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This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act.

Jessica Rhem
Finance Director

INSTALLMENT FINANCING AGREEMENT

Dated as of November 19, 2025

between

TOWN OF KNIGHTDALE, NORTH CAROLINA

and

PNC BANK, NATIONAL ASSOCIATION

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INSTALLMENT FINANCING AGREEMENT

This INSTALLMENT FINANCING AGREEMENT, dated as of November 19, 2025 (the "Agreement"), between the TOWN OF KNIGHTDALE, NORTH CAROLINA, a municipal corporation duly organized and validly existing under the laws of the State of North Carolina (the "Town"), and PNC BANK, NATIONAL ASSOCIATION, a national banking association duly organized and validly existing under the laws of the United States of America (the "Lender");

WITNESSETH:

WHEREAS, the Town is a municipal corporation duly organized and validly existing under and by virtue of the Constitution and laws of the State of North Carolina;

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, the Town may finance the acquisition of certain improvements and equipment by contracts that create in such improvements and equipment a security interest to secure repayment of the moneys advanced or made available to acquire or improve such equipment;

WHEREAS, after due consideration, the Town Council of the Town has determined to acquire certain vehicles and equipment, as more particularly described in Exhibit A to the Security Agreement (hereinafter defined) (collectively, the "Equipment");

WHEREAS, in order for the Town to obtain the funds to pay the costs of the Equipment, the Town has determined to enter into this Agreement whereby the Lender will advance funds to the Town to pay, together with other available funds, the costs of the Equipment, and the Town will repay such advancement with interest in installments pursuant to the terms of this Agreement;

WHEREAS, as security for the performance of its obligation under this Agreement, including the payment of the installment payments hereunder, the Town will execute and deliver a Security Agreement, dated as of the date hereof (the "Security Agreement"), for the benefit of the Lender, pursuant to which the Town will grant the Lender a security interest in the Equipment;

WHEREAS, the Lender is willing to advance moneys to the Town for payment of the costs of the Equipment, and the Town is willing to repay the moneys so advanced by the Lender in installments as more fully provided herein; and

WHEREAS, the Town and the Lender have each duly authorized the execution and delivery of this Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions and Rules of Construction. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The words “hereby”, “herein”, “hereof”, “hereto”, “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subsections hereof. All references herein to “Articles”, “Sections” and other subdivisions are to the corresponding Articles, Sections or subsections of this Agreement unless some other reference is indicated.

“Act” means Section 160A-20 of the General Statutes of North Carolina, as amended.

“Advancement” means the advance being made by the Lender to the Town pursuant to Section 3.1.

“Agreement” means this Installment Financing Agreement, including any amendment or supplement hereto permitted herein.

“Business Day” means any day other than (A) a Saturday or Sunday or (B) a legal holiday on which commercial banks are authorized or required by law to be closed for business in Pittsburgh, Pennsylvania.

“Closing” means the date on which the Town executes and delivers this Agreement, and the Lender makes the Advancement to the Town.

“Closing Costs” means and further includes all items of expense directly or indirectly payable by or reimbursable to the Town relating to the financing of the Equipment, including, but not limited to, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, legal fees and charges and financing and other professional consultant fees.

“Default Rate” means, for any date of determination, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate plus 3.0% (ii) the Overnight Bank Funding Rate plus 3.5%, and (iii) 9.0% per annum; provided, however, that the Default Rate shall never exceed the Maximum Rate.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Lender notifies the Town that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Town of such notification from the Lender, the Town shall deliver to the Lender a ruling or determination letter issued to or on behalf of the Town by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from

time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(ii) on the date when the Town shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Town or upon any review or audit of the Town or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iii) on the date when the Town shall receive notice from the Lender that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income the interest on the Installment Payments due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (ii) or (iii) hereunder unless the Town has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Lender, the Town shall promptly the Lender for any payments, including any taxes, interest, penalties or other charges, the Lender shall be obligated to make as a result of the Determination of Taxability.

“Enforcement Limitation” means the provisions of the Act that provide that no deficiency judgment may be rendered against the Town in any action for breach of a contractual obligation incurred under the Act and that the taxing power of the Town is not and may not be pledged directly or indirectly to secure any moneys due under this Agreement.

“Equipment” means the equipment and rolling stock identified in Exhibit A attached to the Security Agreement, the cost of which is being paid by the Town from the Advancement.

“Event of Nonappropriation” means (a) the failure by the Town Council to budget and appropriate in its budget for the ensuing Fiscal Year adopted on or about June 30 of each year moneys sufficient to pay all Installment Payments and any reasonably estimated additional payments under this Agreement coming due in the next ensuing Fiscal Year or (b) the Town Council’s deletion from its duly adopted budget of any appropriation for the purposes specified in clause (a) above. In the event that during any Fiscal Year, any additional payments shall become due that were not included in the Town’s current budget, and if there are no moneys available to pay such additional payments prior to the date upon which such additional payments are due, an Event of Nonappropriation shall be deemed to have occurred upon notice by the Lender to the Town to such effect.

“Event of Taxability” means (i) the taking of any action by the Town, or the failure to take any action by the Town, or the making by the Town of any misrepresentation herein or in any certificate required to be given in connection with the execution and delivery of this Agreement which has the effect of causing the interest component of the Installment Payments paid or payable to become includable, in whole or in part, in the gross income for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the

Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing the interest component of the Installment Payments interest paid or payable to become includable, in whole or in part, in the gross income for federal income tax purposes with respect to this Agreement as a result of any action by the Town, or the failure to take any action by the Town, or the making by the Town of any misrepresentation herein or in any certificate required to be given in connection with the execution and delivery of this Agreement.

“Fiscal Year” means the period beginning on July 1 of any year and ending on June 30 of the following year.

“Inclusion Date” means the date that the interest component of the Installment Payments first becomes includable in the gross income of the Lender as a result of a Determination of Taxability.

“Installment Payment Date” means each of the dates set forth on the Installment Payment Schedule attached hereto as Exhibit A.

“Installment Payments” means the payments required to be paid by the Town pursuant to Section 4.1 in order to repay the Advancement, as specified in Exhibit A attached hereto and made a part hereof.

“Investment Obligation” means any security or investment authorized by Section 159-30 of the General Statutes of North Carolina, as may be amended from time to time, or any substitute or successor statute.

“Lender” means PNC Bank, National Association, a national banking association duly organized and validly existing under the laws of the United States of America, and any successor thereto.

“Maximum Rate” means the lesser of (a) 18% per annum and (b) the maximum rate permitted by applicable law.

“Net Proceeds” means any proceeds of insurance or taking by eminent domain or condemnation paid with respect to the Equipment remaining after payment therefrom of any expenses (including attorneys’ fees) incurred in the collection thereof.

“Overnight Bank Funding Rate” shall mean, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (“NYFRB”), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the Federal Reserve Bank of New York (or by such other recognized electronic source (such as Bloomberg) selected by the Lender for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Lender at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank

Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Town.

“Permitted Encumbrances” means, and includes (a) liens for taxes, assessments and other governmental charges due but not yet payable; (b) landlord’s, warehouseman’s, carrier’s, worker’s, vendor’s, mechanic’s and materialmen’s liens and similar liens incurred in the ordinary course of business remaining undischarged for not longer than 60 days from the filing thereof; (c) attachments remaining undischarged for not longer than 60 days from the making thereof; (d) the lien created by the Security Agreement; (e) this Agreement and (f) any lease of the Equipment permitted by Section 8.2(b).

“Prepayment Premium” means an amount equal to the present value, if positive, of the product of (a) the difference between (i) the yield, on the beginning date of the applicable interest period, of a U.S. Treasury obligation with a maturity similar to the applicable interest period, minus (ii) the yield on the prepayment date, of a U.S. Treasury obligation with a maturity similar to the remaining maturity of the applicable interest period, and (b) the principal amount to be prepaid, and (c) the number of years, including fractional years, from the prepayment date to the end of the applicable interest period. The yield on any U.S. Treasury obligation shall be determined by reference to Federal Reserve Statistical Release H.15 (519) “Selected Interest Rates.” For purposes of making present value calculations, the yield to maturity of a similar maturity U.S. Treasury obligation on the prepayment date shall be deemed the discount rate.

“Prime Rate” means the rate publicly announced by the Lender from time to time as its prime rate. The Prime Rate is determined from time to time by the Lender as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index and does not necessarily reflect the lowest rate of interest actually charged by the Lender to any particular class or category of customers.

“Security Agreement” means the Security Agreement, dated as of the date hereof, executed and delivered by the Town for the benefit of the Lender, pursuant to which the Town grants the Lender a security interest in the Equipment.

“State” means the State of North Carolina.

“Taxable Rate” means an interest rate that, had it been in effect, would have resulted in the same after tax equivalent yield to the Lender that the Lender would have realized if interest component of the Installment Payments were subject to federal income taxation of gross income at the highest corporate income tax rate in effect at the time of receipt of the interest.

“Town” means the Town of Knightdale, North Carolina, a municipal corporation existing under and by virtue of the Constitution and laws of the State of North Carolina, and any successor entity.

“Town Council” means the Town Council of the Town.

ARTICLE II

REPRESENTATIONS OF THE TOWN AND THE LENDER

SECTION 2.1. Representations, Covenants and Warranties of the Town. The Town represents, covenants and warrants to the Lender as follows:

(a) The Town is a municipal corporation duly organized and validly existing under and by virtue of the Constitution and laws of the State of North Carolina.

(b) The Constitution and laws of the State authorize the Town to (i) execute and deliver this Agreement and the Security Agreement, (ii) enter into the transactions contemplated thereby and (iii) carry out its obligations thereunder.

(c) The Town has duly authorized and executed this Agreement and the Security Agreement in accordance with the Constitution and laws of the State.

(d) Neither the execution and delivery of this Agreement or the Security Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions or any charter provision, restriction or any agreement or instrument to which the Town is now a party or by which the Town is bound, or constitutes a default under any of the foregoing.

(e) No approval or consent is required from any governmental authority with respect to the entering into or performance by the Town of this Agreement, the Security Agreement and all other documents related thereto and the transactions contemplated hereby and thereby, or if such approval is required, it has been duly obtained.

(f) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Town challenging the validity or enforceability of this Agreement, the Security Agreement or any other documents relating hereto and the performance of the Town's obligations hereunder and thereunder.

SECTION 2.2. Representations, Covenants and Warranties of the Lender. The Lender represents, covenants and warrants to the Town as follows:

(a) The Lender is a national banking association duly organized and validly existing under the laws of the United States of America and has the power and authority to enter into this Agreement.

(b) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the organizational documents of the Lender or any restriction or any agreement or instrument to which the Lender is now a party or by which the Lender is bound.

SECTION 2.3. Representations as to Role of Lender. The Town and the Lender acknowledge and agree that this transaction is an arm's-length commercial transaction between the Town and the Lender. In connection with this transaction, the Lender is acting solely as a principal and not as the Town's agent, advisor or fiduciary. The Lender has not assumed a fiduciary responsibility with respect to this transaction, and nothing in this transaction or in any prior relationship between the Town and the Lender will be deemed to create an advisory, fiduciary or agency relationship between the Town and the Lender in respect of this transaction. The Town has engaged an independent advisor to advise it in connection with this transaction and has consulted its own legal and other advisors to the extent it has deemed appropriate.

ARTICLE III

ACQUISITION OF EQUIPMENT

SECTION 3.1. Creation of Equipment Fund. In consideration of the covenants, warranties and representations contained herein, and in consideration of the Town's agreement to repay the moneys advanced hereunder and interest thereon, the Lender hereby agrees to advance to the Town at Closing moneys in the aggregate amount of \$950,000.00 (the "Advancement"). The Advancement shall be deposited at Closing in an account designated by the Town in the name of the Town designated the "Town of Knightdale 2025 Equipment" (the "Equipment Fund") and shall be applied in accordance with the provisions of this Article.

SECTION 3.2. Acquisition of Equipment. The Town shall enter into one or more contracts or purchase orders providing for the acquisition of the Equipment substantially as described in Exhibit A to the Security Agreement.

SECTION 3.3. Investment. The Town shall invest and reinvest moneys deposited in the Equipment Fund solely in Investment Obligations as agreed to between the Town and the Lender from time to time, and investment earnings on the Equipment Fund shall be retained in the Equipment Fund pending disbursement in accordance with Section 3.4. The Town shall be solely responsible for ascertaining that all proposed investments and reinvestments comply with federal, state and local laws, regulations and ordinances governing investment of funds held pursuant to a loan agreement similar in substance to the arrangement contemplated by this Agreement. Accordingly, the Lender shall not be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to investment or reinvestment of all or a portion of the moneys held in the Equipment Fund, and the Town hereby agrees, to the extent permitted by law, to release and indemnify and hold harmless the Lender from any such liability, cost, expense, loss or claim.

SECTION 3.4. Disbursements. Unless the Equipment Fund is earlier terminated in accordance with the provisions of Section 3.5, the moneys held in the Equipment Fund shall be used by the Town to pay the Closing Costs and the costs of the Equipment. If the moneys held in the Equipment Fund and any other moneys provided by the Town are insufficient to pay all of the Closing Costs and the costs of the Equipment, the Town shall provide any balance of the funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Equipment Fund after completion of the acquisition of the Equipment, as evidenced by a written certificate of completion executed by the Town Manager or the Finance Director of the Town and delivered to the Lender stating that the Equipment has been acquired and that there are no liens against the Equipment other than the lien created by this Agreement and the Security Agreement, may be applied for any lawful purpose that, in the opinion of nationally recognized bond counsel, will not cause the interest component of the Installment Payments to become taxable for federal income tax purposes.

If the Equipment Fund is terminated early in accordance with the provisions of Section 3.5(b) or (c), any moneys remaining in the Equipment Fund shall be transferred to the Lender to prepay the principal component of the Installment Payments.

SECTION 3.5. Termination. The Equipment Fund shall be terminated at the earliest of (a) the final distribution of moneys from the Equipment Fund, (b) written notice given by the Lender of an event of default by the Town under this Agreement and (c) termination of this Agreement.

SECTION 3.6. Reliance of Lender on Documents. The Lender may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Lender shall not be liable in any manner for the sufficiency or correctness as to the form, manner of execution, or validity of any instrument or as to the identity, authority, or right of any person executing the same; and the Lender's duties hereunder shall be limited to the receipts of such moneys, instruments or other documents received by it as the Lender, and for the disposition of the same in accordance herewith.

SECTION 3.7. Disclaimer of Lender. The Town acknowledges and agrees that the design of the Equipment has not been made by the Lender, and the Lender has not supplied any plans or specifications with respect thereto and that the Lender (a) is not a manufacturer of, nor a dealer in, any of the component parts of the Equipment or similar projects, (b) has not made any recommendation, given any advance 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 construction thereof, (c) has not at any time had physical possession of the Equipment or any component part thereof or made any inspection thereof or 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 Town intends therefore, or (iii) is safe in any manner of respect.

THE LENDER MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT OR ANY COMPONENT PART THEREOF TO THE TOWN OR ANY OTHER CIRCUMSTANCE WHATSOEVER WITH RESPECT THERETO, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION WITH RESPECT TO THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE; THE DESIGN OR CONDITION THEREOF; THE SAFETY, WORKMANSHIP, QUALITY OR CAPACITY THEREOF; COMPLIANCE THEREOF WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; ANY LATENT DEFECT; THE TITLE TO OR INTEREST OF THE LENDER THEREIN BEYOND THAT TITLE OR INTEREST WHICH THE TOWN OBTAINS FROM THE LENDER PURSUANT HERETO; THE ABILITY THEREOF TO PERFORM ANY FUNCTION; THAT THE PROCEEDS DERIVED FROM THE ADVANCEMENT WILL BE SUFFICIENT, TOGETHER WITH ANY OTHER AVAILABLE FUNDS OF THE TOWN, TO PAY THE COST OF ACQUIRING THE EQUIPMENT; OR ANY OTHER CHARACTERISTICS OF THE EQUIPMENT, IT BEING AGREED THAT ALL RISKS RELATING TO THE EQUIPMENT, THE COMPLETION THEREOF OR THE

TRANSACTIONS CONTEMPLATED HEREBY ARE TO BE BORNE BY THE TOWN, AND THE BENEFITS OF ANY AND ALL IMPLIED WARRANTIES AND REPRESENTATIONS OF THE LENDER ARE HEREBY WAIVED BY THE TOWN.

ARTICLE IV

REPAYMENT OF THE ADVANCEMENT; SECURITY FOR REPAYMENT

SECTION 4.1. Repayment of the Advancement. (a) The Town shall repay the Advancement, with interest, computed at the rate of 3.66% per annum, subject to adjustment as provided in this Agreement, in installments due on each June 1 and December 1, commencing June 1, 2026, as more particularly set forth in Exhibit A attached hereto and made a part hereof.

(b) All Installment Payments required to be made to the Lender hereunder shall be made to PNC Bank, National Association, 301 Fayetteville Street, Suite 2100, Raleigh, North Carolina 27601, or as may otherwise be directed by the Lender. Payment of the Installment Payments may be made by wire transfer to any account in the continental United States specified by the Lender to the Town in writing.

(c) The Town has not designated any obligations hereunder as being within the \$10 million limitation described within Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

(d) Upon and after the occurrence of a Determination of Taxability, the interest component of each Installment Payment shall thereafter be computed and paid at the Taxable Rate. In addition, the Town shall pay to the Lender (i) an amount necessary to reimburse the Lender for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of the Lender's inability to include the interest portion of the Installment Payments in its gross income for income tax purposes, together with any reasonable attorneys' fees, court costs or other out-of-pocket costs incurred by the Lender in connection therewith, and (ii) an amount equal to the positive difference, if any, between the amount of interest that would have been paid on the principal balances due under this Agreement from the Inclusion Date if interest were computed at the Taxable Rate and the amount actually paid to the Lender computed at the interest rate set forth in Section 4.1 herein. The Town agrees to give prompt written notice to the Lender upon the Town's receipt of any notice or information from any source whatsoever to the effect that an Event of Taxability or a Determination of Taxability shall have occurred. Notwithstanding any other provision of this Section to the contrary, the interest rate or rates payable under this Section shall not at any time exceed the Maximum Rate.

(e) From and after the occurrence of an event of default hereunder until such time as such event of default has been remedied or otherwise waived by the Lender, the outstanding principal component of the Advancement shall bear interest at the Default Rate.

SECTION 4.2. Budget and Appropriation. (a) The officer of the Town at any time charged with the responsibility for formulating budget proposals shall include in the budget proposals for review and consideration by the Town Council in any Fiscal Year in which this Agreement shall be in effect, items for all Installment Payments and any additional payments required for such Fiscal Year under this Agreement or the Security Agreement. Any budget item referred to in this Section shall be deleted from the applicable budget by the Town Council only

by the adoption of a resolution to such effect containing a statement of its reasons therefore, which resolution shall be adopted by roll-call vote and shall be spread upon the minutes of the Town Council. The Town shall furnish the Lender with copies of its annual budget promptly after its adoption and copies of any amended budget affecting appropriations for Installment Payments or additional payments required under this Agreement or the Security Agreement; provided, however, that the Town's obligation to provide the Lender with such information may be satisfied by publicly releasing such information on the Town's website. The Town shall promptly provide written notice to the Lender of any Event of Nonappropriation.

(b) NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE TOWN WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE TOWN TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE TOWN FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT IS IN EFFECT; PROVIDED, HOWEVER, THAT ANY FAILURE OR REFUSAL BY THE TOWN TO APPROPRIATE FUNDS WHICH RESULTS IN THE FAILURE BY THE TOWN TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBLIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE TOWN IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS AGREEMENT AND THE TAXING POWER OF THE TOWN IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS AGREEMENT.

No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the Town's moneys, nor shall any provision of this Agreement restrict the future issuance of any of the Town's bonds or moneys. To the extent of any conflict between this Section and any other provision of this Agreement, this Section shall take priority.

SECTION 4.3. Security Agreement. In order to secure its obligations under this Agreement, including its obligation to make the Installment Payments hereunder, the Town will execute and deliver the Security Agreement simultaneously with the execution and delivery of this Agreement.

SECTION 4.4. No Set-Off, Recoupment, Etc. Subject to Section 4.2 and the Enforcement Limitation, the obligation of the Town to make the Installment Payments hereunder and to perform and observe the other covenants of this Agreement shall be absolute and unconditional, and the Town will pay without abatement, diminution or deduction all such amounts regardless of any cause or circumstance whatsoever, including, without limitation, any defense, set-off, recoupment or counterclaim that the Town may have against the Lender.

ARTICLE V

INSURANCE

SECTION 5.1. Insurance. (a) The Town shall, during the term of this Agreement and at all times before all Installment Payments have been paid, continuously insure the Equipment, or cause the Equipment to be insured, against loss or damage to any portion of the Equipment in an amount equal to 100% of the replacement cost of such Equipment (subject to a deductible clause not to exceed \$100,000 for any one loss), paying as the same become due all premiums in respect thereof. The policy providing for such insurance shall name the Lender as loss payee and additional insured. In addition, the Town shall (i) maintain a comprehensive general liability policy or policies in protection of the Town, its officers, agents and employees, which policy or policies shall cover such losses and shall have such deductible amounts as shall be satisfactory to the Town and (ii) maintain workers' compensation insurance to insure its employees against liability for workers' compensation under the laws of the State.

(b) Notwithstanding the foregoing, in lieu of obtaining the policies of insurance required by this Section, the Town may adopt alternative risk management programs which it determines to be reasonable, including, without limitation, to self-insure in whole or in part, individually or in connection with other institutions, to participate in programs of captive insurance companies, to participate with other institutions in mutual or other cooperative insurance or other risk management programs, to participate in State or federal insurance programs, to take advantage of State or federal laws now or hereafter in existence limiting liability, or to establish or participate in other alternative risk management programs, all as may be reasonable and appropriate risk management by the Town. In addition, any insurance coverage pursuant to this Section may also be pursuant to a program whereby the Town self-insures against certain losses up to a stated loss amount, and retains excess coverage from an insurer meeting the requirements of this Section.

(c) The insurance coverage required under this Section may be maintained under a blanket policy covering other properties of the Town.

(d) Prior to the initial disbursement hereunder and thereafter annually on or about July 1 of each year, the Town shall cause to be delivered to the Lender a certificate or other evidence showing that the insurance policies or alternative risk management programs required or permitted by this Agreement are in full force and effect.

(e) The Town shall cooperate fully with the Lender in filing any proof of loss with respect to any insurance policy maintained pursuant to this Section.

SECTION 5.2. Damage and Destruction. If at any time before all Installment Payments have been paid, the Equipment is damaged or destroyed by fire, flood, windstorm or other casualty, the Town shall cause the Net Proceeds from insurance, or an amount equal thereto, to be used for the repair, restoration or replacement of the Equipment or the prepayment of the principal component of the Installment Payment, all as provided in Article VI hereof. In the case of any damage to or destruction of the Equipment exceeding \$500,000 in any Fiscal Year, the Town shall give prompt written notice thereof to the Lender. All equipment, machinery or other personal property so acquired from such Net Proceeds pursuant to this

Section shall be purchased free of all liens and encumbrances, other than Permitted Encumbrances, and shall become a part of the Equipment subject to the security interest created by the Security Agreement.

The Town agrees that, after exhaustion of the Net Proceeds, subject to the provisions of Section 4.2, it shall pay or cause to be paid any portion of the repair, restoration or replacement in excess of the Net Proceeds, and it shall not be entitled to any reimbursement therefor from the Lender and it shall not be entitled to any abatement or diminution of the payments required to be made by the Town pursuant to this Agreement.

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

SECTION 6.1. Obligation of the Town to Repair and Replace the Equipment.

Unless applied to the payment in full or in part of the remaining Installment Payments pursuant to Section 6.2 and Section 10.1, the Town shall cause the Net Proceeds of any insurance policies to be applied to the prompt repair, restoration or replacement of the Equipment. The Lender shall cooperate with the Town in the administration and application of such Net Proceeds. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the Town, subject to the Security Agreement, and shall be included as part of the Equipment under this Agreement.

SECTION 6.2. Insufficiency of Net Proceeds. (a) If the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration or replacement of the Equipment, the Town may elect to complete the work and pay any cost in excess of the amount of the Net Proceeds, and the Town agrees that, if by reason of any such insufficiency of the Net Proceeds, the Town shall make any payments pursuant to the provisions of this subsection, the Town shall not be entitled to any reimbursement therefore from the Lender, nor shall the Town be entitled to any diminution of the Installment Payments payable under Section 4.1.

(b) If the Town elects not to apply the Net Proceeds to the repair, restoration or replacement of the Equipment, the Town may apply the Net Proceeds of such insurance policies to the prepayment of the principal component of the Installment Payments in accordance with Section 10.1. In the event the amount of such Net Proceeds exceeds the amount necessary to prepay the principal component of all remaining Installment Payments, plus the interest component of the Installment Payments accrued to the date of prepayment, such excess shall be paid to or retained by the Town.

Within 90 days following the receipt of Net Proceeds, unless a further extension is approved by the Lender, the Town shall commence the repair, restoration or replacement of the Equipment, or shall elect, by written notice to the Lender, to apply the Net Proceeds to the prepayment of the Installment Payments under the provisions of Section 10.1. For purposes of this subsection, "commence" shall include, as applicable, placing orders for replacement Equipment or retention of an engineer in anticipation of the repair, restoration, modification, improvement or replacement of the Equipment. In the event that the Town shall, after commencing the repair, restoration, modification, improvement or replacement of the Equipment, determine that the Net Proceeds (plus any amount withheld therefrom by reason of any deductible clause) shall be insufficient for the accomplishment thereof, the Town may, subject to the provisions set forth above, elect to apply the Net Proceeds to the prepayment of the Installment Payments under the provisions of Section 10.1.

SECTION 6.3. Cooperation of the Lender. The Lender shall cooperate fully with the Town in filing any proof of loss with respect to any insurance policy covering the events specified in Section 5.1. In no event shall the Lender or the Town voluntarily settle, or consent

to the settlement of, any proceeding arising out of any insurance claim with respect to the Equipment without the written consent of the other.

ARTICLE VII

COVENANTS OF THE TOWN

SECTION 7.1. Access to the Equipment. The Town agrees that the Lender and its agents and employees, shall have the right, at all reasonable times during normal business hours of the Town upon the furnishing of reasonable notice to the Town under the circumstances, to examine and inspect the Equipment or any portion thereof. The Town further agrees that the Lender and the Lender's successors, assigns or designees shall have such rights of access to the Equipment as may be reasonably necessary to cause the proper maintenance of the Equipment in the event of failure by the Town to perform its obligations hereunder. No right of inspection shall be deemed to impose on the Lender any duty or obligation whatsoever to undertake any inspection, and no inspection made by the Lender shall be deemed to impose upon the Lender any duty or obligation to identify any defects in the Equipment or to notify any person with respect thereto.

SECTION 7.2. Maintenance, Utilities, Taxes and Assessments. (a) Subject to the Enforcement Limitation, the Town shall provide for the repair and replacement of any portion of the Equipment required on account of ordinary wear and tear or want of care.

(b) Subject to the Enforcement Limitation, the Town shall also pay, or provide for the payment of, all taxes and assessments, including, but not limited to, utility charges of any type or nature levied, assessed or charged against any portion of the Equipment; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Town shall be obligated to pay only such installments as are required to be paid as and when the same become due.

(c) The Town may, at the Town's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided, however, that prior to such nonpayment, the Town shall furnish to the Lender an opinion of counsel acceptable to the Lender to the effect that, by nonpayment of any such items, the interest of the Lender in the Equipment will not be materially endangered and that all or any portion of the Equipment will not be subject to loss or forfeiture. Otherwise, subject to the Enforcement Limitation, the Town shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof.

(d) In addition, Town agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative, or judicial body, including, without limitation, all anti-money laundering laws and regulations; provided that Town may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lender, adversely affect the interest (including the reversionary interest) of Lender in and to the Equipment or its interest or rights under this Agreement.

SECTION 7.3. Modification of the Equipment. The Town shall, in its sole discretion and at its own expense, have the right to make additions, modifications and improvements to any

portion of the Equipment if such additions, modifications or improvements are necessary or beneficial for the use of the Equipment. Such additions, modifications and improvements shall not in any way damage any of the Equipment (unless such damage is to be repaired as provided in Section 6.1) or cause the Equipment to be used for purposes other than those authorized under the provisions of law, and the Equipment, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not less than the value of the Equipment immediately prior to the making of such additions, modifications and improvements. All such items, as so modified, shall be subject to the lien of the Security Agreement.

Except for Permitted Encumbrances, the Town shall not permit any lien to be established or remain against the Equipment for labor or materials furnished in connection with any additions, modifications or improvements made by the Town pursuant to this Section; provided, however, that if any such lien is established, the Town may, at its own expense and in its name, in good faith contest any lien filed or established against the Equipment, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, provided that the Town shall furnish to the Lender full security against any loss or forfeiture which might arise from the nonpayment of any such item in form satisfactory to the Lender.

SECTION 7.4. Encumbrances. Except as provided in this Article (including, without limitation, Section 7.3 and this Section), the Town shall not, directly or indirectly, create, incur, assume or suffer to exist any pledge, lien, charge, encumbrance or claim, as applicable, on or with respect to the Equipment, other than Permitted Encumbrances. Except as expressly provided in this Article and subject to the Enforcement Limitation, the Town shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such pledge, lien, charge, encumbrance or claim for which it is responsible if the same shall arise at any time; provided, however, that the Town may contest any such lien, charge, encumbrance or claim if it desires to do so and if it provides the Lender with full security against any loss or forfeiture which might arise from the nonpayment of any such item in form satisfactory to the Lender. With respect to Equipment constituting vehicles required to be titled by the laws of the State of North Carolina, the Town shall not take any action, or fail to take any action, with respect to the titles of such vehicles to impair the Lender's security interest therein.

SECTION 7.5. Indemnification of the Lender. To the fullest extent permitted by law, the Town covenants to defend, indemnify and hold harmless the Lender and its officers, directors, members, employees and agents (collectively, the "Indemnified Party") against any and all losses, claims, damages or liabilities, joint or several, including fees and expenses incurred in connection therewith, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise in connection with the transactions contemplated by this Agreement or the Security Agreement and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the transactions contemplated by this Agreement or the Security Agreement. In particular, without limitation, the Town shall and hereby agrees to indemnify and save the Indemnified Party harmless from and against all claims, losses and damages, including legal fees and

expenses, arising out of any breach or default on the part of the Town in the performance of any of its obligations under this Agreement or the Security Agreement.

SECTION 7.6. Financial Statements. The Town agrees that it will furnish the Lender, when the same become available, but in no event later than 210 days after the end of the Fiscal Year, its annual audited financial statements; provided, however, that the Town's obligation to provide the Lender with such information may be satisfied by publicly releasing such information on the Town's website.

SECTION 7.7. Tax Covenant. The Town covenants to do and perform all acts and things permitted by law in order to assure that the interest component of the Installment Payments which was excludable from the gross income for federal income taxes on the date of delivery of the Agreement shall continue to be so excludable.

ARTICLE VIII

ASSIGNMENT, LEASING AND AMENDMENT

SECTION 8.1. Assignment by the Lender. The Lender may, at any time and from time to time, assign to any bank, insurance company or similar financial institution all or any part of its interest in the Equipment or this Agreement, including, without limitation, the Lender's rights to receive the Installment Payments and any additional payments due and to become due hereunder. Reassignment by any assignee may also only be to a bank, insurance company or similar financial institution. The Town agrees that this Agreement may become part of a pool of obligations at the Lender's or its assignee's option. The Lender or its assignees may assign or reassign either the entire pool or any partial interest herein. Notwithstanding the foregoing, no assignment or reassignment of the Lender's interest in the Equipment or this Agreement shall be effective unless and until the Town shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each assignee. The Town covenants and agrees with the Lender and each subsequent assignee of the Lender to maintain for the full term of this Agreement a written record of each such assignment or reassignment. The Town hereby appoints the Lender as its agent for the purpose of maintaining any written record in connection with an assignment under this Section, and the Lender hereby accepts such appointment. The Town agrees to execute any document reasonably required by the Lender in connection with any assignment. Notwithstanding any assignment by the Lender of its interest in this Agreement, the Town shall not be obligated to provide any financial or other information to any assignee of the Lender except as set forth in Section 7.6.

After the giving of notice described above to the Town, the Town 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 acknowledgement shall in no way be deemed to make the assignment effective.

The Lender covenants that it will not provide or circulate any disclosure document relating to the Town in connection with any sale or assignment of the Lender's rights in this Agreement without the Town's prior written consent.

SECTION 8.2. Assignment by the Town. (a) This Agreement may not be assigned by the Town.

(b) The Town may lease all or any portion of the Equipment, subject to each of the following conditions:

(i) the obligation of the Town to make Installment Payments hereunder shall remain obligations of the Town;

(ii) the Town shall within thirty (30) days prior to the execution and delivery of any such lease, furnish or cause to be furnished to the Lender, a true and complete copy of the form of such lease;

(iii) the Lender shall have received an opinion of counsel to the Town to the effect that such lease is subordinate in all respects to the lien of the Security Agreement; and

(iv) the lease by the Town shall not cause the Equipment to be used for a purpose other than a governmental or proprietary function of the Town authorized under the provisions of the Constitution and laws of the State and shall not cause the interest component in the Installment Payments to be includable in gross income of the Lender for federal income tax purposes.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined. The following shall be “events of default” under this Agreement and the terms “events of default” and “default” shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) The failure by the Town to pay any Installment Payment required to be paid hereunder when due.

(b) The occurrence of an Event of Nonappropriation.

(c) Failure by the Town to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto other than as referred to in clause (a) or (b) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Town by the Lender; provided, however, that if the failure stated in the notice cannot be reasonably corrected within the applicable period and if corrective action is instituted by the Town within the applicable period and diligently pursued, the Town shall have such additional period of time to correct the failure as shall be necessary to correct such failure so long as such correction is diligently pursued.

(d) The Town becomes insolvent or the subject of insolvency proceedings; or is unable, or admits in writing its inability, to pay its debts as they mature; or makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or files a petition or other pleading seeking reorganization, composition, readjustment or liquidation of assets, or requesting similar relief; or applies to a court for the appointment of a receiver for it or for the whole or any part of its property; or has a receiver or liquidator appointed for it or for the whole or any part of its property (with or without the consent of the Town) and such receiver is not discharged within ninety (90) consecutive days after his appointment; or becomes the subject of an “order for relief” within the meaning of the United States Bankruptcy Code; or files an answer to a creditor’s petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fail to have such petition dismissed within sixty (60) consecutive days after the same is filed against the Town.

(e) The occurrence of an “Event of Default” under the Security Agreement as defined therein.

(f) Any warranty, representation or statement made by the Town herein or in the Security Agreement or any other document executed and delivered by the Town in connection herewith is found to be incorrect or misleading in any material respect as of the date made.

SECTION 9.2. Remedies on Default. Upon the occurrence of any event of default under Section 9.1, the Lender may, without any further demand or notice, exercise any one or more of the following remedies:

(a) declare the entire amount of the principal component of the Installment Payments and the accrued and unpaid interest component to the date of declaration to be immediately due and payable;

(b) exercise all remedies available at law or in equity or under the Security Agreement, including sale of the Equipment, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorneys' fees incurred with the recovery, repair, storage and other sale or other disposition costs, toward the principal component and accrued and unpaid interest of the balance of Installment Payments due; and

(c) subject to the Enforcement Limitation, proceed by appropriate court action to enforce performance by the Town of the applicable covenants of this Agreement or to recover for the breach thereof.

NOTWITHSTANDING ANY OTHER PROVISIONS HEREIN, IT IS THE INTENT OF THE PARTIES HERETO TO COMPLY WITH SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA, AS AMENDED. NO DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST THE TOWN IN FAVOR OF THE LENDER OR ANY OTHER PERSON IN VIOLATION OF SAID SECTION 160A-20, INCLUDING, WITHOUT LIMITATION, ANY DEFICIENCY JUDGMENT FOR AMOUNTS THAT MAY BE OWED HEREUNDER WHEN THE SALE OF ALL OR ANY PORTION OF THE EQUIPMENT IS INSUFFICIENT TO PRODUCE ENOUGH MONEYS TO PAY IN FULL ALL REMAINING OBLIGATIONS HEREUNDER.

SECTION 9.3. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Lender is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. To the extent permitted by law, any delay or omission to exercise any right or power accruing upon any default shall not impair any such right or power nor shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required in this Article or by law.

SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Town should default under any of the provisions hereof and the Lender should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the Town contained herein, the Town agrees that it will pay on demand to the Lender, subject to the limitations and provisions of Section 6-21.2 of the General Statutes of North Carolina, as amended, the reasonable fees of such attorneys and such other expenses so incurred by the Lender. For purposes of this Section, the reasonable fees of attorneys shall mean attorneys' fees actually incurred at such attorneys' standard hourly rate for such services and shall not be based on any percentage of the outstanding amount due; provided, however that such attorneys' fees shall not exceed the maximum amount permitted by law.

SECTION 9.5. No Additional Waiver Implied by One Waiver. In the event any provision contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder except as may be provided by law.

ARTICLE X

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 10.1. Prepayment. (a) Upon at least 15 Business Days' prior written notice to the Lender (unless otherwise waived by the Lender), the Town may prepay in whole or in part the outstanding principal component of the Installment Payments on any date at a prepayment price of 100% of the principal component of the Installment Payments to be prepaid, plus the Cost of Prepayment, plus accrued interest to the prepayment date. "Cost of Prepayment" means an amount equal to the present value, if positive, of the product of (a) the difference between (i) the yield, on the beginning date of the applicable interest period, of a U.S. Treasury obligation with a maturity similar to the applicable interest period, minus (ii) the yield on the prepayment date, of a U.S. Treasury obligation with a maturity similar to the remaining maturity of the applicable interest period, and (b) the principal amount to be prepaid, and (c) the number of years, including fractional years, from the prepayment date to the end of the applicable interest period. The yield on any U.S. Treasury obligation shall be determined by reference to Federal Reserve Statistical Release H.15 (519) "Selected Interest Rates." For purposes of making present value calculations, the yield to maturity of a similar maturity U.S. Treasury obligation on the prepayment date shall be deemed the discount rate. (a)

(b) Upon any prepayment in part pursuant to this Section 10.1, such prepayment shall be applied in inverse chronological order to the Installment Payment Schedule set forth in Exhibit A hereto.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon the earlier of actual receipt or three days after deposit in the United States first-class, registered or certified mail (unless otherwise provided herein), postage prepaid, at the following addresses:

If to the Town:

Town of Knightdale, North Carolina
950 Steeple Square Court
Knightdale, North Carolina 27545
Attention: Jessica Rhem, Finance Director

If to the Lender:

PNC Bank, National Association
301 Fayetteville Street, Suite 2100
Raleigh, North Carolina 27601
Attention: Kyle Huber, Senior Vice President

The Town and the Lender, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Any such notices, certificates or other communications may also be transmitted to the appropriate above-mentioned parties by electronic mail (“email”) to the email address specified by such parties, provided such email includes a document in portable document format (pdf) signed by an authorized representative of the transmitting party. Such email communications shall be deemed to be received once an email acknowledging receipt of such email is sent by the receiving party.

SECTION 11.2. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Town and the Lender and their respective successors and assigns. Whenever in this Agreement either the Town or the Lender is named or referred to, such reference shall be deemed to include the successors or assigns thereof and all the covenants and agreements in this Agreement contained by or on behalf of the Town or the Lender shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.3. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 11.4. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.5. Commitment Letter. The terms of this Agreement shall supersede the terms of any commitment letter, proposal or other term sheet provided by the Lender. To the extent of any conflict between this Agreement and such other documents, this Agreement shall take priority.

SECTION 11.6. Applicable Law. This Agreement shall be construed and governed in accordance with the laws of the State of North Carolina without regard to conflict of law principles.

SECTION 11.7. E-Verify. The Lender hereby certifies that the Lender 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. The Lender 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. The Lender shall not utilize subcontractors in connection with this Agreement.

[signatures to follow]

IN WITNESS WHEREOF, the Town and the Lender have caused this Agreement to be executed in their respective names by their respective duly authorized officers as of the date first above written.

TOWN OF KNIGHTDALE, NORTH CAROLINA

[SEAL]

By: _____
Jessica Day
Mayor

Attest:

Heather Smith
Town Clerk

PNC BANK, NATIONAL ASSOCIATION

By: _____
Kyle Huber
Senior Vice President

EXHIBIT A**INSTALLMENT PAYMENT SCHEDULE**

Principal Amount	950,000.00
First Payment Due	01JUN2026
Frequency	SEMI/ANNUALLY
Effective Date	02DEC2025
End Date	01DEC2029
Amortization End Date	01DEC2029
Rate Effective Date	02DEC2025
Year Basis	6-360/30-DAY MONTHS
Annual Interest Rate	3.660000
Calendar	USA-USA CALENDAR
Business Day Adjustment	S-SAME DAY
Payment Amount	128,723.03
Total Interest Paid	79,784.25
Balloon/Final Payment Amount	128,723.04

Payment Date	Total Payment	Principal Payment	Interest Payment	Remaining Principal
01JUN2026	128,723.03	111,434.61	17,288.42	838,565.39
01DEC2026	128,723.03	113,377.29	15,345.74	725,188.10
01JUN2027	128,723.03	115,452.08	13,270.95	609,736.02
01DEC2027	128,723.03	117,564.87	11,158.16	492,171.15
01JUN2028	128,723.03	119,716.29	9,006.74	372,454.86
01DEC2028	128,723.03	121,907.11	6,815.92	250,547.75
01JUN2029	128,723.03	124,138.01	4,585.02	126,409.74
01DEC2029	128,723.04	126,409.74	2,313.30	.00