



Town of Carolina Beach, NC

Term Sheet

8/29/2024

Truist Bank ("Bank") is pleased to submit the following summary of terms and conditions for discussion purposes only. The term sheet is non-binding and does not represent a commitment to lend. The term sheet is intended only as an outline of certain material terms of the requested financing and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in any definitive documentation for the requested financing.

Borrower:	Town of Carolina Beach, NC ("Town")
Lender:	Truist Bank
Facility/Purpose/Description:	Tax-exempt, Bank Qualified direct bank loan evidenced by an Installment Purchase Agreement ("Agreement") pursuant to N.C.G.S. 160A-20 (the "Facility"). The proceeds of the Agreement will be used to primarily finance the purchase of a 2024 Broyhill Load and Pack Vehicle.
Amount:	Up to \$233,964.
Funding:	The Loan will be funded in a single drawdown on the closing date anticipated to the end of September 2024. The loan proceeds will be held in a Public Fund DDA account at Truist.
Repayments:	Level principal and interest payments. The Town would like to make the first installment payment in October 2025. Required that ACH payments be set up for payments. Please see attached debt service schedules.
Maturity Dates:	<b>Option A</b> - 3 years from the closing date. <b>Option B</b> - 5 years from the closing date.
Fees:	None.
Interest Rates:	<b>Option A</b> – 4.34% Tax-Exempt <b>Option B</b> – 4.32% Tax-Exempt The tax-exempt fixed interest rates for the Loan will be subject to increase in the event of a Determination of Taxability. Rate Lock Period: The rates are locked, and available, through October 21, 2024. Accrual basis: 30/360 The Borrower understands that the market interest rates are subject to change. The Borrower also understands that in the event the Facility is funded during the Rate Lock

	Period, the Rate will become the effective interest rate for the Facility even if market interest rates are lower than the Rate at the time the Facility is funded.
Prepayment:	The Lender will allow prepayment in whole at par plus accrued interest and without penalty at any time upon two Business Days' notice to the Lender.
Security:	The Town's obligation to make installment payments will be subject to annual appropriation. The Town's obligation under the Agreement will be further secured by a security interest in the Broyhill Load and Pack Vehicle being financed.
Documentation:	<p>Truist will provide documentation for the Loan.</p> <p>The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with the Internal Revenue Service Code. All documentation must be deemed appropriate by Lender before closing.</p>
Covenants:	<p>Usual and customary covenants, reporting requirements, representations and warranties and events of default, for transactions of this type, including, without limitation, the following financial covenants and reporting requirements:</p> <ul style="list-style-type: none"> <li>• Annual Financial Statements within 270 days of fiscal year end.</li> </ul>
Conditions Precedent and Other Terms:	<ol style="list-style-type: none"> <li>1. <u>Borrower's Counsel Opinion</u>: An opinion of Borrower's counsel covering matters customary to transactions such as this and in all respects acceptable to the Bank, the Lender and its counsel.</li> <li>2. <u>Other Items</u>: The Bank and the Lender shall have received such other documents, instruments, approvals or opinions as may be reasonably requested.</li> </ol>
Lender's Legal Counsel	N/A – internal documents shall be utilized for this transaction
Governing Law & Jurisdiction:	State of North Carolina.
Municipal Advisor Disclosure:	The Bank is a regulated bank and makes direct purchase loans to Municipal Entities and Obligated Persons as defined under the Municipal Advisor Rule, and in this term sheet is solely providing information regarding the terms under which it would make such a purchase for its own account. The Bank is not recommending an action or providing any advice to the Borrower and is not acting as a municipal advisor or financial advisor. The Bank is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Bank is acting in its own interest. Before acting on the information or material contained herein, the Borrower should seek the advice of an IRMA and any other professional advisors which it deems appropriate for the Loan described herein, especially with respect to any legal, regulatory, tax or accounting treatment.
Patriot Act:	Pursuant to the requirements of the Patriot Act, the Bank and its affiliates are required to

[-Private-]

**BOND DEBT SERVICE**

**Town of Carolina Beach, NC  
Series 2024 Equipment Purchase**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
10/01/2025	46,792.80	4.320%	10,135.32	56,928.12	56,928.12
10/01/2026	46,792.80	4.320%	8,085.80	54,878.60	54,878.60
10/01/2027	46,792.80	4.320%	6,064.35	52,857.15	52,857.15
10/01/2028	46,792.80	4.320%	4,042.90	50,835.70	50,835.70
10/01/2029	46,792.80	4.320%	2,021.45	48,814.25	48,814.25
	233,964.00		30,349.82	264,313.82	264,313.82