



June 6, 2016

Installment Financing Agreement Proposal for:

Town of Pittsboro (the “Town”)
635 East St.
Pittsboro, NC 27312

Offered By:

First-Citizens Bank & Trust Company (the “Bank”)
1230 Main Street
Columbia, SC 29201

To: Heather Meacham, Finance Director

Type of Contract: A municipal installment financing agreement (the “Loan”) with the Town responsible for all expenses related to the use of the vehicles and equipment including taxes and maintenance. The Town shall also be responsible for selecting the vehicles and equipment and the vendors.

Description of Project: To finance the purchase of vehicles and equipment as indicated per your request with the total amount financed not to exceed \$370,000.00.

Financing Terms & Rate: First Citizens will provide a bank qualified tax exempt fixed rate of 1.86% for a term of forty-eight (48) months with interest on the basis of a 360-day year of twelve 30-day months. Installment payments are to be made annually in arrears, with the first payment due one year after the loan closing. There will not be an origination fee due at closing. While the Bank will provide draft closing documents, the Town will be responsible for its own legal fees to include validity and tax status opinions.

Escrow Account: Advance funding is available to allocate funding for the vendors before the delivery of vehicles. In the event that an escrow agreement is to be entered into, there will not be an escrow agent fee due at closing. The Bank would deposit the proceeds in an escrow account to be held by the Bank as Escrow Agent. Disbursements will be made directly to the Town and limited to two per month.

Non-Appropriation: The Town shall exercise its best efforts to obtain annual appropriations to meet fiscal year installment sale payments.

Prepayment: The Loan may be terminated early by paying principal in full at any time, together with accrued interest, without penalty. Prepayment in full may be made upon thirty (30) days advance written notice to the Bank.

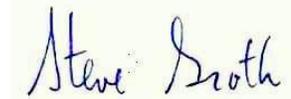
North Carolina General Statute: The installment sale will conform to the requirements of North Carolina General Statute 159, Article 8 and 160A-20.

Security: Financing shall be secured by a first lien security interest on all personal property acquired with financing proceeds.

Tax Status: This Loan will be bank-qualified under Section 265 of the Internal Revenue Code of 1986, as amended. The Town or its advisors will be responsible for preparing and filing Form 8038G or any other IRS filing.

Funding Date: If the Loan is not closed within forty-five (45) days of the Proposal Date, the quoted interest rate and payments are subject to change based on current market conditions, unless extended by the Bank.

First-Citizens Bank & Trust Company



By: Steve Groth
Director of Government & Institutional Banking

The foregoing proposal is accepted and approval of rate and funding is requested:

Town of Pittsboro, NC

By: _____

Title: _____

Date: _____