



First Citizens Bank

December 5, 2025

Dear Board Members,

Thank you for allowing First-Citizens Bank & Trust Company the opportunity to present our loan terms. Outlined below are key benefits and features worth noting in regard to our non-binding loan proposal.

1. Term Loan – Please note that the interest rate is locked 5 days prior to closing and ensures that the association is not subject to an adjusting prime rate and guarantees the rate initially quoted. We have found this unique option to be the most beneficial to the association due to its stability.
2. No pre-payment penalty unless the association chooses to refinance the loan with another lender.
3. There is a 0.25% origination fee and \$3,500.00 Legal fee.
4. Underwriting decisions are typically made within two to three weeks after the application is submitted. This timeframe is subject to the size and complexity of the request.
5. Loan terms of 15 Years 10/5 have been offered.
 - a. In our experience, we have found the average 10-year loan pays off in 6-7 years. Therefore, we can work with the board to create an internal amortization schedule that will help the association pay off their loan prior to any adjustment period.
6. A reserve study is required for all loans of \$1 million or more. We have relationships with several national and local engineering firms and are happy to provide you with their contact information.
7. As a local representative of the bank, I would like to meet with the board of directors or other community members to answer any questions.
8. The Association's cash flow is used as collateral. No personal guarantees, no personal liens and no credit inquiries are required.

Thank you for the opportunity and your consideration of First Citizens Bank as your preferred lender. We look forward to working with you, and we would be more than happy to meet with your board.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeff Barnett', with a long horizontal line extending to the right.

Jeff Barnett
Managing Director, CAB Lending



December 5, 2025

First-Citizens Bank & Trust Company is pleased to present the following loan proposal for your consideration. **This letter is not a commitment or offer to lend by the bank.** It is only an expression of interest and a summary of the credit facility we are currently considering. The issuance of a loan commitment is subject to the approval by appropriate bank authorities in accordance with the bank's standard underwriting guidelines.

Borrower: Chinquapin Homeowners Association

Guarantors: None

Request: \$3,400,000.00

Purpose: Land Purchase

Product: **Term Loan**

0.25% Loan Origination Fee on commitment amount paid at closing.

15 Year (180-month term loan). The rate for the first 10-year increment of the term loan will be fixed based on the 10-year US Treasury Constant Maturity in effect on the fifth business day prior to closing plus a spread of 2.00%. The rate for the subsequent 5-year increment of the term loan will be fixed based on the 5-year US Treasury Constant Maturity plus the original spread. The rate will have a floor of 6.10% during the entire loan term. Loan proceeds will be fully advanced at the closing and monthly principal and interest payments will fully amortize the loan over its term.

Estimated monthly principal and interest payments based on 15 years \$28,875.15

Collateral / Security: First position Absolute Assignment of the Association's future income including its right to receive common expense assessments and all future income.

Prepayment Penalty: Additional principal payments may be made with any monthly installment, but prepayments made due to a refinance from another institution will be subject to a charge of 1% of the principal balance at time of payoff.

Legal Fee: \$3,500.00

Loan Payments: Loan payments are made automatically via ACH transfer.

Proposal Expiration: This proposal expires within 30 days of this letter. Again, this is a financing proposal and not a contract or a commitment to lend. This proposal is intended as an outline of potential financing terms for informational and discussion purposes only and does not contain all terms, conditions and other matters upon which agreement would have to be reached in order for the financing outlined herein to be consummated. The financing outlined in this proposal has not been approved by our credit committee and the terms of such financing are subject to change.

Should the terms of this proposal meet your requirements or if you have any questions, please contact Jeff Barnett at 858-525-2843. Thank you for the opportunity to present you with this proposal.

Sincerely,
Michele Krill

Michele Krill
First-Citizens Bank & Trust Company