



Carter Bank & Trust

POST OFFICE BOX 1776
MARTINSVILLE, VIRGINIA 24115-1776

September 1, 2016

Tyler Traudt
First Tryon Advisors
1355 Greenwood Cliff, Suite 400
Charlotte, NC 28246

RE: RFP for the purchase of a 2016 Installment Financing Contract.

Dear Mr. Traudt,

Carter Bank & Trust is pleased to submit the following bid on the above referenced project:

ISSUER:	Town of Davidson, North Carolina
AMOUNT:	Up to \$230,000
PURPOSE:	To finance the purchase of a 2016 Elgin Crosswind Street sweeper Model Series J mounted plus regenerative air street sweeper mounted on a 2016 dualized M2 Feightliner cab-chassis.
TAX TREATMENT:	Fully Tax Exempt
BANK QUALIFIED:	The bank will require the loan to be "bank qualified" under Section 265 (b) (3) of the Internal Revenue Code with the interest thereon exempt from Federal and State income taxation.
CREDIT:	Installment Financing Agreement providing a security interest in the vehicles/equipment that are being purchased. Carter Bank & Trust will be shown as lienholder on all equipment titles and will file UCC financing statements as needed to perfect our interest in the collateral.
INTEREST RATE:	Option A: 1.65% fixed until maturity Option B: 1.75% fixed until maturity Option C: 1.85% fixed until maturity

Interest will be calculated using a 30/360 day count.

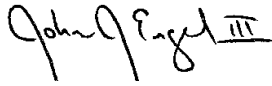
MATURITY DATE:	Option A: May 1, 2021 Option B: May 1, 2023 Option C: May 1, 2026
PAYMENTS:	Payments of principal and interest will be made annually on May 1, commencing on May 1, 2017.
PREPAYMENT:	The loan may be prepaid without penalty at any time.
DRAWDOWN:	All at closing
NON-APPROPRIATION:	The borrowing entity will agree that an appropriation sufficient to satisfy the debt service will be included in its budgeting proposal process. The bank understands that the proposed appropriation may not be approved in the final approved annual budget.
INSURANCE:	The bank will require insurance on all items of collateral from a company acceptable to the bank in such amounts and covering such risks as are usually carried by companies engaged in the same or similar business. Carter Bank & Trust and its successors or assigns as their interest may appear shall be named as loss payee in each policy of casualty insurance insuring any items of collateral and shall be named as an additional insured in each policy of liability insurance.
COSTS:	The bank will not impose any fees and does not anticipate any expenses in connection with this transaction. Borrower will be responsible for the payment of all recording and filing fees necessary to secure the bank's interest in the street sweeper and the regenerative air street sweeper.
DOCUMENTATION:	All documentation associated with this loan shall be in a form and content acceptable to the bank. Carter Bank & Trust will require documentation from the authorizing and approving the financing. Prior to closing, the bank will require information from the Town indicating the authorized signers on the loan documents. The bank may require such other documents, instruments, opinions, approvals and assurances customary in this type of financing or as the bank may reasonably request.
FINANCIAL STATEMENTS:	The Town will provide Carter Bank & Trust with annual audited financial statements.
ADDITIONAL INFORMATION:	Carter Bank & Trust understands and agrees to the provisions provided in the Request for Proposal provided.

Town of Davidson, North Carolina
September 1, 2016
Page 3

The terms of your request for bid submitted to Carter Bank & Trust are hereby incorporated as part of our bid. This commitment will expire on October 17, 2016.

We thank you for the opportunity of quoting on this project and look forward to hearing from you in the near future. If you have any questions concerning this bid, you may contact me at 276-656-1776.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Engel III". The signature is fluid and cursive, with the last name "Engel" being the most prominent part.

John J. Engel III
Senior Vice President

This commitment accepted this _____ day of _____, 2016.

TOWN OF DAVIDSON, NORTH CAROLINA

By: _____

Name: _____

Title: _____