

FIRST BANK

March 8, 2024

Brevard Academy
1110 Hendersonville Hwy
Pisgah Forest, NC 28768-9238

Brevard Academy Board of Directors:

Thank you for allowing First Bank the opportunity to submit a proposal for financing the construction of the Brevard Academy STEM building at 1110 Hendersonville Hwy., Pisgah Forest, NC 28768-9238. The terms of this non-binding proposal are as follows:

Borrower:	Brevard Academy
Guarantors:	N/A
Amount:	\$2,000,000 Not to exceed 70% LTV and up to max 80% LTC based on new project costs only.
Purpose:	Bridge loan financing for construction of STEM Building on the Brevard Academy campus. USDA will provide permanent financing upon completion of building.
Type of Loan:	Commercial Loan
Interest Rate:	SOFR + 300 bps with floor of 7.5%.
Term:	18 Months
Repayment:	18 Month interest with principal due at maturity.
Prepayment Penalty:	N/A
Loan Fee:	\$10,000 or 0.5% of Loan Amount
Collateral:	Shared First Deed of Trust lien interest with USDA and Assignment of Rents on commercial property located at 1110 Hendersonville Hwy., Pisgah Forest, NC 28768-9238, and a shared blanket UCC lien on all assets.
Appraisal:	An appraisal will be required.
Environmental:	First Bank will require verification that the subject property has no environmental issues. A Phase I Environmental may be required.

Construction Monitoring: Borrower's equity must be injected into project and verified prior to loan proceeds being advanced.

Construction draws will be administered following the Bank's commercial construction process and satisfactory review of construction draw forms (AIA forms preferred).

All draws will be subject to third party inspection with costs to be paid by Borrower.

Covenants: To be determined during underwriting.

Additional Requirements:

- USDA permanent financing approval is required prior to First Bank construction loan origination.
- Copies of all construction contracts and USDA commitment must be provided prior to closing.
- Terms are subject to our receipt and satisfactory review of detailed cost estimates, plans & specs.

Financial Statements: Borrower(s) and Guarantor(s) shall furnish financial statements annually during the loan, and if requested by First Bank, the Borrower(s) and Guarantor(s) shall provide interim financial statements.

Closing Costs: To be paid in full by the Borrower.

Organizational Documents: Copies of Borrower Organizational Documents certified by an authorized officer or representative and Certificates of Existences shall be furnished to First Bank prior to the loan closing.

Deposit Relationship: As First Bank is a depository institution, Borrower agrees to maintain its primary operating account at First Bank.

Miscellaneous: First Bank may require additional documentation, opinions of counsel for Borrower, evidence of environmental compliance, utilities, permits and zoning as may reasonably be necessary to assure feasibility and authority of the purposes for which loan proceeds will be used. Loan may also be subject to legal review by outside bank counsel with any legal expenses to be paid by Borrower.

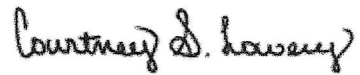
Assignment: This proposal is issued to the borrower and cannot be assigned by the borrower without the written consent of First Bank.

This is a proposal, not a commitment. The commitment will be based on the Bank's review of the Borrower's and Guarantor's current financials and other supporting documents and obtaining final approval by the Bank. The proposed rate and terms are reliant upon borrower's prompt response to proceed with full underwriting. An extended borrower response timeframe could allow changes in market conditions and interest rate pricing.

Formal acknowledgement of proposed terms must be communicated within Eight (8) business days (Friday, March 8, 2024). Subject to underwriting and approval, the rate and terms are offered for a transaction closing within 90 days (Thursday, June 6, 2024).

Thank you again for allowing First Bank the opportunity to submit this proposal. If you have any questions, please feel free to call me at 828-606-5093.

Sincerely,

A handwritten signature in cursive script that reads "Courtney S. Lowery".

Courtney Stepp Lowery
VP, Business Development Officer
First Bank
11 Church Street
Asheville, NC 28801