



# Carter Bank & Trust

POST OFFICE BOX 1776  
MARTINSVILLE, VIRGINIA 24115-1776

February 4, 2015

Ms. Amy Winn  
Accounting Coordinator  
City of Eden  
308 East Stadium Drive  
Eden, NC 27288

RE: Installment Purchase Financing Agreement - City of Eden, North Carolina

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

ISSUER:	City of Eden, North Carolina
AMOUNT:	Up to \$56,611
PURPOSE:	Proceeds of the Installment Purchase Financing Agreement will be used to purchase one 2015 75-yard compactor trailer.
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.
SECURITY:	Installment Purchase Financing Agreement providing a security interest in the vehicle(s) / equipment to be purchased. Carter Bank & Trust will be shown as lienholder on all vehicle / equipment titles and will file UCC financing statements as needed to perfect the bank's interest in the collateral.
INTEREST RATE / TERM:	1.50% fixed for a five year term.  Interest rate will be calculated using a 30/360 day count.

**PAYMENTS:** Carter Bank & Trust will work with the City to determine the exact repayment schedule.

**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 risk as are usually carried by companies engaged in the same or similar business. Carter Bank & Trust and its successors or assignees 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 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. The borrower will be responsible for the payment of all recording and filing fees necessary to secure the bank's interest in the vehicles to be purchased.

**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 City of Eden authorizing and approving the financing transaction. Prior to closing, the bank will require information from the City 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 City of Eden, North Carolina will provide Carter Bank & Trust with annual audited financial statements.

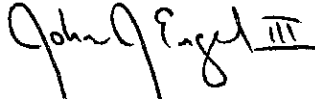
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ADDITIONAL INFORMATION: Carter Bank & Trust understands and agrees to the provisions provided in the Request for Proposal.

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 April 2, 2015.

We thank you for the opportunity of quoting the City of Eden, North Carolina 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,



John J. Engel, III  
Senior Vice President

This commitment accepted this \_\_\_\_ day of \_\_\_\_\_, 2015.

CITY OF EDEN, NORTH CAROLINA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_