



BB&T Governmental Finance

5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
(704) 954-1700
Fax (704) 954-1799

May 23, 2011

Ms. Donna Rogers
Finance Director
Town of Sunset Beach
700 Sunset Boulevard
N. Sunset Beach, North Carolina 28468

Dear Ms. Rogers:

Branch Banking and Trust Company (“BB&T”) is pleased to offer this proposal for the financing of 5.2 acres of land as requested by the Town of Sunset Beach (the “Town”).

- (1) **Project:** 5.2 Acres of Land located on Sunset Blvd for the purpose of a future park
- (2) **Amount to be financed:** \$2,100,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<u>Term</u>	<u>Rate</u>
10 years	2.97%

Payments shall be annual in arrears, or as requested. See the attached amortization schedule(s) for information on payments.

The financing proceeds shall be deposited on behalf of the Town in a project fund account with Branch Banking & Trust. Earnings on the project fund shall accrue to the benefit of the Town for use on Project costs or interest payments.

The interest rate stated above is valid for a closing not later than 45 days after today. A convenient date and time shall be mutually agreed upon for closing. Closing is contingent upon completing documentation acceptable to BB&T and upon the condition of the property acceptable to BB&T. BB&T shall provide a list of required documentation for closing should we be the successful proposer. At a minimum, BB&T shall require flood certification, if applicable, copies of the plans and specifications and an estimated expenditure budget two weeks in advance of closing for our review. Additionally, we shall review your most recent financial statements before funding this transaction.

Remuneration for our legal review expenses and underwriting for this financing transaction shall be \$4,700.00. All applicable taxes, permits, costs of counsel for the Town and any other costs shall be the Town’s responsibility and separately payable by the Town. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rate assumes that the Town expects to borrow less than \$10,000,000 in calendar year 2011 and that the Town shall comply with IRS Code Sections 141, 148, 149(e) and Section 265(b)(3). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not a qualified tax-exempt financing.

(4) Security:

This financing shall be secured by a leasehold deed of trust on (a) all personal property acquired with financing proceeds, (b) all improvements to real estate that are constructed or improved with financing proceeds, and all associated real estate, and (c) all real estate acquired with financing proceeds.

(5) Financing Documents:

BB&T and its counsel shall prepare the financing agreement and deed of trust and all documentation for the Town. We shall provide a sample of those documents to you for the underwriting.

* * * * *

BB&T appreciates the opportunity to provide this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the Town of its election to do so (whether or not this offer has previously been accepted by the Town) if at any time prior to the closing there is a material adverse change in the Town's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Town or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to BB&T. If your board adopts this resolution, then BB&T shall not require any further board action prior to closing the transaction.

Please call me at (336) 376-0254 or Louis Loyd at (704) 954-1700 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Alison W. Peeler
Senior Vice President

Enclosure

Town of Sunset Beach, North Carolina

Compound Period: Annual

Nominal Annual Rate: 2.970%

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	5/23/2011				2,100,000.00
1	5/23/2012	272,370.00	62,370.00	210,000.00	1,890,000.00
2	5/23/2013	266,133.00	56,133.00	210,000.00	1,680,000.00
3	5/23/2014	259,896.00	49,896.00	210,000.00	1,470,000.00
4	5/23/2015	253,659.00	43,659.00	210,000.00	1,260,000.00
5	5/23/2016	247,422.00	37,422.00	210,000.00	1,050,000.00
6	5/23/2017	241,185.00	31,185.00	210,000.00	840,000.00
7	5/23/2018	234,948.00	24,948.00	210,000.00	630,000.00
8	5/23/2019	228,711.00	18,711.00	210,000.00	420,000.00
9	5/23/2020	222,474.00	12,474.00	210,000.00	210,000.00
10	5/23/2021	216,237.00	6,237.00	210,000.00	0.00
Grand Totals		2,443,035.00	343,035.00	2,100,000.00	

Resolution Approving Financing Terms

WHEREAS: The Town of Sunset Beach (the "Town") has previously determined to undertake a project for the financing of 5.2 acres of land for the purpose of a future park (the "Project"), and the Town Manager has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Town hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated May 23, 2011. The amount financed shall not exceed \$2,100,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.97%, and the financing term shall not exceed ten (10) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town's general fund, or any other Town fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2011.

By: _____
(Clerk)

By: _____
(Mayor)

SEAL