



October 2, 2015

Glenville-Cashiers Rescue Squad, Inc.  
c/o Carl J. Stewart  
PO Box 919  
Cashiers, NC 28717

Re: Loan Commitment

Dear Mr. Stewart and Ms. Sullivan:

Entegra Bank (the "Bank") is pleased to offer you Glenville-Cashiers Rescue Squad, Inc., (the "Borrower(s)") this loan commitment. The terms and conditions of this commitment are as follows:

**BORROWER (S):** Glenville-Cashiers Rescue Squad, Inc.  
("Borrower(s)")

**LOAN AMOUNT:** \$187,500.00

**TYPE OF LOAN:** Single Pay  
Rate: 5.00% Fixed  
120 Day Single Pay / Interest Due Monthly  
\$468.75 Origination Fee – Entegra Bank

**LOAN PURPOSE:** The Borrowers shall use the loan proceeds for the sole purpose of purchasing vacant commercial land in Cashiers, NC. The land will later be used for construction of a new Rescue Squad location. These funds are intended to be short-term and will be paid off with the permanent construction loan for this project. This permanent loan is expected to close within the next 120 days.

**INTEREST RATE:** Interest will accrue on the outstanding principal balance of the loan at the fixed rate of 5.00% per annum. Interest will be computed on the basis of a 365/360-day calendar year.

The unpaid balance of this loan shall, after an Event of Default exists under this Note or any other agreement related to this loan, be subject to a Default Rate of interest equal to 2.00% over the applicable interest rate in effect from time to time, calculated as described above in the section "Interest Rate," and after Maturity, whether by acceleration or otherwise, shall be subject to a Post-Maturity Rate of interest equal to 2.00% over the applicable interest rate in effect from time to time, calculated as described above in the section "Interest Rate," which new rate will supersede all interest rate caps herein stated.

**TERMS OF REPAYMENT:** The loan will be payable in 3 consecutive monthly payments of Interest Only and any unpaid principal and accrued interest due at maturity. Payments will be applied first to interest on the outstanding principal balance, then to principal. Payments will be due on the day of closing

each month commencing 30 estimated days after closing. One final balloon payment will be due 3 months after closing, at which time all unpaid principal and accrued interest will be due and payable.

**LOAN ORIGATION FEE:** You agree to pay the Bank a \$468.75 Origination Fee, a \$437.50 Processing Fee and a \$200 Tax Service Fee (*waived if taxes are escrowed*).

**COLLATERAL:** This loan is secured by a First Lien Deed of Trust on 1.67+/- acres on US Highway 64 East, (Jackson Co Parcel No.'s 7572-51-1831 and 7572-51-2888), along with any building(s) and all improvements now existing or constructed hereafter, all of which is located in Cashiers, NC.

**REPRESENTATIONS AND WARRANTIES OF THE BORROWER:** By signing this letter, the Borrower represents and warrants to the Bank as follows:

1. Your loan application, financial statements, copies of tax returns and other information you previously submitted to us are true and complete and accurately reflect your financial condition and income. You do not have any undisclosed direct or contingent liabilities.
2. There are no judgements, liens, encumbrances, penalty assessments, or other security interest outstanding against the Borrower or any of the Borrowers property other than those in favor of the Bank, except as disclosed to the Bank on the financial statements previously submitted. There are no pending or threatened enforcement proceedings or litigation that would adversely affect the Bank's lien position or marketability of the subject property.
3. There has been no material change in the financial condition of the Borrower since the date of the financial statements submitted by the Borrower to the Bank.
4. Borrowers are validly organized, are in good standing in their state of organization, and are duly authorized to transact business in the State of North Carolina and in all other states in which Borrowers are doing business.
5. You have full power and authority to enter into this agreement and borrow money from us as contemplated by this agreement. When executed and delivered to us, the loan documents will be valid, legal and binding obligations of the Borrower.

**LOAN COVENANTS:** Until the loan is repaid in full it shall have Loan Covenants provided within the Business Loan Agreement. Noncompliance to these provisions as stated within this document will be an Event of Default. Loan Covenants on this loan shall include but not be limited to the following:

- **Right of Inspection.** Borrower(s) and Guarantor(s) shall at any reasonable time, and from time to time, permit the Lender or any agent or representative thereof to examine and make copies of and abstracts from the records and books of, account of, and visit the Properties of, the Borrower(s) and Guarantor(s) and any Subsidiary, and to discuss the affairs, finances, and accounts of the Borrower(s) and Guarantor(s) and any Subsidiary with any of their respective officers and directors and the Borrower(s) and Guarantor(s) independent accountants.
- **Reports to other creditors.** Promptly after the furnishing thereof, Borrower(s) and Guarantor(s) shall provide copies of any statement or report furnished to any other party pursuant to the terms of any indenture, loan, credit, or similar agreement and not otherwise required to be furnished to the Lender pursuant to any other clause herein.
- **No Encumbrances or Transfer of Assets.** Borrower will not mortgage, assign, hypothecate, or encumber any of the Property except to Lender without Lender's prior written permission. Borrower will not sell, transfer, or assign any of the Property without Lender's prior written permission. Borrower will not merge, consolidate, sell, transfer, license, lease, encumber or otherwise dispose of Borrower's Property or Borrower's Business.
- **Business Existence and Operations.** Borrower will keep Borrower's existence in its current organizational form in full force and effect unless Lender gives prior written consent to Borrower's proposed change. Borrower will not sell or merge Borrower's business or any part of Borrower's business without the Lender's prior written consent. Borrower will continue its business as currently conducted. Borrower will not change its name, its identification number, or its place of organization without Lender's prior written consent. Borrower will keep its books and records at the address in this



Agreement. Borrower will promptly notify Lender in writing of any planned change in Borrower's principal place of business.

**FINANCIAL INFORMATION:** The Borrower(s) and Guarantor(s) will be obligated, on a continuing basis, to provide the Bank with such financial information concerning each Borrower and Guarantor as the Bank may request from time to time, including but not limited to:

- On an annual basis, each business Borrower(s) shall deliver to the Bank their respective financial statements (to include a balance sheet, income statement and supporting schedules) prepared according to generally accepted accounting principles (GAAP).
- The Borrower(s) shall provide the Bank with copies of their federal income tax returns within 30 days after the date the income tax returns are submitted by the Borrower(s) to the Internal Revenue Service. Copies of extensions must be provided by all Borrower(s) if tax returns have not been filed.
- The Borrower(s) shall provide a complete Debt Schedule, inclusive of all contingent liabilities, and a rent roll when requested by the Bank, but at least annually.
- The Borrower(s) shall provide any additional financial information the Bank may, from time to time, determine necessary to complete global underwriting.
- Each Borrower and Guarantor shall immediately inform the Bank of any material change in its condition, financial or otherwise.

The Borrower(s) and Guarantor(s) will be required to provide the above information until the loan has been paid in full.

**OTHER CONDITIONS:** While we intend to conform to our customary requirements for this type of loan, this loan commitment letter is not intended to include all of the requirements for the loan. We reserve the right to require additional information, documentation, and the satisfaction of conditions we consider appropriate to consummate the loan transaction. In addition, the Bank will require the following:

- A title examination by an attorney approved by the Bank who is licensed to practice in the State of North Carolina. The title opinion must certify that the owners of the property (all of whom will be required to sign the deed of trust) have marketable fee simple title to the property. The title opinion may not reveal any existing liens, encumbrances, restrictions or exceptions objectionable to the Bank, unless they are satisfied or removed at or prior to closing.
- Affidavit from a local periodical evidencing the publishing of public notice for a period of not less than seven days prior to closing.
- A copy of the Minutes from the public hearing held prior to closing.
- A letter from Jackson County evidencing their understanding and acceptance of the loan terms provided prior to closing.
- Evidence Borrower has access and rights to TWASA sewer system prior to or at closing.
- We reserve the right to revoke or amend this loan commitment based upon our review of the matters described above if we believe in good faith that the condition or value of the collateral is adversely affected by any circumstance, fact or condition, if we determine the documents presented fail to satisfy our underwriting standards, or if any representation or statement made or furnished to us by you is untrue or misleading in any material respect.

**OPINION OF COUNSEL:** At closing, we require Borrower's counsel to provide the Bank with a favorable written opinion in such form and content as is satisfactory to the Bank addressing the following matters:

- Confirmation that each individual who signed Loan Documents was, at the time of signing, (i) competent, (ii) of legal age, (iii) acting freely and voluntarily, (iv) not acting under duress or undue influence.
- Confirmation that the Loan Documents have been properly executed and delivered and constitute the legal, valid and binding obligations of the parties thereto, enforceable in accordance with their terms.
- Confirmation that those individuals who signed the Loan Documents on behalf of any corporation did so with full and proper authority in such a manner as to legally bind the business entity.

**ENVIRONMENTAL PROTECTION:** The Bank requires evidence that the property complies with all applicable laws and regulations pertaining to the protection and preservation of the environment. In the Bank's discretion, this evidence may include (without limitation) an environmental questionnaire and certification, prepared by the Borrower or consultant acceptable to the Bank attesting to the satisfactory environmental condition of the real property and certifying that you have complied and are complying with all federal, state and local environmental statutes, laws, and regulations. Following the review of any such report, the Bank may require additional testing at your expense.

**LOAN CLOSING:** The loan closing must occur on or before November 30, 2015. If the loan is not closed on or before that date, our obligation to fund the loan will terminate. If, prior to closing, there are material adverse changes in your business, affairs of the business, or affairs of any Guarantor, or if we discover adverse circumstances of which we are currently unaware, we may rescind this commitment, in which case we will have no further obligation to fund the loan.

**COMMITMENT PROVISIONS SURVIVE CLOSING:** The provisions of this letter agreement will survive the closing of the loan and will not be merged into any of the other Loan Documents. If any terms in this letter agreement are inconsistent with those of the other Loan Documents, the terms of the other Loan Documents will control.

**LOAN CLOSING COSTS:** You will be responsible for the payment of all costs and expenses incurred in connection with the closing of this loan, regardless of whether the loan actually closes.

**MODIFICATION:** No modification or amendment of any provision of this agreement or in any other Loan Document executed pursuant to this agreement will be effective unless in writing and signed by an authorized officer of the Bank.

**CONFIDENTIALITY:** The terms of this loan commitment are confidential. You agree not to disclose the contents of this loan commitment to any other lender.

**COMMITMENT EXPIRATION:** This commitment will expire unless you have accepted it in writing and the acceptance received by the undersigned on or before October 12, 2015.

This loan commitment is communicated only to the Borrower and may not be transferred by the Borrower to anyone else. If the terms and conditions outlined in this letter are acceptable, please evidence your acceptance by signing and returning the original copy of this letter to me. *Unless I receive your written acceptance within the time specified in this letter, your application and our loan approval will be considered withdrawn.*

We appreciate the opportunity to serve your lending needs. We hope you will permit us to assist you in satisfying your other financial goals. We look forward to working with you in connection with this loan transaction.

Sincerely,

Will Madden  
Vice President

WM/ao

**ACCEPTANCE of LOAN COMMITMENT:**

Each of the undersigned hereby accepts the Loan Commitment set forth above, subject to the terms and conditions set forth therein, this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

**CORPORATE BORROWERS:**

**Glenville-Cashiers Rescue Squad, Inc.**

By: \_\_\_\_\_  
Carl J. Stewart, President-Captain

By: \_\_\_\_\_  
Brandy L. Sullivan, Chairman