



## FIRE STATION FINANCING OPTIONS PRESENTATION

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## Comparison

	Borrower: Town of Southern Shores	Borrower: Southern Shores VFD
<b>Type</b>	Installment Financing Contract (NC G.S. 160A-20)	Term Note
<b>Term</b>	10 years	10 years
<b>Amortization</b>	10 years	20 years
<b>Interest Rate*</b>	4.00% Tax-exempt, Bank Qualified	4.00% Tax-exempt, Bank Qualified
<b>Payments</b>	Annual, straight-line principal (LGC required)	Annual, mortgage-style
<b>Prepayment Penalty</b>	Yield protection	Yield protection
<b>Security</b>	Deed of trust on Town asset	Assignment of contract** revenue
<b>Due Diligence Requirements</b>	Title Insurance, Hazard Insurance, Flood Insurance (if applicable)	Title Insurance, Hazard Insurance, Flood Insurance (if applicable)
<b>Expenses</b>	Bank legal counsel, max of \$10,000	Bank legal counsel, max of \$10,000
<b>Other</b>	LGC approval	**New contract between the Town and the VFD incorporating debt service for full term, Town must have option to purchase property in event of default for outstanding balance of the loan

\*Interest Rates are indicative and subject to change based on market conditions

## Comparison

	Borrower: Town of Southern Shores	Borrower: Southern Shores VFD
<b><u>\$3,000,000</u></b>		
<b>Annual Debt Service:</b>	\$420,000, declines each year	\$166,127
<b>Lifetime Interest:</b>	\$660,000	\$1,038,724
<b><u>\$3,500,000</u></b>		
<b>Annual Debt Service:</b>	\$490,000, declines each year	\$193,815
<b>Lifetime Interest:</b>	\$770,000	\$1,211,845
<b><u>\$4,000,000</u></b>		
<b>Annual Debt Service:</b>	\$560,000, declines each year	\$221,503
<b>Lifetime Interest:</b>	\$880,000	\$1,384,966