Attach. 6

First Federal

Town of Sunset Beach, North Carolina

Regarding the $2,100,000 request for installment financing for the Town of Sunset Beach, First Federal of Charleston is willing to provide financing under the following terms and conditions:

Borrower:	Town of Sunset Beach, North Carolina
Lender:	First Federal of Charleston
Amount:	Up to $2,100,000.00
Purpose:	Purchase 5.2 acres for future Park
Repayment:	Equal annual principal payments in an amount of $210,000 plus interest due September 1st each year beginning September 1, 2012.
Maturity Date:	The loan will mature on September 1, 2021.
Rate:	Option A: A fixed rate of interest equal to 4%. Option B: A fixed rate of interest equal to 4.5%. Both options: The interest shall be calculated on the principal balance outstanding, the actual number of days outstanding and based on a 360-day year.
Prepayment:	Option A: Prepayment fee of 3% of the loan balance in year one, 2% of the loan balance in year two, and 1% of the loan balance in year three through maturity if the loan is paid in full. Option B: There will be no prepayment fee.
Collateral:	The loan will be secured by a first deed of trust on 5.2 acres, Sunset Beach, NC.
Loan To Value:	Maximum loan amount shall not exceed 100% of appraisal value or $2,100,000.00.
Documentation:	All documentation associated with this transaction shall be satisfactory to First Federal and its legal counsel.
Closing:	To take place no later than 8/31/2011.
Costs:	All costs associated with this transaction shall be paid by the City, including First Federal's legal fees. Fees will include a $5,000.00 origination fee. The remaining fees include Bank Attorney's fees, closing costs, and appraisal of which will be capped at $10,000.00. Town's Attorney's fees are not included in the capped closing cost fee.
Other:	Commitment is subject to receipt and satisfactory review of all relevant documents by First Federal and it's legal counsel. Commitment is subject to approval by the Local Government Authority and ordinance passing by Town of Sunset Beach. The Bank agrees to the contract specification set forth in Part B of the Request for Proposal. The proposed collateral shall not have limited zoning restrictions during the term of the loan.

796 Sunset Blvd. N., Sunset Beach, NC 28468 • (910) 579-7872 • Fax (910) 579-8782
www.firstfederal.com

Amortization Schedule

Borrower	Town of Sunset Beach
Loan Amount	$2,100,000.00
Terms	Annual Principal plus accrued interst
Loan Closing Date	8/31/2011
First Payment Due	9/1/2012
Interest Rate	4.0% Fixed, with pre-payment penalty

#	Date	Amount	Rate	eff rate	Interest	Principal	Balance
							$2,100,000.00
1	9/1/2012	$ 295,166.67	4.000%	4.056%	$ 85,166.67	$ 210,000.00	$1,890,000.00
2	9/1/2103	$ 286,650.00	4.000%	4.056%	$ 76,650.00	$ 210,000.00	$1,680,000.00
3	9/1/2014	$ 278,133.33	4.000%	4.056%	$ 68,133.33	$ 210,000.00	$1,470,000.00
4	9/1/2015	$ 269,616.67	4.000%	4.056%	$ 59,616.67	$ 210,000.00	$1,260,000.00
5	9/1/2016	$ 261,100.00	4.000%	4.056%	$ 51,100.00	$ 210,000.00	$1,050,000.00
6	9/1/2017	$ 252,583.33	4.000%	4.056%	$ 42,583.33	$ 210,000.00	$ 840,000.00
7	9/1/2018	$ 244,066.67	4.000%	4.056%	$ 34,066.67	$ 210,000.00	$ 630,000.00
8	9/1/2019	$ 235,550.00	4.000%	4.056%	$ 25,550.00	$ 210,000.00	$ 420,000.00
9	9/1/2020	$ 227,033.33	4.000%	4.056%	$ 17,033.33	$ 210,000.00	$ 210,000.00
10	9/1/2021	$ 218,516.67	4.000%	4.056%	$ 8,516.67	$ 210,000.00	$ -
Total		$2,568,416.67			$468,416.67	$2,100,000.00	$ -

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Amortization Schedule

Borrower	Town of Sunset Beach
Loan Amount	$2,100,000.00
Terms	Annual Principal plus accrued interst
Loan Closing Date	8/31/2011
First Payment Due	9/1/2012
Interest Rate	4.5% Fixed, with no pre-payment penalty

#	Date	Amount	Rate	eff rate	Interest	Principal	Balance
							$2,100,000.00
1	9/1/2012	$ 305,812.50	4.500%	4.563%	$ 95,812.50	$ 210,000.00	$1,890,000.00
2	9/1/2013	$ 296,231.25	4.500%	4.563%	$ 86,231.25	$ 210,000.00	$1,680,000.00
3	9/1/2014	$ 286,650.00	4.500%	4.563%	$ 76,650.00	$ 210,000.00	$1,470,000.00
4	9/1/2015	$ 277,068.75	4.500%	4.563%	$ 67,068.75	$ 210,000.00	$1,260,000.00
5	9/1/2016	$ 267,487.50	4.500%	4.563%	$ 57,487.50	$ 210,000.00	$1,050,000.00
6	9/1/2017	$ 257,906.25	4.500%	4.563%	$ 47,906.25	$ 210,000.00	$ 840,000.00
7	9/1/2018	$ 248,325.00	4.500%	4.563%	$ 38,325.00	$ 210,000.00	$ 630,000.00
8	9/1/2019	$ 238,743.75	4.500%	4.563%	$ 28,743.75	$ 210,000.00	$ 420,000.00
9	9/1/2020	$ 229,162.50	4.500%	4.563%	$ 19,162.50	$ 210,000.00	$ 210,000.00
10	9/1/2021	$ 219,581.25	4.500%	4.563%	$ 9,581.25	$ 210,000.00	$ -
Total		$2,626,968.75			$ 526,968.75	$2,100,000.00	$ -

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