

May 4, 2011

Mr. Dennis Heydanek, Board President
Ms. Celeste Cox, Executive Director
North Collin County Habitat for Humanity
701 S. Tennessee
McKinney, TX 75069

RE: \$880,000.00 Loan Commitment to McKinney Habitat for Humanity, Inc. dba North Collin County Habitat for Humanity (NCCHFH) for the Purchase and Improvement of Commercial Real Estate Located at 2060 Couch Drive, McKinney, Texas

Subject: Revised Loan Commitment Increasing Loan Amount to \$960,000.00

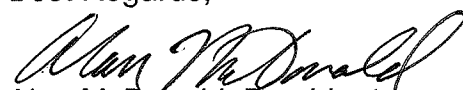
Dear Dennis and Celeste,

It is a pleasure on behalf of ViewPoint Bank to make available to McKinney Habitat for Humanity, Inc. dba North Collin County Habitat for Humanity a revised loan commitment of \$960,000.00 for the purpose of purchasing and improving commercial real estate located at 2060 Couch Drive in McKinney, Texas. The specific terms and conditions of the loan commitment are detailed in the attached original loan commitment and Terms Summary (please see the attached copy of the documents executed and initialed by you on April 15, 2011) and the revised Terms Summary, which is made a part of this revised commitment letter.

This loan commitment expires, if not accepted before the close of business May 11, 2011, unless the commitment is formally extended in writing by ViewPoint Bank. If the terms of the commitment are agreeable to you, please sign this revised commitment letter, initial each page of the revised Terms Summary, and return it to the Bank.

I appreciate the opportunity of meeting your financing needs and look forward to building a mutually beneficial relationship with NCCHFH. I am available to meet at your convenience to review the terms and conditions of the loan commitment. If you have any questions or need clarification of any points, please do not hesitate to contact me.

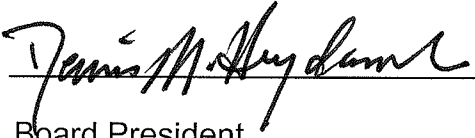
Best Regards,




Alan McDonald, President
ViewPoint Bank – McKinney

Agreed and Acknowledged:

McKinney Habitat for Humanity, Inc. dba North Collin County Habitat for Humanity

By: 
Its: Board President

Date: May 5, 2011

By: 
Its: Executive Director

Date: 5/5/11



Revised Terms Summary

Borrower: McKinney Habitat for Humanity, Inc. dba North Collin County Habitat for Humanity (NCCHFH)

Loan Amount: **\$960,000.00 (revised terms highlighted in bold for convenience of the reader only)**

Purpose: Purchase and improve a 50,000sf office warehouse building located at 2060 Couch Drive, McKinney, TX to house all of NCCHFH's operations including administrative and construction offices and the ReStore.

Use of Proceeds:	Purchase	\$800,000.00
	+ <u>Improvements</u>	<u>\$400,000.00</u>
	Total	\$1,200,000.00
	- <u>Down Payment</u>	<u>\$240,000.00</u>
	= Loan Amount	\$960,000.00

Repayment Structure: 6 monthly payments of interest only on draw down note to allow completion of improvements. Then 173 monthly payments of principal and interest of approximately **\$6,468.90** with a final balloon payment of all outstanding principal and interest. Payments based on a 20 year amortization. (payments exclude any provisions for escrow of either property taxes or hazard insurance)

Interest Rate: 5.25% fixed for 15 years.

Pre-Payment Penalty: 5 year declining pre-payment penalty of 5% of the principal balance year 1, 4% year 2, 3% year 3, 2% year 4, 1% year 5, no pre-payment penalty after year 5.

Maturity: 15 year balloon note.

Origination Fee: 0.5% (\$4,800.00) - to be waived in lieu of a tax letter for contribution in-kind recognition by NCCHFH provided at closing.

Collateral: Collateral for the loan will be a first lien deed of trust and assignment of rents & leases on the 50,000 sf office warehouse building on 3.88 acres being purchased and all improvements to be completed located at 2060 Couch Drive, McKinney, TX.

Collateral will also include a blanket lien on all business assets including furniture, fixtures, equipment, accounts and inventory.

Approval is subject to a formal appraisal completed by an appraiser satisfactory to the Bank and in a form acceptable to the Bank. The appraisal must reflect a value "as will be improved" of at least \$1,200,000.00 sufficient that the Loan to Value does not exceed 80%. Appraisal must be engaged by the Bank.

Approval is subject to the planned improvements addressing work outlined by the property inspector to bring the building to code within the \$400,000.00 budget for improvements.

Approval is subject to a Phase I Environmental Assessment, which must report no remediation of hazardous materials deemed necessary.

Guarantors: No personal guarantees.

Reporting Requirements: Provide periodically -

- Annual CPA Audited Financial Statements on the Borrower within **120** days of year-end
- Annual Federal Tax Return on the Borrower
- Monthly Internally Prepared Financial Statements within 45 days of month-end
- Annual update on Board Members and Background
- Annual evidence of property taxes paid, if any
- Evidence of hazard insurance in force

Financial Covenants: Debt service coverage (DSC) of at least 1.25 to 1.00 measured annually. DSC is defined as: cash available for debt service as outlined in the cash flow methodology developed by NCCHF's accountant for the loan approval process divided by debt service consisting of annual principal payments plus interest.

Conditions**Precedent:**

VPB's usual and customary standard provisions for transaction of this type including, but not limited to, the following:

Banking Relationship: NCCHFH agrees to move all of its operating accounts, merchant services (credit card processing), cash management services, and deposit relationship to VPB at reasonable and customary account terms. NCCHFH acknowledges that the special loan pricing approval received relies on VPB handling its entire banking relationship. Accounts will be opened leading up to closing and a good faith effort made to transfer balances beginning no later than loan closing and completed within 30 days thereafter.

FHLB Partner: VPB has a good working relationship with the Federal Home Loan Bank and is committed to being a partner bank for NCCHFH. This is evidenced by the March 24, 2011 joint VPB/FHLB award of \$20,000 to assist NCCHFH in funding a study for the upcoming capital campaign.

Approval subject to receipt of a survey.

Approval subject to a clear mortgagee title policy at closing.

The execution and delivery of such documentation as VPB may request including without limitation, notes, deeds of trust, financing statements, leases and insurance all in form and substance acceptable to VPB.

VPB's actual extension of the Credit Facility is subject to the execution of loan documentation satisfactory to VPB in its sole discretion. At the time of the closing of the Credit Facility, there must not be (a) any receivership or insolvency proceedings of any kind relating to NCCHFH; (b) any material adverse change in the business or financial condition of NCCHFH from the condition described in the financial statements presented to VPB, or any material adverse changes with respect to the collateral or any other information or documentation submitted to VPB by NCCHFH. VPB must be satisfied regarding each of the

above conditions and with respect to all matters relating to the collateral.

Documentation: The Credit Facility will be governed by the provisions of a loan agreement, note, deed of trust, security agreement and supporting documentation in form and substance satisfactory to VPB. The documents will include various conditions precedent, normal and customary reporting requirements, events of default, representations and warranties, and other standard documentation language.

Closing Costs: NCCHFH agrees to pay all closing costs. However, ViewPoint Bank (VPB) agrees for purposes of this loan and this transaction only, to make a \$7,000 donation to NCCHFH, simultaneous with and only upon closing of the loan, that NCCHFH at its discretion can use towards paying loan closing costs, if desired.

Closing cost estimate (actual closing costs could vary due to unforeseen circumstances, but every effort will be made to keep closing costs to a minimum):

- Appraisal: \$3,800.00
- Appraisal Review: \$600.00
- Title Policy: (sales contract indicates that the seller is to pay for an \$800,000.00 owner title policy. Borrower is to pay the difference between the owner title policy and an \$960,000.00 mortgagee title policy) Estimated cost of \$1,750.00
- Environmental Phase I: (sales contract indicates this is to be paid by the seller)
- Survey: (sales contract indicates this is to be paid by the seller)
- Title Company Closing Fees: \$400.00
- Recording Fees: \$45.00
- Flood Certificate: \$14.00
- Insurance Monitoring: \$175.00
- Other: \$93.00

**Information Needed
Prior Loan Closing:**

The Borrower is to provide the following information to VPB prior to closing the loan:

- Copy of Driver's licenses for all signers.
- Proof of hazard insurance on the subject property with VPB named as loss payee and mortgagee.
- Copy of organizational documents including:

Initials 

- Certificate of incorporation
- Articles of incorporation
- Assumed name certificate
- Bylaws reflecting parties authorized to sign for borrowing on behalf of NCCHFH
- Board resolution and minutes reflecting Board approval of the authorization to borrow \$880,000.00 from VPB and the parties authorized to sign on behalf of NCCHFH.

No Unwritten Agreements:

Any changes or modifications to these terms and conditions must be agreed to and confirmed in writing by both parties. There are no unwritten oral agreements between the parties. This written loan agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

April 15, 2011

Mr. Dennis Heydanek, Board President
Ms. Celeste Cox, Executive Director
North Collin County Habitat for Humanity
701 S. Tennessee
McKinney, TX 75069

Subject: \$880,000.00 Loan Commitment to McKinney Habitat for Humanity, Inc. dba North Collin County Habitat for Humanity (NCCHFH) for the Purchase and Improvement of Commercial Real Estate Located at 2060 Couch Drive, McKinney, Texas

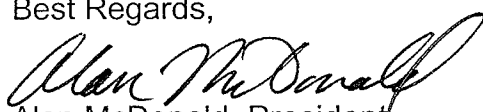
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This loan commitment expires, if not accepted before the close of business April 22, 2011, unless the commitment is formally extended in writing by ViewPoint Bank. If the terms of the commitment are agreeable to you, please sign this commitment letter, initial each page of the Terms Summary, and return it to the Bank. Also, please provide a check of \$4,700.00 made out to ViewPoint Bank, which represents the non-refundable commitment fee. These funds will be applied towards closing costs upon closing of the loan.

I appreciate the opportunity of meeting your financing needs and look forward to building a mutually beneficial relationship with NCCHFH. I am available to meet at your convenience to review the terms and conditions of the loan commitment. If you have any questions or need clarification of any points, please do not hesitate to contact me.

Best Regards,



Alan McDonald, President
ViewPoint Bank – McKinney

Agreed and Acknowledged:

McKinney Habitat for Humanity, Inc. dba North Collin County Habitat for Humanity

By: Dennis M. Heydamb

Date: 4-15-2011

Its: Board President

By: Wesley H. Cox

Date: 4-15-2011

Its: Executive Director



ViewPoint Bank

Terms Summary

Borrower: McKinney Habitat for Humanity, Inc. dba North Collin County Habitat for Humanity (NCCHFH)

Loan Amount: \$880,000.00

Purpose: Purchase and improve a 50,000sf office warehouse building located at 2060 Couch Drive, McKinney, TX to house all of NCCHFH's operations including administrative and construction offices and the ReStore.

Use of Proceeds:	Purchase	\$800,000.00
	+ Improvements	<u>\$300,000.00</u>
	Total	\$1,100,000.00
	- Down Payment	<u>\$220,000.00</u>
	= Loan Amount	\$880,000.00

Repayment Structure:

6 monthly payments of interest only on draw down note to allow completion of improvements. Then 173 monthly payments of principal and interest of approximately \$5,929.83 with a final balloon payment of all outstanding principal and interest. Payments based on a 20 year amortization. (payments exclude any provisions for escrow of either property taxes or hazard insurance)

Interest Rate: 5.25% fixed for 15 years.

Pre-Payment Penalty:

5 year declining pre-payment penalty of 5% of the principal balance year 1, 4% year 2, 3% year 3, 2% year 4, 1% year 5, no pre-payment penalty after year 5.

Maturity: 15 year balloon note.

Origination Fee: 0.5% (\$4,400.00) - to be waived in lieu of a tax letter for contribution in-kind recognition by NCCHFH provided at closing.

Collateral: Collateral for the loan will be a first lien deed of trust and assignment of rents & leases on the 50,000 sf office

warehouse building on 3.88 acres being purchased and all improvements to be completed located at 2060 Couch Drive, McKinney, TX.

Collateral will also include a blanket lien on all business assets including furniture, fixtures, equipment, accounts and inventory.

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Approval is subject to a Phase I Environmental Assessment, which must report no remediation of hazardous materials deemed necessary.

Guarantors: No personal guarantees.

Reporting Requirements:

Provide periodically -

- Annual CPA Audited Financial Statements on the Borrower within ~~90~~ ¹²⁰ days of year-end
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- Evidence of hazard insurance in force

Financial Covenants:

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Precedent:**

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North Collin County Habitat for Humanity 06/96
 General Expense Account
 701 S Tennessee Street
 McKinney, TX 75069
 972-542-5300

LEGACYTEXAS BANK
 88-123/1119

17661

4/15/11

PAY TO THE ORDER OF Viewpoint Bank \$ **4,700.00

Four Thousand Seven Hundred and 00/100***** DOLLARS

Viewpoint Bank

Jennis M. Heyden MF

Appraisal/Review-2060 Couch Dr

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North Collin County Habitat for Humanity

17661

Viewpoint Bank

4/15/11

4,700.00

General Fund

Appraisal/Review-2060 Couch Dr

4,700.00