



TERM SHEET

Borrower: NEW BORROWER, LLC

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

Collateral: 10 acres of commercial property at 12345 Main Street, Everytown, USA

- See "Exhibit A" for County property information and parcel legal description
- Parcel: 111-1-111-11

Date: October 31, 2024

This letter confirms the interest of Miller Bates, LLC or its designee ("MB") in making a loan (the "Loan") to NEW BORROWER, LLC, a Utah limited liability 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 to you, we will proceed with further analysis, perform a complete underwriting of the proposed Loan, and if the Loan is approved by MB, issue a written Loan commitment or propose to you draft Loan documentation.

This term sheet is partially binding and partially non-binding. Part One is non-binding because it describes preliminary terms of the Loan that MB is considering. Part Two and this paragraph are legally binding. Part Two deals with confidentiality, exclusivity, MB's due diligence review and other matters.

Part One – Description of Loan Terms

Borrower: NEW BORROWER, LLC

Guarantor: Jane Doe

Loan Amount:	Loan Payoff (As of 10/31/2024)	\$2,342,307.81
	Borrower's expenses	\$13,692.19
	Title Work	\$6,000.00 (estimated)
	Legal Work	\$8,000.00 (estimated)
	Broker Points	\$90,000.00
	MB Loan Servicing Fee	\$180,000.00
	Interest Reserve (360 days)	<u>\$360,000.00</u>
	Gross Loan Amount	\$3,000,000.00

Borrower Initials: _____

Term: This loan shall be for an initial term of 360 days.

Collateral: 10 acres of commercial property at 12345 Main Street, Everytown, USA

- See "Exhibit A" for County property information and parcel legal description
- Parcel: 111-1-111-11

Property appraisal/valuation (based on the BPO initiated by Miller Bates) must be at least 200% of the gross loan amount (50% Loan to Value).

MB Servicing Fee: The MB Loan Servicing Fee is 6.0% and will be considered fully earned on the date of closing.

Release of Funds: All liens against the property and all taxes will be paid and/or brought current prior to closing.

Interest Rate: A fixed rate of TWELVE percent (12%) per annum. If the loan is not paid in full by the due date, or Borrower otherwise defaults, default interest will thereafter accrue at the rate of THIRTY-THREE percent (33%) per annum until paid.

Extension: Two (2) one hundred eighty (180)-day extension(s) may be given upon receiving a written notification or request at least ten (10) days prior to the end of initial term and upon MB receiving a Loan Servicing Fee of 2.0% for each extension payment at the beginning of the extension period. Twelve percent (12%) per annum interest will be charged and due monthly.

Payments: The Loan Servicing Fee for the 360-day term will be prepaid at closing; any unused portion of the interest reserve will be credited towards Loan payoff. After the first 360 days and during any extension, monthly interest payments will be due in the amount of \$30,000.00.

Cross Default: This loan will contain cross-collateral Loan provisions. Borrower agrees that all Loans between Borrower and MB are cross-defaulted and cross-collateralized. Any default under one loan shall be a default of all loans.

Recourse/Guaranties: This Loan will be full recourse to Borrower(s) and to Guarantor(s), jointly and severally. MB will require a personal guaranty of Jane Doe.

Environmental: MB may require Borrower to sign an Environmental Indemnity Agreement.

Consents to Collateral Assignment: If a Loan default occurs, Borrower will provide MB with copies of all current appraisals, market studies, geological studies, engineering and any other reports and information pertinent to the project. In addition, MB may require Borrower to provide MB with consents to collateral assignment by any third party who has entered into an important contract with Borrower.

Default: If the Loan is not paid in full within ten days after the due date a late payment penalty of ten percent (10%) of the Loan principal will be added to the balance. If the monthly interest payment is not paid in full within ten days after the due date a late payment penalty of ten percent (10%) of the amount due will be added to the balance.

Definitive Agreements: The Loan will be evidenced by definitive documents that include representations and warranties that are typical for transactions like the Loan. Definitive agreements will be prepared by MB's legal counsel for review by Borrower and its counsel.

Borrower Initials: _____

Part Two – Description of Loan Terms

Commitment Fee: When this letter is signed by Borrower, Borrower will pay MB a non-refundable loan commitment fee in the amount of \$2,500.00.

Use of Loan Proceeds: If there is a closing, Borrower will use all Loan proceeds solely for commercial purposes.

Broker Points: Borrower is responsible for identifying all brokers who are required to be paid in connection with the Loan or this letter. Using Loan proceeds, MB will pay points to the brokers listed below and only to those brokers if a closing occurs:

1.0 point(s) will be paid at closing to the broker(s) listed below.

Broker: Joe Smith Points: 1.0 Borrower(s) Initials: _____

Any Broker or amounts payable to Brokers that are not listed above are the sole responsibility of Borrower and must be paid by Borrower outside of the Loan closing.

Costs and Expenses: In addition to the non-refundable commitment fee described above, all closing costs will be paid by Borrower at closing. Closing costs will include, without limitation, all fees, costs and expenses incurred by the MB and payable to third parties in connection with the Loan, including but not limited to costs of obtaining an appraisal (if needed) or a broker's opinion of value, title, survey, and legal costs. **If the Loan fails to close for any reason, Borrower will immediately pay and reimburse MB for ALL costs incurred by MB relating to the Loan.**

Due Diligence: While MB is considering making the Loan, Borrower will (a) make available to MB all appraisals and other information about the Property in Borrower's possession, (b) grant MB and its representatives access to the Property and other physical collateral, (c) provide MB with copies of all information in Borrower's possession relating to collateral for the Loan and (d) hereby authorizes MB to obtain information about the Property and other collateral from any third party or governmental authority.

Exclusivity: After this letter has been signed by all parties, MB will commit time and resources to conducting a due diligence review of the Property and preparation of definitive loan documents. Accordingly, for a period of FIVE (5) business days after the date of signature of this letter by Borrower, Borrower will not, directly or indirectly, initiate, continue or enter into any discussions or agreements with any person, firm, corporation or other entity, agent or principal other than MB concerning a possible loan, investment, sale, refinancing, recapitalization, merger, acquisition or other business combination involving any of the collateral for the Loan.

No Obligation to Close: Notwithstanding any other provision of this letter, this letter creates no obligation of MB to make the Loan.

Counterparts: This letter may be signed in one or more counterparts (including by facsimile or email), any one of which need not contain the signature of more than one party, but all of which taken together shall constitute one and the same agreement.

Assignment: This letter may not be assigned by Borrower without MB's consent. This letter may be assigned by MB.

Borrower Initials: _____

Expiration: This letter will expire if it is not accepted by Borrower by 4:00 pm on November 5, 2024, Utah time. Acceptance hereof by Borrower must be by delivery to and receipt by MB or MB's counsel of a facsimile or email counterpart of this letter signed by Borrower where indicated below.

Assignment of This Letter: This letter may not be assigned by Borrower without MB's written consent. This letter and all of MB's obligations hereunder may be assigned by MB in MB's sole discretion and, upon any such assignment, the obligations of MB hereunder will be solely those of MB's assignee and MB shall have no further liability hereunder.

Closing Date: To be determined by MB Loan Committee upon completion of due diligence. If the foregoing correctly sets forth the terms of our agreement, please so indicate by signing and returning a copy of this letter where provided below with signatures from the other Borrower parties indicated.

Attorneys' Fees: In the event of a dispute arising under this agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney fees, incurred in enforcing or protecting its rights hereunder.

Governing Law, Jurisdiction and Venue: This term sheet and all matters relating to this term sheet shall be governed exclusively by, and construed in accordance with, the applicable laws of the State of Utah. Any and all suits related to this term sheet shall be instituted and maintained only in a court located in Salt Lake County, State of Utah, and the parties agree and acknowledge that the courts located in Salt Lake County, State of Utah, shall have sole and exclusive jurisdiction over such actions and over the parties.

If the foregoing correctly sets forth the terms of our agreement, please so indicate by signing and returning a copy of this letter where provided below with signatures from the other Borrower parties indicated.

ACKNOWLEDGED AND AGREED:

NEW BORROWER, LLC

By: _____
Name: Jane Doe
Title: Manager, Personal Guarantor

Borrower Initials: _____

EXHIBIT A

Parcel Number(s)

111-1-111-11

Legal Description(s)

Map(s)

SAMPLE

Borrower Initials: _____