TERM SHEET

Borrower:

Guarantor:

Lender: Miller Bates, LLC
1245 East Brickyard Road, Suite 230
Salt Lake City, UT 84106

Collateral:

Date:

This term sheet ("Term Sheet") confirms the interest of Miller Bates, LLC or its designee ("MB") in making a loan ("Loan") to , a company ("Borrower").

This Term Sheet is an outline of basic terms and conditions that are fundamental to MB's decision concerning funding the Loan. If the terms and conditions are acceptable, MB will proceed with a complete underwriting of the proposed Loan, and if approved, issue a written Loan commitment or draft Loan documentation.

This Term Sheet is partially binding and partially non-binding. Part One is non-binding because it describes proposed terms of the Loan that MB is considering. Part Two is binding and concerns confidentiality, exclusivity, MB's due diligence review and other matters.

Part One – Proposed Loan Terms

Loan Amount:	Proceeds to Borrower	$
	Title Work	$
	Legal Work	$
	Broker Points (%)	$
	MB Loan Servicing Fee (. %)	$
	Interest Reserve (days @ % APR)	$
	Gross Loan Amount	**$**

Term:	Loan shall be for an initial term of days.
Extension:	Up to -day extension(s) may be granted upon receipt of a) written notification at least ten (10) days prior to the maturity date, and b) payment of a percent Loan Servicing Fee per extension. Interest will continue at percent per annum and will be due monthly.
Interest Rate:	Fixed at percent per annum. Upon default or after maturity, default interest shall accrue at percent per annum until paid.
Collateral:	As described above; property valuation (based on the BPO initiated by Miller Bates) must be at least % of the gross loan amount (% Loan to Value).
MB Servicing Fee:	percent of the gross loan amount; fully earned at closing.
Release of Funds:	All liens and taxes against the property must be paid or brought current prior to closing.
Payments:	The Servicing Fee for the initial term is prepaid at closing/funding. Any unused portion of the interest reserve will be credited at Loan payoff. During any extension, monthly interest payments will be due in the amount of $.
Lot Release:	
Cross Default / Collateralization:	All loans between Borrower and MB are cross-defaulted and cross-collateralized. A default under one constitutes default under all.
Recourse/Guaranties:	This Loan will be full recourse to Borrower(s) and to Guarantor(s), jointly and severally.
Consent:	MB will require a Unanimous Consent, Resolution, Certificate and Authorization for Borrowing.
Environmental:	Borrower may be required to sign an Environmental Indemnity Agreement.
Collateral Assignment:	If a Loan default occurs, Borrower shall provide MB with all project-related reports and may be required to secure third-party collateral assignment consents.
Default:	If a monthly interest payment or the Loan balance is not paid in full within ten days after the due date a late payment penalty of ten percent (10.0%) of the amount due will be added to the balance.
Definitive Agreements:	To be prepared by MB's legal counsel and include standard representations, warranties, and covenants.

<u>Part Two – Binding Terms</u>

Commitment Fee:	Borrower will pay MB $2,500, non-refundable, at execution of this Term Sheet.
Use of Proceeds:	Borrower will use all Loan proceeds solely for commercial purposes.
Broker Fees:	Borrower is responsible for identifying all brokers to be paid in connection with the Loan. Using Loan proceeds, MB will pay the brokers listed below, only if a closing occurs. Borrower is responsible for any other broker fees not listed herein.

	Broker: ____
	Points: _______ Borrower(s) Initials: _____ _____
	Broker: ____
	Points: _______ Borrower(s) Initials: _____ _____
Costs and Expenses:	Borrower shall pay all closing costs, including, but not limited to, third party valuation, title, survey, and legal fees. If the loan fails to close for any reason, Borrower shall immediately reimburse MB for any and all costs incurred.
Legal Fee Deposit:	After the site visit and before any legal work begins, Borrower will pay MB a nonrefundable deposit of $3,500. This deposit will be applied toward legal expenses and will be credited on the settlement statement only if the loan closes.
Due Diligence:	Borrower shall (a) provide MB with all property reports and data, (b) grant property access, and (c) authorize MB to obtain information from third parties and government authorities.
Exclusivity:	Borrower agrees that for five (5) business days after signing this Term Sheet, Borrower will not pursue or discuss alternative financing, sales, or investment transactions involving the collateral.
No Obligation to Close:	Nothing in this Term Sheet obligates MB to make the Loan.
Counterparts:	This Term Sheet may be signed in one or more counterparts, including by email.
Expiration:	This Term Sheet expires at 4:00 pm (Utah time) on , unless signed and returned to MB or its counsel before then.
Assignment:	Borrower may not assign this Term Sheet without MB's prior written consent. MB may assign this Term Sheet at its sole discretion, and upon assignment, MB shall have no further liability.
Closing Date:	To be determined by MB Loan Committee upon completion of due diligence.
Attorneys' Fees:	The prevailing party in any dispute shall be entitled to recover all costs and expenses, including reasonable attorney fees.
Governing Law and Venue:	This Term Sheet and all matters relating to this Term Sheet shall be governed exclusively by the applicable laws of the State of Utah. Any action shall be brought solely in Salt Lake County, Utah.

ACCEPTED AND AGREED

By: ____________________________

Name:

Title:

EXHIBIT A

Legal Description(s)

County Legal Description(s)

Map(s)