-related information, respond to their inquiries and, if requested, coordinate their due diligence sessions
- Negotiate the pricing, including the interest rate, and other terms of the Securities
- Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility if applicable
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities
- Such other usual and customary placement agent services as may be requested by the Issuer

2. Disclosures Concerning Baird's Role as Placement Agent as Required by the MSRB: At the Issuer's request, Baird may provide incidental financial advisory services, including advice as to the structure, timing, terms and other matters concerning the issuance of the Securities. Please note that Baird would be providing such advisory services in its capacity as placement agent and not as a municipal advisor or financial advisor to the Issuer. As placement agent, Baird's primary role is to arrange for the placement of the Securities in an arm's length commercial transaction between the Issuer and Baird. Baird has financial and other interests that differ from those of the Issuer. Unlike a municipal advisor, Baird as placement agent does not have a fiduciary duty to the Issuer under the federal securities law and is therefore not required by federal law to act in the best interest of the Issuer without regard to its own financial or other interests. The Issuer will prepare and provide the Baird with a term sheet and/or other documents including (e.g., financials, budgets, estimated debt service requirements and coverage, historical sales tax collections by industry classification, Issuer demographic information, and underlying credit ratings) (the "Information Package") together with the draft Resolution and other legal documents to be used in connection with the Placement (together with all supplements, modifications, and additions thereto prior to the Closing Date, the "Placement Materials"). The Issuer acknowledges and agrees that it is solely responsible for the completeness, truth, and accuracy of the Placement Materials and that the Placement Agent and each Purchaser may rely upon, as complete, true, and accurate, the Placement Materials and all information provided by the Issuer to the Placement Agent for use in connection with the Placement and that the Placement Agent does not assume any responsibility therefor. As part of

its services, Baird will review the [Placement Memorandum/Information Package] and/or other disclosure document (if any) applicable to the placement of the Securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the Securities.

As placement agent, Baird will not be required to purchase the Securities or to find one or more buyers of the Securities, but rather to use its reasonable best efforts to arrange for the sale of the Securities to one or more, purchasers, each a “qualified institutional buyer” or an “accredited investor,” as defined in the Securities Act of 1933. If all of the conditions to its obligations for the placement of any Securities have been satisfied, Baird as placement agent has a duty to arrange for the placement of the Securities at a fair and reasonable price to the Issuer but must balance that duty with its duty to arrange for the sale of the Securities to investors at prices that are fair and reasonable.

Baird is registered with the Municipal Securities Rulemaking Board (“MSRB”) and the SEC. The MSRB website is www.msrb.org. Two investor brochures, Information for Municipal Securities Investors and Information for Municipal Advisory Clients, describe the protections that may be provided by the MSRB’s rules. The brochures are available on the MSRB website. The MSRB website also contains information about how to file a complaint with an appropriate regulatory authority.

If the Issuer is obligated under a current continuing disclosure agreement, the Issuer will submit information about the transaction through EMMA’s continuing disclosure service, if material, and provide details including, but not limited to, the amount of debt being issued and its impact on the debt position, the purpose of the debt and use of proceeds, source of repayment, payment dates, interest rate, maturity and amortization of the debt, covenants, prepayment terms, events of default and remedies, acceleration events, other material terms, evidence of compliance with additional debt test, ratings, CUSIP number, transfer and redistribution rights and financial reporting requirements. If the Issuer is not obligated under a current continuing disclosure agreement, Baird recommends that the Issuer submit information about the transaction through EMMA’s continuing disclosure service located in the continuing disclosure category of “Financial/Operating Data – Investment/Debt/Financial Policy.”

3. Fees and Expenses; Conflicts of Interest. Baird’s placement agent fee shall be \$15,000. The placement agent fee will be contingent upon the closing of the placement of the Securities and the amount of the fee will be based on the principal or par amount of the Securities issued. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest because the placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than necessary. Other firms who provide services in connection with the proposed placement may also have fees that are contingent on the closing of the placement of the Securities.

In addition to the placement agent fee, the Issuer shall pay to Baird an amount to reimburse for Baird’s payment of CUSIP, DTC, IPREO (electronic book-running/sales order system), a day loan charge (currently at the rate of 1% per annum on the par amount), printing and mailing/distribution charges. The Issuer shall be responsible for paying or reimbursing Baird for all other costs of issuance, including without limitation, bond counsel, placement agent’s counsel (if any) and rating agency fees and expenses, and all other expenses incident to the performance of the Issuer’s obligations under the proposed placement.

Baird is a full service securities firm and as such Baird and its affiliates may from time to time provide advisory, brokerage, consulting and other services and products to municipalities, other institutions, and individuals including the Issuer, certain Issuer officials or employees, and potential purchasers of the Securities for which Baird may receive customary compensation; however, such services are not related to the proposed offering. Baird has previously served as underwriter, placement agent or financial advisor on other bond offerings and financings for the Issuer and expects to serve in such capacities in the future. Baird may also be engaged from time to time by the Issuer to manage investments for the Issuer (including the proceeds from the proposed offering) through a separate contract that sets forth the fees to be paid to Baird. Baird manages various mutual funds, and from time to time those funds may own bonds and other securities issued by the Issuer (including the Securities). Additionally, clients of Baird may from time to time purchase, hold and sell bonds and other securities issued by the Issuer (including the Securities).

In the ordinary course of fixed income trading business, Baird may purchase, sell, or hold a broad array of investments and may actively trade securities and other financial instruments, including the Securities and other municipal bonds, for its own account and for the accounts of customers, with respect to which Baird may receive a mark-up or mark-down, commission or other remuneration. Such investment and trading activities may involve or relate to the offering or other assets, securities and/or instruments of the Issuer and/or persons and entities with relationships with the Issuer. Spouses and other family members of Baird associates may be employed by the Issuer. Baird associates, including Baird Public Finance associates, may have made or may make political contributions to

elected officials and/or candidates for office, including officials of the Client in compliance with MSRB Rule G-37 and Baird's internal policies and pre-clearance requirements.

Baird has not identified any additional potential or actual material conflicts that require disclosure. If potential or actual conflicts arise in the future, we will provide you with supplemental disclosures about them.

4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the placement of the Securities. Notwithstanding the forgoing, either party may terminate Baird's engagement at any time without liability of penalty upon at least 30 days' prior written notice to the other party. If Baird's engagement is terminated by the Issuer, the Issuer agrees to reimburse Baird for its out-of-pocket expenses incurred until the date of termination.

5. Indemnification; Limitation of Liability. The Issuer agrees that neither Baird nor its employees, officers, agents or affiliates shall have any liability to the Issuer for the services provided hereunder except to the extent it is judicially determined that Baird engaged in gross negligence or willful misconduct. In addition, to the extent permitted by applicable law, the Issuer shall indemnify, defend and hold Baird and its employees, officers, agents and affiliates harmless from and against any losses claims, damages and liabilities that arise from or otherwise relate to this Engagement Letter, actions taken or omitted in connection herewith, or the transactions and other matters contemplated hereby, except to the extent such losses, claims, damages or liabilities are judicially determined to be the result of Baird's gross negligence or willful misconduct.

6. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of North Carolina. This Engagement Letter may not be amended or modified except by means of a written instrument executed by both parties hereto. This Engagement Letter may not be assigned by either party without the prior written consent of the other party. The Issuer acknowledges that Baird may, at its option and expense and after announcement of the offering, place announcements and advertisements or otherwise publicize a description of the offering and Baird's role in it on Baird's website and/or other marketing material and in such financial and other newspapers and journals as it may choose, stating that Baird has acted as underwriter for the offering. The Issuer also agrees that Baird may use the Issuer's name and logo or official seal for these purposes.

7. Disclosures of Material Financial Characteristics and Material Financial Risks.

Accompanying this letter is a disclosure document describing the material financial characteristics and material financial risks of the Securities as required by MSRB Rule G-17.

If there is any aspect of this Engagement Letter that you believe requires further clarification, please do not hesitate to contact us. In addition, please consult your own financial and/or municipal, legal, accounting, tax and other advisors as you deem appropriate. We understand that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the proposed placement and issuance of the Securities. If our understanding is not correct, please let us know.

Please evidence your receipt and agreement to the foregoing by signing and returning this Engagement Letter.

Again, we thank you for the opportunity to assist you with your proposed placement and issuance of the Securities and the confidence you have placed in us.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED

By: _____

Managing Director

Cc: Aaron Smith Asst. Finance Director



Accepted this ____ day of _____, 20__

[NAME OF ISSUER]

By: _____

Title: _____