

Mountain Park HOA Construction Loan Modification

Lender: First Citizen's Bank

Original Date of Note: December 8, 2008

Amended Loan Effective Date: May 10, 2012

Loan Balance (as of December 31, 2012): \$4,530,420

Note Matures: June 10, 2030

Terms of the Loan:

- 1. Modified Interest Rate as of April 10, 2012 – 4.95%**
- 2. May change on December 10, 2013 and on that day every 3 years.**
- 3. Change is based on an Interest Rate Index. (Index is the weekly average yield on US Treasury securities adjusted to a constant maturity of 3 years)**
- 4. New interest rate calculation: 250 basis points (2.50%) to the current Index. Result will be rounded to the nearest one-eighth of 1 percentage point (.125%).**
- 5. Interest Rate Floor: 4.95%**
Interest Rate Ceiling: 7.95%
- 6. Prepayment Penalty: 2% if loan paid off prior to 36 months or May 10, 2015. However, up to two times the monthly payments on the regular billing cycle may be paid without prepayment penalty.**

Bank Covenants are:

- Debt Service coverage ratio 1.25 to 1.0.**
- Minimum Deposit requirement of \$500,000 measured at 3/31 and 9/30 each year.**
- Outside borrowing limited to \$50,000 without bank permission.**
- CPA Audited financials to be provided within 120 days of FYE.**
- Monthly internal financial statements to be provided within 15 days of EOM.**
- Immediate notification of Material changes to financial condition or litigation, threatened or actual.**
- Board minutes to be provided monthly.**