



STAFF REPORT

Agenda Title: Establishment of a Streets Capital Project Fund Ordinance and Installment Financing Approval Resolution

Presenter: Sheri Powers, Finance and Budget Director

Meeting Date: June 21, 2022

Summary:

- 1. Street Improvement Capital Project Fund Ordinance and Budget Adoption –Ordinance 210603** - The Street's project is underway. The Initial costs associated with the project will be funded by the Town's Powell Bill revenue and then funding will be from an estimated \$2.354 million in installment financing. We completed the RFP process for the installment financing and the related LGC approval application. It is necessary to establish a separate Capital Projects Fund to account for the activity related to the Streets Project and the Installment financing per G.S. 159-26(b)(6). As such, the attached Street's Capital Project's Budget Ordinance has been drafted for your consideration.
- 2. Installment Financing Resolution – 2022-062102** - The town issued an RFP for Installment financing proposals for up to \$2,400,000 in financing to fund the balance of the paving project. The bids were due on June 7th and five Bank responses were received. The most favorable bid was from Truist at a rate of 3.19%. A summary of Bank responses is attached. Woodfin Resolution 2022 - 062102 is attached authorizing staff to enter into a financing agreement with Truist for the Board's consideration. The financing agreement is also attached for the Board's review.

Process and Timeline:

See attached Paving Project Financing timeline. Projected loan closing July 19, 2022

Budget Impact:

Establishment of a new Capital Projects Fund to account for Paving Project costs with total budget revenues and expenditures of \$3,073,758 which includes a transfer of Powell Bill revenues and Powell Bill reserves of \$719,758. Debt service related to the installment financing is budgeted in the General Fund Streets Division Budget. Estimated 2023 Debt Service is \$40,050.

Recommendation/Next Steps:

Financing Resolution and Budget Ordinance approval



Town of Woodfin

90 Elk Mountain Road
Woodfin, NC 28804
PH: (828) 253-4887
FX: (828) 253-4700

Street Improvement Capital Project Budget Ordinance

Date: Tuesday, June 21, 2022

Ordinance Number 2022-210603

WHEREAS, the Board of Commissioners approved a Street Maintenance and Repair Project for many of the streets maintained by the Town that are in disrepair on December 21, 2021. The estimated cost for the initial phase of the project was \$3,000,000.

WHEREAS, in accordance with provisions of G.S. 159-26(b)(6) of the North Carolina Local Government Budget and Fiscal Control Act; and

WHEREAS, the Budget Officer and the Town of Woodfin Board of Commissioners wish to establish a Street Improvement Capital Project Fund (44); and

WHEREAS, the Budget Officer and the Town of Woodfin Board of Commissioners wish to establish a Streets - Capital Project Budget as detailed below.

NOW THEREFORE, BE IT ORDAINED BY THE WOODFIN BOARD OF COMMISSIONERS THAT:

Section 1: The Streets - Capital Project Budget listed below for the Town of Woodfin's Street Improvements Capital Projects Fund (Fund 44) is hereby adopted.

Section 2: This ordinance shall be effective upon adoption.

Woodfin Street Improvement Capital Projects Fund (Fund 44)

Account	Department	Object	Description	Decrease	Increase
Revenue					
370011			Proceeds from Installment Loan Financing		\$ (2,354,000.00)
390000			Transfers to/from Other Funds (General Fd)		\$ (719,758.00)
			Total Revenue		\$ (3,073,758.00)
Expenditures					
541000	Streets	305	Professional Services		\$ 54,000.00
541000	Streets	503	Construction		\$ 2,720,532.00
541000	Streets	520	Contingency		\$ 299,226.00
			Total Expenditures		\$ 3,073,758.00
				\$ -	\$ -

The purposes of the budget amendment are to:
1. Appropriation of funds and establishment of a budget for estimated revenue and expenditures related to Woodfin's Street Improvement Capital Project and related Installment financing. Transfers from the General Fund are from Powell Bill revenue and Powell Bill reserves.

Finance Officer

Date

Sheri D. Powers

June 21, 2022

Section: 3 Copies of this amendment shall be furnished to the Clerk of the Governing Board, to the Budget/Finance Officer, and the Accountant for their direction.

Ayes: _____ Nays: _____ Abstains: _____

Adopted: _____

M. Jerry VeHaun
Mayor

Ryan Vinson
Town Clerk



Town of Woodfin

90 Elk Mountain Road
Woodfin, NC 28804
PH: (828) 253-4887
FX: (828) 253-4700

Resolution: 2022-062102

Passed _____

RESOLUTION TO APPROVE A FINANCING AGREEMENT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

Extract of Minutes of a regular meeting of the Board of Commissioners of the Town of Woodfin, North Carolina held at the Town Hall, 90 Elk Mountain Road, Woodfin, North Carolina, at 6:30 p.m. on June 21, 2022.

The following members were present:

The following members were absent:

Commissioner _____ moved that the following resolution, copies of which having been made available to the Board of Commissioners, be adopted:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF WOODFIN, NORTH CAROLINA, APPROVING A FINANCING AGREEMENT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the Town of Woodfin, North Carolina (the “Town”) is a validly existing municipal corporation of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the “State”);

WHEREAS, the Town has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, to (1) purchase real and personal property, (2) enter into Financing Agreements in order to finance the purchase of real and personal property used, or to be used, for public purposes and (3) grant a security interest in some or all of the property purchased to secure repayment of the purchase price;

WHEREAS, the Board hereby determines that it is in the best interest of the Town to pave certain roads in the Town (such road improvements, and not the roads, shall be defined as the “Equipment”);

WHEREAS, the Board hereby determines that it is in the best interest of the Town to (1) enter into a Financing Agreement to be dated on the date of delivery thereof (the “*Agreement*”) between the Town and Truist Bank (the “*Bank*”) in order to (a) finance the Equipment and (b) pay certain costs incurred in connection with the execution and delivery of the Agreement, and (2) grant the Bank a security interest in the Equipment to secure the Town’s obligations under the Agreement;

WHEREAS, the Town will own the Equipment and use the Equipment to serve the Town’s citizens;

WHEREAS, the Town has filed an application with the North Carolina Local Government Commission for its approval with respect to the Town entering into the Agreement in an aggregate principal amount of not to exceed \$2,400,000, and the Town hereby determines that all findings, conclusions and determinations of the Town in this Resolution are subject to such approval by the LGC;

WHEREAS, there has been described to the Board the form of the Agreement, a copy of which has been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing; and

WHEREAS, it appears that the Agreement is in appropriate form and is an appropriate instrument for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF WOODFIN, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Ratification of Prior Actions.*** All actions of the Town, the Town Manager, the Finance Director and the Town Clerk and their respective designees in effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transaction contemplated by the Agreement.

Section 2. ***Approval, Authorization and Execution of the Agreement.*** The Town hereby approves the construction of the Equipment in accordance with the terms of the Agreement, which will be a valid, legal and binding obligation of the Town in accordance with its respective terms. The Town hereby approves the amount advanced by the Bank to the Town pursuant to the Agreement in an aggregate principal amount not to exceed \$2,400,000, such amount to be repaid by the Town to the Bank as provided in the Agreement. The form, terms and content of the Agreement are in all respects authorized, approved and confirmed, and the Mayor, the Town Manager, the Finance Director and the Town Clerk or their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Agreement for and on behalf of the Town, including necessary counterparts, in substantially the form described to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Agreement, the Mayor, the Town Manager, the Finance Director and the Town Clerk or their respective designees are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed.

Section 3. ***Further Actions.*** The Town Manager, the Mayor and the Finance Director are each hereby designated as the Town’s representatives to act on behalf of the Town in connection with the transaction contemplated by the Agreement. The Town Manager, the Mayor and the Finance Director are authorized and directed, individually and collectively, to proceed with the acquisition of the Equipment in accordance with the terms of the Agreement, to file the Financing Statement, if required, and to seek opinions on matters of law from counsel to the Town, which the counsel to the Town is authorized to furnish

on behalf of the Town, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The Mayor, the Town Manager and the Finance Director are hereby authorized to designate one or more employees of the Town to take all actions which the Mayor, the Town Manager or the Finance Director is authorized to perform under this Resolution, and the Mayor, the Town Manager, the Finance Director or their designees are in all respects authorized on behalf of the Town, individually and collectively, to supply all information pertaining to the transaction contemplated by the Agreement. The Mayor, the Town Manager, the Finance Director and the Town Clerk are authorized, individually and collectively, to execute and deliver for and on behalf of the Town any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Agreement or as they may deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 4. **Repealer.** All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

Section 5. **Severability.** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. **Effective Date.** This Resolution is effective on the date of its adoption.

On motion of Commissioner _____, the foregoing resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF WOODFIN, NORTH CAROLINA, APPROVING AN FINANCING AGREEMENT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS”** was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
)
TOWN OF WOODFIN) ss:

I, RYAN VINSON, Town Clerk of the Town of Woodfin, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF WOODFIN, NORTH CAROLINA, APPROVING AN FINANCING AGREEMENT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**” adopted by the Board of Commissioners of the Town of Woodfin, North Carolina at a meeting held on the 21st day of June, 2022.

WITNESS my hand and the corporate seal of the Town of Woodfin, North Carolina, this the 21st day of June, 2022.

M. Jerry VeHaun
Mayor

Attest:

Ryan Vinson
Town Clerk

FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “*Contract*”) is dated as of _____, 2022, and is between the **TOWN OF WOODFIN, NORTH CAROLINA**, a municipal corporation of the State of North Carolina (the “*Borrower*”), and **TRUIST BANK** (“*Truist*”).

RECITALS:

The Borrower has the power, pursuant to Section 160A-20 of the North Carolina General Statutes, to enter into installment contracts to finance or refinance the purchase of personal property, or the repair of fixtures or improvements on real property, and to secure its obligations under such contracts by security interests in all or a portion of the property purchased or improved. This Contract provides for Truist to advance \$[Amount] to the Borrower to enable the Borrower to acquire and install the Equipment (as defined below), and provides for securing the Borrower’s obligations under this Contract by creating certain security interests in favor of Truist.

This Contract secures current advances of \$[Amount]. The current scheduled date for final repayment is on _____, 2037.

NOW THEREFORE, for and in consideration of the mutual promises in this Contract, and other good and valuable consideration, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION

Unless the context clearly requires otherwise, capitalized terms used in this Contract and not otherwise defined shall have the following meanings:

“*Additional Payments*” means any of Truist’s reasonable and customary fees and expenses related to the transactions contemplated by this Contract, any of Truist’s expenses (including attorneys’ fees) in prosecuting or defending any action or proceeding in connection with this Contract, any required license or permit fees, state and local sales and use or ownership taxes or property taxes which Truist is required to pay as a result of this Contract, inspection and re-inspection fees, and any other amounts payable by the Borrower (or paid by Truist on the Borrower’s behalf) as a result of its covenants under this Contract (together with interest that may accrue on any of the above if the Borrower shall fail to pay the same, as set forth in this Contract).

“*Amount Advanced*” has the meaning assigned in Section 2.02.

“*Bond Counsel Opinion*” means a written opinion (in form and substance acceptable to Truist) of an attorney or firm of attorneys acceptable to Truist.

“*Borrower*” means the Town of Woodfin, North Carolina.

“*Borrower Representative*” means the Borrower’s Town Manager, Finance Director, investment officer or such other person or persons at the time designated, by a written certificate in the form of Exhibit D attached hereto furnished to Truist and signed on the Borrower’s behalf by an authorized representative of the Borrower, to act on the Borrower’s behalf for any purpose (or any specified purpose) under this Contract.

“*Budget Officer*” means the Borrower officer from time to time charged with preparing the Borrower’s draft budget as initially submitted to the Governing Board for its consideration.

“*Business Day*” means any day on which banks in the State are not by law authorized or required to remain closed.

“*Closing Date*” means the date on which this Contract is first executed and delivered by the parties.

“*Code*” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and revenue procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended, as applicable to the Borrower’s obligations under this Contract and all proposed (including temporary) regulations which, if adopted in the form proposed, would apply to such obligations. Reference to any specific Code provision shall be deemed to include any successor provisions thereto.

“*Equipment*” has the meaning assigned in Section 2.03, and is generally expected to include the personal property described in Exhibit A.

“*Event of Default*” means one or more events of default as defined in Section 7.01.

“*Event of Nonappropriation*” means any failure by the Governing Board to adopt, by the first day of any Fiscal Year, a budget for the Borrower that includes an appropriation for Required Payments, or the Governing Board’s amendment of the annual budget to remove an appropriation for Required Payments, in each case as contemplated by Section 3.05.

“*Fiscal Year*” means the Borrower’s fiscal year beginning July 1, or such other fiscal year as the Borrower may later lawfully establish.

“*Governing Board*” means the Borrower’s governing board as from time to time constituted.

“*Installment Payments*” means the payments payable by the Borrower pursuant to Section 3.01.

“*LGC*” means the North Carolina Local Government Commission.

“*Net Proceeds*,” when used with respect to any amounts derived from claims made on account of insurance coverages required under this Contract, any condemnation award arising out of

the condemnation of all or any portion of the Equipment, or any amounts received in lieu or in settlement of any of the foregoing, means the amount remaining after deducting from the gross proceeds thereof all expenses (including attorneys' fees and costs) incurred in the collection of such proceeds, and after reimbursement to the Borrower or Truist for amounts previously expended to remedy the event giving rise to such payment or proceeds.

"Payment Dates" means the dates indicated in Exhibit B.

"Prime Rate" means the interest rate so denominated and set by Truist (whether or not such bank, or any affiliate thereof, is at any time the counterparty to this Contract) as its "Prime Rate," as in effect from time to time.

"Project Costs" means all costs of the design, planning, acquiring and installing the Equipment as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Installment Payments payable by the Borrower under this Contract, including (a) sums required to reimburse the Borrower or its agents for advances for any such costs, (b) interest during the period of the acquisition and installation of the Equipment and for up to six months thereafter, and (c) all costs related to the financing of the Equipment through this Contract and all related transactions.

"Project Fund" has the meaning assigned in Section 2.02.

"Required Payments" means Installment Payments and Additional Payments.

"Section 160A-20" means Section 160A-20 of the North Carolina General Statutes, as amended, or any successor provision of law.

"Secured Property" means the Equipment and all amounts on deposit from time to time in the Project Fund.

"State" means the State of North Carolina.

"UCC" means the Uniform Commercial Code or any successor law as in effect from time to time in the State, currently Chapter 25 of the North Carolina General Statutes.

All references in this Contract to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Contract. The words "hereof" and "hereunder" and other words of similar import refer to this Contract as a whole and not to any particular Section or other subdivision unless the context indicates otherwise. Words importing the singular number shall include the plural number and vice versa.

ARTICLE II

SECURITY PROVIDED BY THIS CONTRACT; ADVANCE

2.01. Security for Payment and Performance. This Contract secures the Borrower's payment, as and when the same shall become due and payable, of all Required Payments and the Borrower's timely compliance with all terms, covenants and conditions of this Contract.

2.02. Advance. Truist shall advance \$[Amount] (the "*Amount Advanced*") to the Borrower by making a deposit of \$ _____ (the Amount Advanced less a fee of \$5,900 to be paid directly by Truist to its legal counsel) on the Closing Date to a Project Fund (the "*Project Fund*") as provided in Article IV herein, and the Borrower hereby accepts the Amount Advanced from Truist.

2.03. UCC Security Agreement.

(a) This Contract is intended as and constitutes a security agreement pursuant to the UCC with respect to the following:

- (i) all moneys on deposit from time to time in the Project Fund; and
- (ii) all property acquired by the Borrower with funds advanced by Truist pursuant to this Contract, all personal property obtained in substitution or replacement therefor, and all personal property obtained in substitution or replacement for any portion of the Secured Property, and all proceeds of the foregoing (collectively, the "*Equipment*").

To secure the Required Payments, the Borrower hereby grants to Truist a security interest in the Equipment and in the moneys on deposit from time to time in the Project Fund.

(b) The Borrower shall allow Truist to deliver and file, or cause to be filed, in such place or places as may be required by law, financing statements (including any continuation statements required by the UCC or determined by Truist) in such form as Truist may reasonably require to perfect and continue the security interest in the Equipment and in the moneys on deposit from time to time in the Project Fund.

2.04. Borrower's Limited Obligation. (a) THE PARTIES INTEND THAT THIS TRANSACTION COMPLY WITH SECTION 160A-20. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE BORROWER'S FAITH AND CREDIT WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS A DELEGATION OF GOVERNMENTAL POWERS OR AS AN IMPROPER DONATION OR A LENDING OF THE BORROWER'S CREDIT WITHIN THE MEANING OF THE STATE CONSTITUTION. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE BORROWER IN VIOLATION OF SECTION 160A-20. No provision of this Contract shall be construed to pledge or to create a lien on any class or source of the Borrower's moneys (other than the funds held under this Contract), nor shall any provision of this Contract restrict the future issuance of any of the Borrower's bonds or obligations payable from

any class or source of the Borrower's moneys (except to the extent this Contract restricts the incurrence of additional obligations secured by the Secured Property). In the event of any conflict between this Section or Section 160A-20 and any other provision of this Contract, this Section and Section 160A-20 take precedence over any other provisions of this Contract.

(b) Nothing in this Section is intended to impair or prohibit execution on the Secured Property if the Required Payments are not paid when due or otherwise upon the occurrence of an Event of Default under this Contract.

2.05. Borrower's Continuing Obligations. The Borrower shall remain liable for full performance of all its covenants under this Contract (subject to the limitations described in Section 2.04), including payment of all Required Payments, notwithstanding the occurrence of any event or circumstances whatsoever, including any of the following:

- (a) Truist's waiver of any right granted or remedy available to it;
- (b) The forbearance or extension of time for payment or performance of any obligation under this Contract, whether granted to the Borrower, a subsequent owner of the Equipment or any other person;
- (c) The release of all or part of the Secured Property or the release of any party who assumes all or any part of such performance;
- (d) Any act or omission by Truist (but this provision does not relieve Truist of any of its obligations under this Contract);
- (e) The sale of all or any part of the Equipment; or
- (f) Another party's assumption of the Borrower's obligations under this Contract.

ARTICLE III

BORROWER'S PAYMENT OBLIGATION AND RELATED MATTERS

3.01. Installment Payments. The Borrower shall repay the Amount Advanced by making Installment Payments to Truist in lawful money of the United States at the times and in the amounts set forth in Exhibit B, except as otherwise provided in this Contract. As indicated in Exhibit B, the Installment Payments reflect the repayment of the Amount Advanced and include designated interest components.

3.02. Additional Payments. The Borrower shall pay all Additional Payments on a timely basis directly to the person or entity to which such Additional Payments are owed in lawful money of the United States.

3.03. Prepayment. The Borrower may prepay the outstanding principal component of the Amount Advanced, at its option, on or after January __, 2030, in whole but not in part, by paying

(a) all Additional Payments then due and payable, (b) all interest accrued and unpaid to the prepayment date, and (c) 100% of the outstanding principal amount; provided, however, any prepayments made pursuant to Section 4.03(d)(v) may be made in part and without prepayment premium. [Note: to be adjusted depending on choice of prepayment option]

3.04. Late Payments. If the Borrower fails to pay any Installment Payment when due, the Borrower shall pay additional interest on the principal component of the late Installment Payment (as permitted by law) at an annual rate equal to the Prime Rate from the original due date.

3.05. Appropriations. (a) The Budget Officer shall include in the initial proposal for each of the Borrower's annual budgets the amount of all Installment Payments and estimated Additional Payments coming due during the Fiscal Year to which such budget applies. Notwithstanding that the Budget Officer includes such an appropriation for Required Payments in a proposed budget, the Governing Board may determine not to include such an appropriation in the Borrower's final budget for such Fiscal Year.

(b) The Budget Officer shall deliver notification to Truist within 15 days after the adoption of the annual budget if an amount equal to the Installment Payments and estimated Additional Payments coming due during the next Fiscal Year has not been appropriated by the Borrower in such budget for such purposes. If such amount has not been so appropriated, the Budget Officer shall send a copy of such notification to the LGC, to the attention of its Secretary, at 3200 Atlantic Avenue, Raleigh, NC 27604.

(c) The actions required of the Borrower and its officials and/or officials pursuant to this Section shall be deemed to be and shall be construed to be in fulfillment of ministerial duties, and it shall be the duty of each and every Borrower official to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the Borrower to carry out and perform the actions required pursuant to this Section and the remainder of this Contract to be carried out and performed by the Borrower.

(d) The Borrower reasonably believes that it can obtain funds sufficient to pay all Required Payments when due.

3.06. No Abatement. There shall be no abatement or reduction of the Required Payments for any reason, including, but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or imaginary) arising out of or related to the Equipment, except as expressly provided in this Contract. The Borrower assumes and shall bear the entire risk of loss and damage to the Equipment from any cause whatsoever. The Installment Payments shall be made in all events unless the Borrower's obligation to make Installment Payments is terminated as otherwise provided in this Contract.

3.07. Interest Rate and Payment Adjustment. (a) "Rate Adjustment Event" means (i) any action by the Internal Revenue Service (including the delivery of a deficiency notice) or any other federal court or administrative body determining, or (ii) receipt by Truist of an opinion of nationally recognized bond counsel to the effect, (A) that the interest component of Installment Payments, or any portion thereof, is includable in any beneficiary's gross income for federal income tax purposes or (B) that the Borrower's obligations under this Contract are not "qualified tax-

exempt obligations” within the meaning of Code Section 265 (a “265 Event”). A Rate Adjustment Event can only be predicated by an action or failure to act by the Borrower.

(b) Upon any Rate Adjustment Event, (i) the unpaid principal portion of the Amount Advanced shall continue to be payable on dates and in amounts as set forth in Exhibit B, but (ii) the interest components of the Installment Payments shall be recalculated, at an interest rate equal to an annualized interest rate equal to the Prime Rate plus 2% (200 basis points), to the date (retroactively, if need be) determined pursuant to the Rate Adjustment Event to be the date interest became includable in any beneficiary’s gross income for federal income tax purposes (or in the case of a 265 Event, retroactively to the Closing Date).

(c) The Borrower shall pay interest at such adjusted rate (subject to credit for interest previously paid) to each affected beneficiary, notwithstanding the fact that any particular beneficiary may not necessarily be a beneficiary to this Contract on the date of a Rate Adjustment Event. The Borrower shall additionally pay to all affected counterparties any interest, penalties or other charges assessed against or payable by such beneficiary and attributable to a Rate Adjustment Event notwithstanding the prior repayment of the entire Amount Advanced or any transfer to another beneficiary.

ARTICLE IV

PROJECT FUND

4.01. Project Fund. Pursuant to Section 2.02, on the Closing Date, Truist shall deposit \$ _____ into the Project Fund, which shall be a special account of the Borrower at Truist Bank to be designated “2022-0001 Town of Woodfin, North Carolina Project Fund”. The Project Fund shall be held separate and apart from all other funds or accounts of the Borrower. The Project Fund is the Borrower’s property, but the Borrower may withdraw amounts on deposit in the Project Fund only as provided herein and only for application from time to time to the payment of Project Costs or otherwise as permitted by Section 4.03 hereof. Pending such application, such amounts shall be subject to a lien and charge in favor of Truist to secure the Borrower’s obligations hereunder.

4.02. Requisitions from Project Fund. The Borrower may withdraw funds from the Project Fund only after authorization from Truist. Truist shall authorize the disbursement of funds from the Project Fund only to the Borrower and only upon its receipt of one or more written requisitions in the form set forth in Exhibit C attached hereto signed by one of the designated Borrower Representatives. The Borrower shall submit its signed requisitions in pdf format by electronic transmission at the email address contained in the requisition form.

Upon receipt of a requisition from the Borrower, Truist shall undertake such review of the matters referred to in such requisition as it shall deem appropriate, and within seven (7) Business Days after such receipt shall notify the Borrower if it does not approve the requisition with the reasons for its disapproval. Truist has no obligation to make a review and any review by Truist is only for Truist’s benefit. Truist shall not unreasonably withhold payment of any requisition.

4.03. Disposition of Project Fund Balance. (a) Promptly after the acquisition of the Equipment, and when the Borrower has withdrawn from the Project Fund all of the funds needed to acquire the Equipment, the Borrower shall deliver to Truist a written certificate of completion executed by a Borrower Representative stating that (i) the Equipment has been acquired, (ii) there are no mechanic's or other liens against the Equipment for labor or materials furnished in connection with the acquisition of the Equipment, and (iii) no further funds will be requisitioned from the Project Fund to pay Project Costs. Truist may then withdraw any balance remaining in the Project Fund (and not required to be retained to pay Project Costs incurred but not yet paid) and apply such amount as provided in subsection (d) of this Section.

(b) Upon the occurrence of an Event of Default, Truist may withdraw any balance remaining in the Project Fund and apply such amount as provided in subsection (d) of this Section.

(c) If (i) more than three years have elapsed from the Closing Date or (ii) at least six months have elapsed from Truist's most recent receipt of a requisition for Project Costs, then Truist, upon 30 days' notice from Truist to the Borrower, may withdraw any balance remaining in the Project Fund and apply such amount as provided in subsection (d) of this Section.

(d) Truist may apply any amounts withdrawn from the Project Fund pursuant to this Section in the following order: (i) to the payment of any Additional Payments then due to Truist under this Contract, (ii) to the payment of any interest accrued to the Project Fund disposition date that is then due and payable, (iii) to the payment of any principal amount then due and payable, (iv) to the prepayment of principal and accrued interest in accordance with the prepayment provisions of this Contract, and (v) to the payment of future Installment Payments in inverse order of maturity; provided, however, that (1) at the option of Truist, Truist may deliver funds held in the Project Fund to the Borrower to be applied to additional Project Costs or future Required Payments, and (2) in no event will Truist apply any funds in the manner set forth herein if it is advised in an opinion of bond counsel provided by the Borrower that such a use of funds could adversely affect the exclusion from gross income for federal income tax purposes of the interest component of Installment Payments. Any prepayment pursuant to this Section shall not affect any other Borrower payment obligation hereunder. Truist shall notify the Borrower of any withdrawal from the Project Fund made under this Section, and in the notice shall describe its application of the funds so withdrawn.

4.04. Investment. (a) The Borrower and Truist agree that money in the Project Fund will be continuously invested and reinvested in a public funds money rate savings account, as directed by Truist, that meets the requirements of Section 159-30 of the General Statutes of North Carolina, as amended.

(b) From and after the date that is three years from the Closing Date, the Borrower and Truist agree that money in the Project Fund will not be invested at a "yield," as determined under the Code, in excess of the "yield" on the Borrower's obligations under this Contract, unless the Borrower has supplied Truist with an opinion of bond counsel to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes to which the interest components of Installment Payments would otherwise be entitled.

(c) Investment obligations acquired with money in the Project Fund shall be deemed at all times to be part of the Project Fund. The interest accruing thereon and any profit or loss realized upon the disposition or maturity of any such investment shall be credited to or charged against the Project Fund.

(d) All earnings on moneys in the Project Fund shall be used for Project Costs or otherwise applied in accordance with Section 4.03 hereof.

ARTICLE V

BORROWER'S COVENANTS, REPRESENTATIONS AND WARRANTIES

5.01. Indemnification. To the extent permitted by law, the Borrower shall indemnify, protect and save Truist and its officers and directors, and the LGC's members and employees, harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the Secured Property or the transactions contemplated by this Contract, including without limitation the possession, condition or use of the Equipment. The indemnification arising under this Section shall survive this Contract's termination.

5.02. Covenant as to Tax Exemption. (a) The Borrower covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income for federal income taxation purposes of the interest portion of the obligation created by this Contract under Section 103 of the Code. In particular, the Borrower covenants that it will not directly or indirectly use or permit the use of any proceeds of any fund created under this Contract, any funds of the Borrower or any property financed or refinanced with funds provided to the Borrower under this Contract, or otherwise take or omit to take any action, that would cause the obligation created by this Contract to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or a "private activity bond" under Section 141 of the Code. The Borrower will maintain books on which will be recorded (i) Truist or (ii) any assignee of the Installment Payments due under this Contract, as the registered owner of such Installment Payments. To that end, the Borrower has executed the Use of Proceeds Certificate dated the date hereof (the "Use of Proceeds Certificate"), and will comply with all requirements of Section 141 and Section 148 of the Code to the extent applicable.

(b) The Borrower hereby represents and warrants that its representations and warranties in the Use of Proceeds Certificate with respect to its investment and use of funds provided under this Contract, and its use of any property financed or refinanced with funds provided under this Contract, are true, correct and complete.

(c) Without limiting the generality of the foregoing, the Borrower agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the obligation created by this Contract from time to time. This covenant shall survive the termination of this Contract.

(d) Notwithstanding any provision of this Section, if the Borrower shall provide to Truist a Bond Counsel Opinion to the effect that any action required under this Section or the Use of Proceeds Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the obligation created by this Contract pursuant to Section 103 of the Code, the Borrower and Truist may rely conclusively on such opinion in complying with the provisions thereof.

(e) To the extent permitted by law, the Borrower hereby designates and authorizes Truist and its employees as its agents and attorneys-in-fact of the Borrower for the purpose of preparing and filing with the IRS a form 8038-G (or other form required under Section 149(e) of the Code) with respect to this Contract.

(f) The Borrower acknowledges that its personnel must be familiar with the arbitrage rebate rules because the tax-exempt status of the interest on the Installment Payments depends upon continuing compliance with such rules. The Borrower therefore covenants to take all reasonable action to assure that Borrower personnel responsible for the investment of and accounting for financing proceeds comply with such rules.

(g) The Borrower represents that the aggregate face amount of all tax-exempt obligations issued by the Borrower during the current calendar year does not, and will not, exceed \$10,000,000. The Borrower also represents that it has designated each of the Installment Payments under this Contract as a “qualified tax-exempt obligation” for the purposes of the Code.

5.03. Validity of Organization and Acts. The Borrower is validly organized and existing under State law, has full power to enter into this Contract and has duly authorized and has obtained all required approvals and all other necessary acts required prior to the execution and delivery of this Contract. This Contract is a valid, legal and binding obligation of the Borrower.

5.04. Maintenance of Existence. The Borrower shall maintain its existence, shall continue to be a local governmental unit of the State, validly organized and existing under State law, and shall not consolidate with or merge into another local governmental unit of the State, or permit one or more other local governmental units of the State to consolidate with or merge into it, unless the local governmental unit thereby resulting assumes the Borrower’s obligations under this Contract.

5.05. Acquisition of Permits and Approvals. All permits, consents, approvals or authorizations of all governmental entities and regulatory bodies, and all filings and notices required on the Borrower’s part to have been obtained or completed as of today in connection with the authorization, execution and delivery of this Contract, the consummation of the transactions contemplated by this Contract and the acquisition and installation of the Equipment have been obtained and are in full force and effect, and there is no reason why any future required permits, consents, approvals, authorizations or orders cannot be obtained as needed.

5.06. No Breach of Law or Contract. Neither the execution and delivery of this Contract nor the consummation of the transactions contemplated by this Contract, nor the fulfillment of or compliance with the terms and conditions of this Contract, (a) to the best of the Borrower’s

knowledge, constitutes a violation of any provision of law governing the Borrower or (b) results in a breach of the terms, conditions or provisions of any contract, agreement or instrument or order, rule or regulation to which the Borrower is a party or by which the Borrower is bound.

5.07. No Litigation. There is no litigation or any governmental administrative proceeding to which the Borrower (or any official thereof in an official capacity) is a party that is pending or, to the best of the Borrower's knowledge after reasonable investigation, threatened with respect to (a) the Borrower's organization or existence, (b) its authority to execute and deliver this Contract or to comply with the terms of this Contract, (c) the validity or enforceability of this Contract or the transactions contemplated by this Contract, (d) the title to office of any Governing Board member or any other Borrower official, (e) any authority or proceedings relating to the Borrower's execution or delivery of this Contract, or (f) the undertaking of the transactions contemplated by this Contract.

5.08. No Current Default or Violation. (a) The Borrower is not in violation of any existing law, rule or regulation applicable to it, (b) the Borrower is not in default under any contract, other agreement, order, judgment, decree or other instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets are subject, including this Contract, and (c) no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including this Contract, which constitutes or which, with notice or lapse of time, or both, would constitute an event of default hereunder or thereunder.

5.09. No Misrepresentation. No representation, covenant or warranty by the Borrower in this Contract is false or misleading in any material respect.

5.10. Environmental Warranties and Indemnification. (a) The Borrower warrants and represents to Truist that, to the best of the Borrower's knowledge after thorough investigation, the Equipment is not now and has not ever been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials (as defined herein).

(b) The Borrower covenants that the Equipment shall be kept free of Hazardous Materials and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in connection with the normal maintenance and operation of the Equipment, and the Borrower shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of the Borrower or any lessee, the release of Hazardous Materials onto the Equipment or suffer the presence of Hazardous Materials on the Equipment, except in connection with the normal maintenance and operation of the Equipment.

(c) The Borrower shall comply with, and ensure compliance by all users and lessees with, all applicable federal, State and local laws, ordinances, rules and regulations with respect to Hazardous Materials and shall keep the Equipment free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. If the Borrower receives any notices from any governmental agency or any lessee with regard to Hazardous Materials on, from or affecting the Equipment, the Borrower shall immediately notify Truist. The Borrower shall conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on, from or affecting the

Equipment in accordance with all applicable federal, State and local laws, ordinances, rules, regulations and policies and to Truist's satisfaction.

(d) "Hazardous Materials" means any explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, asbestos or any materials containing asbestos, or any other substance or material as defined by any federal, State or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. sections 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 9601 et seq.), and the regulations adopted and publications promulgated pursuant thereto.

(e) To the extent permitted by law, the Borrower shall indemnify and hold Truist harmless from and against (i) any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against Truist as a direct or indirect result of any warranty or representation made by the Borrower in subsections (a) through (c) of this Section being false or untrue in any material respect, or (ii) any requirement under any law, regulation or ordinance, local, State or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by Truist or the Borrower or any transferee or assignee Truist or the Borrower.

(f) The Borrower's obligations under this Section shall continue in full force and effect notwithstanding full payment of the Required Payments or execution on the security interests created under this Contract.

5.11. Further Instruments. Upon Truist's request, the Borrower shall execute, acknowledge and deliver such further instruments reasonably necessary or desired by Truist to carry out more effectively the purposes of this Contract or any other document related to the transactions contemplated by this Contract, and to subject to the liens and security interests hereof and thereof all or any part of the Secured Property intended to be given or conveyed hereunder or thereunder, whether now given or conveyed or acquired and conveyed subsequent to the date of this Contract.

5.12. Truist's Advances for Performance of Borrower's Obligations. If the Borrower fails to perform any of its obligations under this Contract, Truist is hereby authorized, but not obligated, to perform such obligation or cause it to be performed. All expenditures incurred by Truist (including any advancement of funds for payment of taxes, insurance premiums or other costs of maintaining the Secured Property, and any associated legal or other expenses), together with interest thereon at the Prime Rate, shall be secured as Additional Payments under this Contract. The Borrower promises to pay all such amounts to Truist immediately upon demand.

5.13. Equipment Will Be Used and Useful. The acquisition and installation of the Equipment is necessary and expedient for the Borrower, and will perform essential functions of the Borrower appropriate for units of local government. The Borrower has an immediate need for, and expects to make immediate use of, all of the Equipment, and does not expect such need or use to diminish in any material respect during the term of this Contract. The Equipment will not be used

in any private business or put to any private business use.

5.14. Financial Information. (a) The Borrower shall send to Truist a copy of the Borrower's audited financial statements for each Fiscal Year within 30 days of the Borrower's acceptance of such statements, but in any event within 270 days of the completion of such Fiscal Year.

(b) The Borrower shall furnish Truist, at such reasonable times as Truist shall request, all other financial information (including, without limitation, the Borrower's annual budget as submitted or approved) as Truist may reasonably request. The Borrower shall permit Truist or its agents and representatives to inspect the Borrower's books and records and make extracts therefrom.

5.15. Taxes and Other Governmental Charges. The Borrower shall pay, as Additional Payments, the full amount of all taxes, assessments and other governmental charges lawfully made by any governmental body during the term of this Contract. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Borrower shall be obligated to provide for Additional Payments only for such installments as are required to be paid during the term of this Contract. The Borrower shall not allow any liens for taxes, assessments or governmental charges with respect to the Equipment or any portion thereof to become delinquent (including, without limitation, any taxes levied upon the Equipment or any portion thereof which, if not paid, will become a charge on any interest in the Equipment, including Truist's interest, or the rentals and revenues derived therefrom or hereunder).

5.16. Borrower's Insurance. (a) The Borrower shall, at its own expense, acquire, carry and maintain broad-form extended coverage property damage insurance with respect to all Equipment in an amount equal to the actual cash value of the Equipment. Such property damage insurance shall include Truist as loss payee. Any Net Proceeds of the insurance required by this subsection (a) shall be payable as provided in Section 6.15.

(b) The Borrower shall, at its own expense, acquire, carry and maintain comprehensive general liability insurance (and auto liability insurance, if applicable) in accordance with State statute or as customarily held by similar entities in the State.

(c) The Borrower shall also maintain workers' compensation insurance issued by a responsible carrier authorized under State law to insure the Borrower against liability for compensation under applicable State law as in effect from time to time.

(d) All insurance shall be maintained with generally recognized responsible insurers in accordance with State law and may carry reasonable deductible or risk-retention amounts.

(e) Truist shall not be responsible for the sufficiency or adequacy of any required insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by Truist.

(f) Upon request by Truist, the Borrower shall deliver to Truist a certificate stating that the risk coverages required by this Contract are in effect, and stating the carriers, policy numbers,

coverage limits and deductible or risk-retention amounts for all such coverages.

ARTICLE VI

THE EQUIPMENT

6.01. Acquisition and Installation. The Borrower shall comply with the provisions of Article 8 of Chapter 143 of the North Carolina General Statutes, accept all portions of the Equipment when properly delivered, provide for the proper installation thereof and thereafter promptly place each such portion in service.

6.02. Changes in Location. The Borrower shall promptly inform Truist if any component of the Equipment shall be moved from the location designated for such Equipment at the time of its acquisition.

6.03. Acquisition and Installation within Funds Available. The Borrower represents that, based upon its examination of the plans and specifications for the Equipment, estimated installation costs and the Equipment's anticipated configuration, the Equipment can be acquired and installed for a total price within the total amount of funds to be available therefor in the Project Fund, income anticipated to be derived from the investment thereof and other funds previously identified and designated for such purposes. If the total amount available for such purposes in the Project Fund shall be insufficient to pay the entire cost of acquiring and installing the Equipment, the Borrower promises to pay any such excess costs, with no resulting reduction or offset in the amounts otherwise payable by the Borrower under this Contract.

6.04. Disclaimer of Warranties. The Borrower agrees that Truist has not designed the Equipment, that Truist has not supplied any plans or specifications with respect thereto and that Truist (a) is not a manufacturer of, nor a dealer in, any of the component parts of the Equipment or similar equipment, (b) has not made any recommendation, given any advice nor taken any other action with respect to (i) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Equipment or any component part thereof or any property or rights relating thereto, or (ii) any action taken or to be taken with respect to the Equipment or any component part thereof or any property or rights relating thereto at any stage of the acquisition, installation and equipping thereof, (c) has not at any time had physical possession of the Equipment or any component part thereof or made any inspection thereof or of any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the Equipment or any component part thereof or any property or rights relating thereto (i) will not result in or cause injury or damage to persons or property, (ii) has been or will be properly designed, or will accomplish the results which the Borrower intends therefor, or (iii) is safe in any manner or respect.

TRUIST MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT OR ANY COMPONENT PART THEREOF, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION WITH RESPECT TO THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE, and further including the design or condition thereof; the safety, quality or capacity thereof; compliance thereof with the requirements

of any law, rule, specification or contract pertaining thereto; any latent defect; the Equipment's ability to perform any function; that the Amount Advanced will be sufficient to pay all costs of the acquisition and installation of the Equipment; or any other characteristic of the Equipment; it being agreed that the Borrower is to bear all risks relating to the Equipment, the installation thereof and the transactions contemplated by this Contract, and the Borrower hereby waives the benefits of any and all implied warranties and representations of Truist.

The provisions of this Section shall survive this Contract's termination.

6.05. Right of Entry and Inspection. Truist and its representatives and agents shall have the right to enter upon the Borrower's property and inspect the Equipment from time to time during installation and after the completion of installation, and the Borrower shall cause any vendor, contractor or sub-contractor to cooperate with Truist and its representatives and agents during such inspections.

No right of inspection or approval granted in this Section shall be deemed to impose upon Truist any duty or obligation whatsoever to undertake any inspection or to make any approval. No inspection made or approval given by Truist shall be deemed to impose upon Truist any duty or obligation whatsoever to identify or correct any defects in the Equipment or to notify any person with respect thereto, and no liability shall be imposed upon Truist, and no warranties (either express or implied) are made by Truist as to the quality or fitness of any improvement, any such inspection and approval being made solely for Truist's benefit.

6.06. Compliance with Requirements. (a) The Borrower shall cause the Equipment to be installed in a careful manner and in compliance with all applicable legal requirements.

(b) The Borrower shall observe and comply promptly with all current and future requirements relating to the Equipment's use or condition imposed by (i) any judicial, governmental or regulatory body having jurisdiction over the Equipment or any portion thereof or (ii) any insurance company writing a policy covering the Equipment or any portion thereof, whether or not any such requirement shall necessitate structural changes or improvements or interfere with the use or enjoyment of the Equipment.

(c) The Borrower shall obtain and maintain in effect all licenses and permits required for the Equipment's operation.

(d) The Borrower shall in no event use the Equipment or any part thereof, nor allow the same to be used, for any unlawful purpose, or suffer any act to be done or any condition to exist with respect to the Equipment or any part thereof, nor any article to be brought thereon, which may be dangerous, unless safeguarded as required by law, or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

6.07. Use and Operation. The Borrower shall use and operate the Equipment and related property for its reasonably intended use and purpose, and for no other purpose unless required by law. The Borrower shall be solely responsible for the Equipment's operation, and shall not contract with any other person or entity for the Equipment's operation.

6.08. Maintenance and Repairs; Additions. (a) The Borrower shall keep the Equipment in good order and repair (reasonable wear and tear excepted) and in good operating condition, shall not commit or permit any waste or any other thing to occur whereby the value or usefulness of the Equipment might be impaired, and shall make from time to time all necessary or appropriate repairs, replacements and renewals.

(b) The Borrower may, also at its own expense, make from time to time any additions, modifications or improvements to the Equipment that it may deem desirable for its governmental or proprietary purposes and that do not materially impair the effective use, nor materially decrease the value or substantially alter the intended use, of the Equipment. The Borrower shall do, or cause to be done, all such things as may be required by law in order fully to protect the security of and all Truist's rights under this Contract.

(c) Any and all additions to or replacements of the Equipment and all parts thereof shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Contract and included in the "Equipment" for the purposes of this Contract.

(d) Notwithstanding the provisions of subsection (c) of this Section, however, the Borrower may, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Equipment. All such property shall remain the Borrower's sole property in which Truist shall have no interest; provided, however, that any such property which becomes permanently affixed to the Equipment shall be subject to the lien and security interest arising under this Contract if Truist shall reasonably determine that the Equipment would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

6.09. Security. The Borrower shall take all reasonable steps necessary to safeguard the Equipment against theft. The security afforded the Equipment shall at all times be equal to or better than the security afforded the Borrower's personal property that is not subject to this Contract.

6.10. Utilities. The Borrower shall pay all charges for utility services furnished to or used on or in connection with the Equipment.

6.11. Risk of Loss. The Borrower shall bear all risk of loss to and condemnation of the Equipment.

6.12. Condemnation. The Borrower shall immediately notify Truist if any governmental authority shall institute, or shall notify the Borrower of any intent to institute, any action or proceeding for the taking of, or damages to, all or any part of the Equipment or any interest therein under the power of eminent domain, or if there shall be any damage to the Equipment due to governmental action, but not resulting in a taking of any portion of the Equipment. The Borrower shall file and prosecute its claims for any such awards or payments in good faith and with due diligence and cause the same to be collected and paid over to Truist, and to the extent permitted by law hereby irrevocably authorizes and empowers Truist, in the Borrower's name or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claims. If the Borrower receives any Net Proceeds arising from any such action, the Borrower shall apply such

Net Proceeds as provided in Section 6.15.

6.13. Title. Title to the Equipment and any and all additions, repairs, replacements or modifications thereto shall at all times be in the Borrower, subject to the lien of this Contract. Upon the Borrower's payment in full of all Required Payments, Truist, at the Borrower's expense and request, shall cancel this Contract.

6.14. No Encumbrance, Mortgage or Pledge of Equipment. (a) The Borrower shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien (including mechanics' and materialmen's liens), charge, encumbrance or other claim in the nature of a lien on or with respect to the Equipment. The Borrower shall promptly, at its own expense, take such action as may be duly necessary to discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created, incurred or suffered to exist.

(b) The Borrower shall reimburse Truist for any expense incurred by Truist to discharge or remove any such mortgage, pledge, lien, security interest, encumbrance or claim, with interest thereon at the Prime Rate.

6.15. Damage and Destruction; Use of Net Proceeds. (a) The Borrower shall promptly notify Truist if (i) the Equipment or any portion thereof is stolen or is destroyed or damaged by fire or other casualty, (ii) a material defect in the installation of the Equipment shall become apparent, or (iii) title to or the use of all or any portion of the Equipment shall be lost by reason of a defect in title. Each notice shall describe generally the nature and extent of such damage, destruction or taking.

(b) The Borrower shall apply Net Proceeds (i) to the prompt completion, repair or restoration of the Equipment (and pay any costs in excess of the Net Proceeds, if necessary), or (ii) together with other available funds as may be necessary, to the prepayment of all outstanding Required Payments pursuant to Section 3.03. The Borrower shall promptly report to Truist regarding the use of Net Proceeds.

(c) Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of Net Proceeds shall be the Borrower's property and shall be part of the Equipment.

ARTICLE VII

DEFAULTS AND REMEDIES; EXECUTION

7.01. Events of Default. An "Event of Default" is any of the following:

- (a) The Borrower's failing to make any Installment Payment when due.
- (b) The occurrence of an Event of Nonappropriation.
- (c) The Borrower's breaching or failing to perform or observe any term, condition or covenant of this Contract on its part to be observed or performed, other than as provided in

subsections (a) or (b) of this Section, including payment of any Additional Payment, for a period of 15 days after written notice specifying such failure and requesting that it be remedied shall have been given to the Borrower by Truist, unless Truist shall agree in writing to an extension of such time prior to its expiration.

(d) The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law by or against the Borrower as a debtor, or the appointment of a receiver, custodian or similar official for the Borrower or any of its property, and the failure of such proceedings or appointments to be vacated or fully stayed within 30 days after the institution or occurrence thereof.

(e) Any warranty, representation or statement made by the Borrower in this Contract is found to be incorrect or misleading in any material respect on the Closing Date (or, if later, on the date made).

(f) Any lien, charge or encumbrance prior to the security interest created under Section 2.03, or affecting the validity of this Contract, is found to exist, or proceedings are instituted against the Borrower to enforce any lien, charge or encumbrance against the Equipment and such lien, charge or encumbrance would be prior to the lien of this Contract.

(g) The Borrower's failing to pay when due any principal of or interest on any of its general obligation debt.

7.02. Remedies on Default. Upon the continuation of any Event of Default, Truist may, without any further demand or notice, exercise any one or more of the following remedies:

(a) Declare the unpaid principal components of the Installment Payments immediately due and payable;

(b) Proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this Contract or to recover for the breach thereof;

(c) As provided in Article IV hereof, pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner Truist may reasonably deem appropriate; and

(d) Avail itself of all available remedies under this Contract, including execution as provided in Section 7.03, and recovery of attorneys' fees and other expenses.

Notwithstanding any other provision of this Contract, the Borrower and Truist intend to comply with Section 160A-20. No deficiency judgment may be entered against the Borrower in violation of Section 160A-20.

7.03. Execution on Personal Property. Upon the continuation of any Event of Default and in addition to all other remedies granted in this Contract, Truist shall have all the rights and remedies of a secured party under the UCC and may proceed to execute upon the Secured Property.

7.04. Possession of Equipment. After a foreclosure sale, the Borrower shall immediately

lose the right to possess, use and enjoy the Equipment (but may remain in possession of the Equipment as a lessee at will of Truist), and thereupon the Borrower (a) shall pay monthly in advance to Truist a fair and reasonable rental value for the use and possession of the Equipment (in an amount Truist shall determine in its reasonable judgment), and (b) upon Truist's demand, shall deliver possession of the Equipment to Truist or, at Truist's direction, to any purchaser of the Equipment after an execution sale.

In addition, upon the continuation of any Event of Default, Truist, to the extent permitted by law, is hereby authorized to (i) take possession of the Equipment, with or without legal action, (ii) lease the Equipment, (iii) collect all rents and profits therefrom, with or without taking possession of the Equipment, and (iv) after deducting all costs of collection and administration expenses, apply the net rents and profits first to the payment of necessary maintenance and insurance costs, and then to the Borrower's account and in reduction of the Borrower's corresponding Required Payments in such fashion as Truist shall reasonably deem appropriate. Truist shall be liable to account only for rents and profits it actually receives.

7.05. No Remedy Exclusive; Delay Not Waiver. All remedies under this Contract are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy. If any Event of Default shall occur and thereafter be waived by Truist, such waiver shall be limited to the particular breach so waived and shall not be deemed a waiver of any other breach under this Contract.

7.06. Payment of Costs and Attorney's Fees. If Truist employs an attorney to assist in the enforcement or collection of Required Payments, or if Truist voluntarily or otherwise shall become a party to any suit or legal proceeding (including a proceeding conducted under any state or federal bankruptcy or insolvency statute) to protect the Equipment, to protect the lien of this Contract, to enforce collection of the Required Payments or to enforce compliance by the Borrower with any of the provisions of this Contract, the Borrower agrees to pay reasonable attorneys' fees and all of the costs that may reasonably be incurred (whether or not any suit or proceeding is commenced), and such fees and costs (together with interest at the Prime Rate) shall be secured as Required Payments.

ARTICLE VIII

WIRE TRANSFER REQUIREMENTS

In order to prevent unauthorized or fraudulent wire transfers through cyberfraud and other means, Truist and the Borrower hereby agree to the provisions of this Article VIII.

8.01. Wire Transfer Requirements. In the event a wire transfer is made by Truist to disburse funds as contemplated by this Contract (a "*Disbursement*"), said wire transfer shall be delivered as directed in a written "*Disbursement Authorization*" provided to Truist by a representative of the Borrower, subject to the terms and conditions set forth in this Article VIII. For the purposes of this Article, a representative of the Borrower shall include employees and elected and/or appointed officials of the Borrower, bond counsel, the Borrower's legal counsel,

the Borrower's financial advisor and the LGC.

8.02. Verification Procedures. Prior to making any Disbursement pursuant to a Disbursement Authorization not delivered to Truist in person by a representative of the Borrower, Truist shall verify such Disbursement Authorization verbally via telephone communication with a representative of the Borrower. The Borrower shall ensure that a representative of the Borrower will provide such verification to Truist. The Borrower shall not disclose, or allow to be disclosed, such Truist verification procedures to any third party unless there is a legitimate business need to make such disclosure or such disclosure is required by law, and the Borrower accepts the risk of such third party knowledge of the security procedures. If the Borrower has reason to believe that a security procedure has been obtained by or disclosed to an unauthorized person or learns of any unauthorized transfer or of any discrepancy in a transfer request, then the Borrower shall notify Truist immediately.

8.03 Payee Identification. The Borrower is solely responsible for accurately identifying the wire transfer information contained in the Disbursement Authorization delivered to Truist by a representative of the Borrower, including but not limited to the bank name and its ABA number, beneficiary's account name and account number and beneficiary's physical address, together with other information requested by Truist (collectively, "Remittance Instructions"). If the Remittance Instructions describe a beneficiary inconsistently by name and account number, the Borrower acknowledges that Truist may make payment on the basis of the account number alone, that Truist is not obligated to detect such errors, and that the Borrower assumes the risk of any loss resulting therefrom.

8.04 Duty to Reconcile Written Confirmation. Upon request from a representative of the Borrower, Truist shall use its best efforts to send a representative of the Borrower written confirmation of the Disbursement in the form of a reference number, beneficiary name and wire amount. A representative of the Borrower shall promptly review and reconcile the written confirmation of the Disbursement sent by Truist, and shall report to Truist in writing, promptly, but in no event later than ten Business Days after the date of such written confirmation, any unauthorized, erroneous, unreceived or improperly executed payment. Truist and the Borrower agree that ten Business Days is a reasonable time for the detection and reporting to Truist of such information. After that time, all items on the written confirmation will be considered correct and the Borrower will be precluded from recovering from Truist if such wire transfer identified in the written confirmation was actually made by Truist. For the avoidance of doubt, any such writings can be provided electronically.

8.05 Unauthorized Payments. Notwithstanding any other provision herein, if a Disbursement has been verified by a representative of the Borrower pursuant to Section 8.02, it shall be binding on the Borrower if Truist acted in good faith in making such Disbursement.

8.06 Recordation. Truist may record any telephone conversation between Truist and a representative of the Borrower in order to reduce the risk of unauthorized or erroneous transfers. Truist may retain such recordings for as long as Truist may deem necessary.

8.07 Indemnification and Hold Harmless. If Truist complies with the provisions of this Article VIII, the Borrower agrees that Truist shall not be responsible for any communication

or miscommunication by a representative of the Borrower, and the Borrower further agrees to indemnify, to the extent allowed by law, Truist and hold Truist harmless from and against any and all losses, claims, expenses, suits, costs or damages, demands or liabilities of whatever kind or nature, whether now existing or hereafter relating in any way to a wire transfer made pursuant to this Contract.

8.08 Applicable Law. All wire transfer orders are governed by Article 4A of the UCC, except as any provisions thereof that may be and are modified by the terms hereof. If any part of the applicable wire transfer order involves the use of the Fedwire, the rights and obligations of Truist and the Borrower regarding that wire transfer order are governed by Regulation J of the Federal Reserve Board.

ARTICLE IX

MISCELLANEOUS

9.01. Notices. (a) Any communication required or permitted by this Contract must be in writing.

(b) Any communication under this Contract shall be sufficiently given and deemed given when delivered by hand or on the date shown on a certified mail receipt, or delivery receipt from a national commercial package delivery service, if addressed as follows:

(i) If to the Borrower, to Town of Woodfin, North Carolina, 90 Elk Mountain Road, Woodfin, North Carolina 28804, Attention: Finance Officer; or

(ii) If to Truist, to 2320 Cascade Pointe Boulevard, Suite 600, Charlotte, North Carolina 28208, Attention: Governmental Finance.

(c) Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

9.02. No Assignments by Borrower. The Borrower shall not sell or assign any interest in this Contract.

9.03. Assignments by Truist. Truist may, at any time and from time to time, assign all or any part of its interest in the Secured Property or this Contract, including, without limitation, Truist's rights to receive Required Payments. Any assignment made by Truist or any

subsequent assignee shall not purport to convey any greater interest or rights than those held by Truist pursuant to this Contract.

The Borrower agrees that this Contract may become part of a pool of obligations at Truist's or its assignee's option. Truist or its assignees may assign or reassign all or any part of this Contract, including the assignment or reassignment of any partial interest through the use of certificates evidencing participation interests in this Contract. Any assignment by Truist may be

only to a bank, insurance company, or similar financial institution or any other entity approved by the LGC. Notwithstanding the foregoing, no assignment or reassignment of Truist's interest in the Equipment or this Contract shall be effective unless and until the Borrower shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each such assignee.

The Borrower further agrees that Truist's interest in this Contract may be assigned in whole or in part upon terms which provide in effect that the assignor or assignee will act as a collection and paying agent for any holders of certificates of participation in this Contract, provided the Borrower receives a copy of such agency contract and such collection and paying agent covenants and agrees to maintain for the full remaining term of this Contract a written record of each assignment and reassignment of such certificates of participation.

The Borrower agrees to execute any document reasonably required in connection with any assignment. Any assignor must provide notice of any assignment to the Borrower, and the Borrower shall keep a complete and accurate record of all assignments as required by the Code. After the giving of any such notice, the Borrower shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective.

9.04. Amendments. No term or provision of this Contract may be amended, modified or waived without the prior written consent of the Borrower and Truist.

9.05. Governing Law. The Borrower and Truist intend that State law shall govern this Contract.

9.06. Liability of Officers and Agents. No officer, agent or employee of the Borrower shall be subject to any personal liability or accountability by reason of the execution of this Contract or any other documents related to the transactions contemplated by this Contract. Such officers or agents shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve an officer, agent or employee of the Borrower from the performance of any official duty provided by law.

9.07. Severability. If any provision of this Contract shall be determined to be unenforceable, that shall not affect any other provision of this Contract.

9.08. Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.

9.09. Entire Agreement. This Contract constitutes the Borrower's entire agreement with respect to the general subject matter covered by this Contract.

9.10. Binding Effect. Subject to the specific provisions of this Contract, and in particular Section 9.03, this Contract shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

9.11 E-Verify. Truist understands that “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. Truist uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. Truist will require that any subcontractor that it uses in connection with the transactions contemplated by this Contract certify to such subcontractor’s compliance with E-Verify.

The remainder of this page left blank intentionally; signature page follows.

IN WITNESS WHEREOF, the parties have duly signed, sealed and delivered this Contract by duly authorized officials, all as of the date first above written.

(SEAL)

ATTEST:

**TOWN OF WOODFIN,
NORTH CAROLINA**

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

TRUIST BANK

By: _____

Printed Name: _____

Title: _____

[Signature page to the Financing Agreement between the Town of Woodfin, North Carolina and
Truist Bank]

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The foregoing Installment Financing Agreement has been approved under the provisions
of Article 8 of Chapter 159 of the General Statutes of North Carolina, as amended.

Secretary, Local Government Commission
of North Carolina

EXHIBIT A – PROJECT AND EQUIPMENT DESCRIPTION

The Borrower will use the Amount Advanced to pay the costs of street paving projects in the Town. The Equipment does not include the streets being paved.

EXHIBIT B – PAYMENT SCHEDULE

EXHIBIT C – FORM OF PROJECT FUND REQUISITION

[TO BE PREPARED ON BORROWER’S LETTERHEAD FOR SUBMISSION]

PROJECT FUND REQUISITION

[Date] _____

Email requisitions to: GFProjectfunds@bbandt.com

Requisition Team

Truist Bank

Direct Dial: (252) 296-0452 or (252) 296-0659

RE: Request for disbursement of funds from the Project Fund related to Contract No. _____-000__ with the Town of Woodfin, North Carolina, dated _____, 2022

To Whom It May Concern,

Pursuant to the terms and conditions of the Financing Agreement dated as of _____, 2022 (the “Contract”) between the Town of Woodfin, North Carolina (the “Borrower”) and Truist Bank, the Borrower requests the disbursement of funds from the Project Fund established under the Contract for the following Project Costs:

This is requisition number ____ from the Project Fund.

Disbursements will be to the Town of Woodfin, North Carolina.

Amount: \$ _____

Attach copies of applicable vendor invoices or spreadsheet of expenditures to requisition when submitting.

Project Description:

Location of Equipment/Project:

To receive funds via wire transfer please include:

ABA Routing Number:

Account Number:

Physical address of Borrower: Town of Woodfin, North Carolina, 90 Elk Mountain Road, Woodfin, North Carolina 28804, Attention: Finance Director

The Borrower makes this requisition pursuant to the following representations:

1. The Borrower has appropriated in its current fiscal year funds sufficient to pay the Installment Payments and estimated Additional Payments due in the current Fiscal Year.

2. The purpose of this disbursement is for partial payment of the cost of the Project provided for under the Contract referenced above.
3. The requested disbursement has not been subject to any previous requisition.
4. No notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable herein to any of the persons, firms or corporations named herein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition.
5. This requisition contains no items representing payment on account of any percentage entitled to be retained on the date of this requisition.
6. No Event of Default is continuing under the Contract, and no event or condition is existing which, with notice or lapse of time or both, would become an Event of Default.
7. The Borrower shall allow Truist to deliver and file, or cause to be filed, any Uniform Commercial Code financing statements with respect to the Project or portion of the Project that Truist may request to evidence its security interest.
8. The Borrower has in place insurance on this portion of the Project that complies with the insurance provisions of the Contract.
9. Each amount requested for payment in this requisition either (a) represents a reimbursement to the Borrower for a Project Cost expenditure previously made, and such reimbursement complies with the provisions of the Code (generally, an issuer may reimburse a prior expenditure out of tax-exempt bond proceeds if (i) the issuer has declared its "official intent" to reimburse the expenditure no later than 60 days after the date the expenditure is paid *and* (ii) the expenditure is being reimbursed no later than the end of the permitted "reimbursement period" of at least 18 months, and at most 3 years, from the date the expenditure was paid), or (b) will be used by the Borrower promptly upon the receipt of funds from Truist to make payments for Project Costs to third parties described in this requisition.

Capitalized terms used in this requisition have the meanings ascribed in the Contract.

Attached is evidence that the amounts shown in this requisition are properly payable at this time, such as bills, receipts, invoices, architects' payment certifications or other appropriate documents.

IF REQUEST IS FINAL REQUEST, CHECK HERE .

TOWN OF WOODFIN, NORTH CAROLINA

By: _____

Printed Name: _____

Title: _____

EXHIBIT D – FORM OF CERTIFICATE
DESIGNATING BORROWER REPRESENTATIVES AND
OFFICIAL CUSTODIAN

In accordance with the terms of the Financing Agreement dated _____, 2022 (the “Contract”) between the Town of Woodfin, North Carolina (the “Borrower”) and Truist Bank (“Truist”), the Borrower designates the persons listed below as Borrower Representatives authorized to sign requisitions to withdraw funds from the Project Fund account (as such terms are defined in the Contract).

Printed Name:

Signature:

_____	_____
_____	_____
_____	_____
_____	_____

The Borrower designates the person listed below an Official Custodian for the purposes of the Federal Deposit Insurance Corporation. The person listed below is an officer, employee or agent of the Borrower who has plenary authority, including control, over funds owned by the Borrower. Control of public funds includes possession of, as well as the authority to establish, accounts in an insured depository institution and to make deposits, withdrawals and disbursements. The Official Custodian on the account is considered the insured depositor.

Printed Name:

Signature:

Last 4 Numbers of
SSN¹:

Date of
Birth:

_____	_____	_____	_____
-------	-------	-------	-------

Upon written notification to Truist, the Borrower may update (a) Borrower Representatives to sign requisitions, or (b) the Official Custodian.

Town of Woodfin, North Carolina

Name:

Title:

**The Official Custodian must provide a copy of his/her driver’s license.*

¹ The last 4 digits of the official custodian’s social security number will be used only to differentiate the official custodian from other Truist account holders with the same name.

\$2,354,000
TOWN OF WOODFIN, NORTH CAROLINA
INSTALLMENT FINANCING CONTRACT, SERIES 2022 (PAVING PROJECTS)
FINANCING SCHEDULE

May-22							Jun-22							Jul-22							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	
1	2	3	4	5	6	7				1	2	3	4							1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9	
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	
29	30	31					26	27	28	29	30			^{24/31}	25	26	27	28	29	30	

DATE	TASK	RESPONSIBILITY
May 10	Circulate Draft Bank RFP	FTA
May 17	Send Bank RFP to Banks	FTA
June 7	LGC Application Due	T/FTA
June 7	Bank RFP Responses Due / Bid Review Call	T/FTA/BC
June 14	Distribute draft of resolution and closing documents	BC/LC
June 21	Board of Commissioners adopts resolution and approves documents	T/BC
July 12	LGC Approval	LGC
July 19	Closing	Working Group

Board of Commissioners typically meets 3rd Tuesday of each month

Responsibility Legend:

Role	Entity	Defined
Issuer	Town of Woodfin	"T"
Regulatory Agency	Local Government Commission	"LGC"
Bond Counsel	Parker Poe Adams & Bernstein	"BC"
Financial Advisor	First Tryon Advisors	"FTA"
Bank Lender	Truist Bank	"BL"
Bank Counsel	Pope Flynn	"LC"

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Town of Woodfin, North Carolina
Installment Financing Contract, Series 2022
Proposed Final Numbers

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SOURCES AND USES OF FUNDS

Town of Woodfin, North Carolina
Installment Financing Contract, Series 2022
Proposed Final Numbers

Dated Date 07/19/2022
Delivery Date 07/19/2022

Sources:

Bond Proceeds:	
Par Amount	2,354,000.00
	<hr/>
	2,354,000.00

Uses:

Project Fund Deposits:	
Project Fund	2,300,000.00
Delivery Date Expenses:	
Cost of Issuance	53,950.00
Other Uses of Funds:	
Additional Proceeds	50.00
	<hr/>
	2,354,000.00

BOND SUMMARY STATISTICS

Town of Woodfin, North Carolina
Installment Financing Contract, Series 2022
Proposed Final Numbers

Dated Date	07/19/2022
Delivery Date	07/19/2022
First Coupon	02/01/2023
Last Maturity	08/01/2037
Arbitrage Yield	3.189870%
True Interest Cost (TIC)	3.189870%
Net Interest Cost (NIC)	3.190000%
All-In TIC	3.532234%
Average Coupon	3.190000%
Average Life (years)	8.030
Weighted Average Maturity (years)	8.030
Duration of Issue (years)	6.916
Par Amount	2,354,000.00
Bond Proceeds	2,354,000.00
Total Interest	603,020.59
Net Interest	603,020.59
Total Debt Service	2,957,020.59
Maximum Annual Debt Service	229,588.45
Average Annual Debt Service	196,697.60
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	2,354,000.00	100.000	3.190%	8.030	1,611.20
	2,354,000.00			8.030	1,611.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,354,000.00	2,354,000.00	2,354,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-53,950.00	
- Other Amounts			
Target Value	2,354,000.00	2,300,050.00	2,354,000.00
Target Date	07/19/2022	07/19/2022	07/19/2022
Yield	3.189870%	3.532234%	3.189870%

BOND PRICING

Town of Woodfin, North Carolina
 Installment Financing Contract, Series 2022
 Proposed Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	08/01/2023	157,000	3.190%	3.190%	100.000
	08/01/2024	157,000	3.190%	3.190%	100.000
	08/01/2025	157,000	3.190%	3.190%	100.000
	08/01/2026	157,000	3.190%	3.190%	100.000
	08/01/2027	157,000	3.190%	3.190%	100.000
	08/01/2028	157,000	3.190%	3.190%	100.000
	08/01/2029	157,000	3.190%	3.190%	100.000
	08/01/2030	157,000	3.190%	3.190%	100.000
	08/01/2031	157,000	3.190%	3.190%	100.000
	08/01/2032	157,000	3.190%	3.190%	100.000
	08/01/2033	157,000	3.190%	3.190%	100.000
	08/01/2034	157,000	3.190%	3.190%	100.000
	08/01/2035	157,000	3.190%	3.190%	100.000
	08/01/2036	157,000	3.190%	3.190%	100.000
	08/01/2037	156,000	3.190%	3.190%	100.000
		2,354,000			

Dated Date	07/19/2022	
Delivery Date	07/19/2022	
First Coupon	02/01/2023	
Par Amount	2,354,000.00	
Original Issue Discount	_____	
Production	2,354,000.00	100.000000%
Underwriter's Discount	_____	
Purchase Price	2,354,000.00	100.000000%
Accrued Interest	_____	
Net Proceeds	2,354,000.00	

BOND DEBT SERVICE

Town of Woodfin, North Carolina
Installment Financing Contract, Series 2022
Proposed Final Numbers

Dated Date 07/19/2022
Delivery Date 07/19/2022

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2023			40,049.39	40,049.39
06/30/2024	157,000	3.190%	72,588.45	229,588.45
06/30/2025	157,000	3.190%	67,580.15	224,580.15
06/30/2026	157,000	3.190%	62,571.85	219,571.85
06/30/2027	157,000	3.190%	57,563.55	214,563.55
06/30/2028	157,000	3.190%	52,555.25	209,555.25
06/30/2029	157,000	3.190%	47,546.95	204,546.95
06/30/2030	157,000	3.190%	42,538.65	199,538.65
06/30/2031	157,000	3.190%	37,530.35	194,530.35
06/30/2032	157,000	3.190%	32,522.05	189,522.05
06/30/2033	157,000	3.190%	27,513.75	184,513.75
06/30/2034	157,000	3.190%	22,505.45	179,505.45
06/30/2035	157,000	3.190%	17,497.15	174,497.15
06/30/2036	157,000	3.190%	12,488.85	169,488.85
06/30/2037	157,000	3.190%	7,480.55	164,480.55
06/30/2038	156,000	3.190%	2,488.20	158,488.20
	2,354,000		603,020.59	2,957,020.59

BOND DEBT SERVICE

Town of Woodfin, North Carolina
Installment Financing Contract, Series 2022
Proposed Final Numbers

Dated Date 07/19/2022
Delivery Date 07/19/2022

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2023			40,049.39	40,049.39	
06/30/2023					40,049.39
08/01/2023	157,000	3.190%	37,546.30	194,546.30	
02/01/2024			35,042.15	35,042.15	
06/30/2024					229,588.45
08/01/2024	157,000	3.190%	35,042.15	192,042.15	
02/01/2025			32,538.00	32,538.00	
06/30/2025					224,580.15
08/01/2025	157,000	3.190%	32,538.00	189,538.00	
02/01/2026			30,033.85	30,033.85	
06/30/2026					219,571.85
08/01/2026	157,000	3.190%	30,033.85	187,033.85	
02/01/2027			27,529.70	27,529.70	
06/30/2027					214,563.55
08/01/2027	157,000	3.190%	27,529.70	184,529.70	
02/01/2028			25,025.55	25,025.55	
06/30/2028					209,555.25
08/01/2028	157,000	3.190%	25,025.55	182,025.55	
02/01/2029			22,521.40	22,521.40	
06/30/2029					204,546.95
08/01/2029	157,000	3.190%	22,521.40	179,521.40	
02/01/2030			20,017.25	20,017.25	
06/30/2030					199,538.65
08/01/2030	157,000	3.190%	20,017.25	177,017.25	
02/01/2031			17,513.10	17,513.10	
06/30/2031					194,530.35
08/01/2031	157,000	3.190%	17,513.10	174,513.10	
02/01/2032			15,008.95	15,008.95	
06/30/2032					189,522.05
08/01/2032	157,000	3.190%	15,008.95	172,008.95	
02/01/2033			12,504.80	12,504.80	
06/30/2033					184,513.75
08/01/2033	157,000	3.190%	12,504.80	169,504.80	
02/01/2034			10,000.65	10,000.65	
06/30/2034					179,505.45
08/01/2034	157,000	3.190%	10,000.65	167,000.65	
02/01/2035			7,496.50	7,496.50	
06/30/2035					174,497.15
08/01/2035	157,000	3.190%	7,496.50	164,496.50	
02/01/2036			4,992.35	4,992.35	
06/30/2036					169,488.85
08/01/2036	157,000	3.190%	4,992.35	161,992.35	
02/01/2037			2,488.20	2,488.20	
06/30/2037					164,480.55
08/01/2037	156,000	3.190%	2,488.20	158,488.20	
06/30/2038					158,488.20
	2,354,000		603,020.59	2,957,020.59	2,957,020.59

FORM 8038 STATISTICS

Town of Woodfin, North Carolina
 Installment Financing Contract, Series 2022
 Proposed Final Numbers

Dated Date 07/19/2022
 Delivery Date 07/19/2022

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	08/01/2023	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2024	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2025	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2026	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2027	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2028	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2029	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2030	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2031	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2032	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2033	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2034	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2035	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2036	157,000.00	3.190%	100.000	157,000.00	157,000.00
	08/01/2037	156,000.00	3.190%	100.000	156,000.00	156,000.00
		2,354,000.00			2,354,000.00	2,354,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	08/01/2037	3.190%	156,000.00	156,000.00		
Entire Issue			2,354,000.00	2,354,000.00	8.0304	3.1899%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	53,950.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

Town of Woodfin, North Carolina
Installment Financing Contract, Series 2022
Proposed Final Numbers

Date	Debt Service	PV Factor@	Present Value to 07/19/2022 3.1898700179%
02/01/2023	40,049.39	0.983263247	39,379.09
08/01/2023	194,546.30	0.967827035	188,287.17
02/01/2024	35,042.15	0.952633155	33,382.31
08/01/2024	192,042.15	0.937677803	180,073.66
02/01/2025	32,538.00	0.922957235	30,031.18
08/01/2025	189,538.00	0.908467765	172,189.16
02/01/2026	30,033.85	0.894205764	26,856.44
08/01/2026	187,033.85	0.880167662	164,621.15
02/01/2027	27,529.70	0.866349943	23,850.35
08/01/2027	184,529.70	0.852749149	157,357.54
02/01/2028	25,025.55	0.839361872	21,005.49
08/01/2028	182,025.55	0.826184762	150,386.74
02/01/2029	22,521.40	0.813214519	18,314.73
08/01/2029	179,521.40	0.800447895	143,697.53
02/01/2030	20,017.25	0.787881694	15,771.22
08/01/2030	177,017.25	0.775512770	137,279.14
02/01/2031	17,513.10	0.763338024	13,368.42
08/01/2031	174,513.10	0.751354410	131,121.19
02/01/2032	15,008.95	0.739558926	11,100.00
08/01/2032	172,008.95	0.727948618	125,213.68
02/01/2033	12,504.80	0.716520581	8,959.95
08/01/2033	169,504.80	0.705271951	119,546.98
02/01/2034	10,000.65	0.694199914	6,942.45
08/01/2034	167,000.65	0.683301696	114,111.83
02/01/2035	7,496.50	0.672574569	5,041.96
08/01/2035	164,496.50	0.662015846	108,899.29
02/01/2036	4,992.35	0.651622885	3,253.13
08/01/2036	161,992.35	0.641393082	103,900.77
02/01/2037	2,488.20	0.631323876	1,570.86
08/01/2037	158,488.20	0.621412747	98,486.59
	2,957,020.59		2,354,000.00

Proceeds Summary

Delivery date	07/19/2022
Par Value	2,354,000.00
Target for yield calculation	2,354,000.00

DISCLAIMER

Town of Woodfin, North Carolina
Installment Financing Contract, Series 2022
Proposed Final Numbers

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Town of Woodfin, North Carolina

Installment Financing Contract, Series 2022

Summary of Bids Received

June 7, 2022

Bank	Rate	Fees	Effective Rate	Prepayment	Additional Terms
Truist	3.1900%	\$5,900	3.2277%	Prepaid in whole at anytime at 101%. or Non-callable for the first half and then callable at par thereafter.	Provide audited financials annually within 270 days of the end of each FY Proceeds will be held at Truist Rate expires August 5, 2022
Signature Public Funding	3.3220%	\$1,500	3.3316%	Prepaid in whole on any payment date following 30 day written notice at 101%.	Grant a security interest in an unencumbered asset of the Lessee If funding does not take place by Jul 7, 2022 then rates may be adjusted Proceeds will be held in escrow at Signature Bank, but will not be paid interest earnings.
Pinnacle Financial Partners	3.3500%	\$5,500 \$25 per wire	3.3852%	Prepaid in whole or in part at par with 30 day written notice. Any partial prepayment will be applied in inverse order of scheduled maturities	Provide audited financials annually within 210 days of the end of each FY Provide annual budget within 30 days of adoption Closing deadline: July 22, 2022 Proceeds will be held at Pinnacle Bank
First Horizon	3.6200%	TBD	3.6200%	Anytime in part or whole Years 1-2 at 103% Years 3-4 at 102% Years 5-6 at 101% Years 7-15 at Par	Provide annual audits within 210 days of the end of each FY Borrower is responsible for attorney, bank counsel, and other required costs Proposal expires on July 2, 2022
United Financial (Home Trust Bank)	3.7000%	\$5,000	3.7320%	Anytime at par	Must be accepted by June 30, 2022 Proceeds will be deposited at Home Trust, with interest earnings being credited to the Town.

Town of Woodfin, North Carolina

Installment Financing Contract, Series 2022

Summary of Bids Received

June 7, 2022

FY	Truist (3.19%)		
	Principal	Interest	Total
2023	-	40,832	40,832
2024	160,000	74,008	234,008
2025	160,000	68,904	228,904
2026	160,000	63,800	223,800
2027	160,000	58,696	218,696
2028	160,000	53,592	213,592
2029	160,000	48,488	208,488
2030	160,000	43,384	203,384
2031	160,000	38,280	198,280
2032	160,000	33,176	193,176
2033	160,000	28,072	188,072
2034	160,000	22,968	182,968
2035	160,000	17,864	177,864
2036	160,000	12,760	172,760
2037	160,000	7,656	167,656
2038	160,000	2,552	5,500
Total	2,400,000	615,032	2,857,980