

TERM SHEET - LINE OF CREDIT

September 2026

Borrower	The corporate entity owned and controlled by You and acceptable to Lender.	Upfront Qualification	Sufficient positive, profitable history with Lender project loans. Be a construction contractor or homebuilder that shows good character, credit, management, experience, technical ability, and ability to service the line of credit at the requested Size.				
Structure	Revolving; advances repaid may be re-borrowed subject to restrictions during final year.						
Term	5 years, restrictions on new projects in final year.	Conditions Precedent & Eligibility	Residential, ground up construction in approved state(s). Projects must be "for-sale". Will not refinance existing debt. On-site supervision by a Guarantor or supervisory employee. Must be sales comparables acceptable to Lender. Otherwise customary for such a transaction including credit approval.				
Size	Up to \$5 million.						
Fees	2.5% or less on committed amount.						
Payments	Discuss with Lender, possible for interest to be paid semi-annually and as projects repay.	Advance Rate	Lesser of (a) 100% of Eligible Costs with land limit at 33% of project cost and (b) the applicable LTV Limit.				
Interest	Floating, Prime based. Inquire for spread. Charged on drawn funds. No interest-on-interest.	LTV Limits	LTV Limit	Home Value (1 unit)		2+ Unit, Value pUnit	
			Min	Max	Min Unit	Max Unit	
Pre-Pay Penalty	None.		74%	\$200,000	\$650,000	\$75,000	\$250,000
			72%	\$650,001	\$1,000,000	\$250,001	\$500,000
Unused Charge	None.		70%	\$1,000,001	\$2,500,000	\$500,001	\$750,000
			67%	\$2,500,001	\$4,000,000	\$750,001	\$2,500,000
Accounts	No reserve or escrow accounts.		64%	\$4,000,001+		\$2,500,000	
Reimbursables	All 3rd party costs paid by Lender associated with this facility to be reimbursed by Borrower, e.g. title.	LTV Exceptions (subject to adjustment)	If the line of credit is under 50% utilized reduced LTVs may apply. LTV Limits may be adjusted down on project specific basis if: would be over 4 spec at one location; Your experience is not comparable to project type and size; under 25,000 people in 3-miles; decreasing population; or, per valuation, project is non-conforming, 6+ months marketing time, or values are decreasing. A pre-sale with a 2.5%+ deposit may partially or fully offset any of the aforementioned.				
Draw Process	Customary for such a transaction. Lien waivers may be required and Lender may make any and all advances directly. May be limited to no more than two draws per month.						
Cross	Projects cross-defaulted and cross-collateralized.		LTV Limits may be adjusted down on all future projects if there is a material adverse change in sponsorship or market conditions or a performance issue including but not limited to: liquidity drops below 1% of Size and/or \$25,000; any one credit score falls below 620 or a 50+ point decrease; major litigation; a bankruptcy filing; a default or 30+ day delinquency on any taxes or real estate debt; or as it relates to the subject line of credit, construction stalling for 90+ days on a project; a lapse in required insurance; unallowed lien(s) such as a mechanic's lien being filed and not cured within 90 days, a project not being repaid after 30 months, unapproved debt on a project or any default.				
Security	Master-note, sub-notes by Project, equity pledge.						
Recourse	Full recourse to all 20%+ owners.						
Project Insurance	Consistent with Lender standards.						
Life Insurance	TBD, based on organization.						
Reps., Warranties, and Indemn.	Customary for such a transaction.	Default	Customary for such a transaction.				
Reporting	Customary for such a transaction.	Governing Law	South Dakota, without regard to the choice-of-law rules thereof.				

Eligible Costs: The onsite cost of labor and materials directly related to the construction of the improvements including without limitation construction costs, which costs shall be subject to Lender's review and approval and shall specifically exclude costs to be funded for overhead, supervision, general and administrative, and marketing expenses, and shall only include costs and expenses related to upgrades, options or decorator items if specifically identified in budget and agreed to by Lender, in its sole and absolute discretion. Eligible costs also include all

The following is a preliminary summary of the indicative terms and conditions for the proposed Line of Credit for construction financing (the "Line"). These indicative terms and conditions reflect the current perception of market conditions by 1st Financial Bank USA and its respective affiliates ("Lender") as they relate to the Line (based, in part, on information provided to Lender by you), and are subject to change without notice. This is a preliminary summary and does not define all of the terms and conditions of the Line. Under no circumstances shall the indicative terms and conditions constitute or be deemed to constitute a legally binding commitment on the part of Lender or any of its affiliates, nor shall it be construed as an offer or undertaking by Lender to issue or arrange or negotiate a commitment or the Line or any other financing, or any commitment, offer, undertaking or agreement of any kind. The Line, if any, shall be subject to the due diligence review the results of which must be satisfactory to Lender in its sole discretion, and completion of other matters described in this summary of terms and conditions (the "Term Sheet") in a manner acceptable to Lender in its sole discretion, the approval by Lender's credit authorities, and the execution and delivery of documentation satisfactory in form and substance to Lender and Lender's legal counsel. Except as otherwise expressly provided in this Term Sheet, no rights, obligations or liabilities of any kind or nature whatsoever shall arise on the part of Lender or any of its affiliates as the result of the provisions of this Term Sheet. Interest includes note rate plus all applicable servicing fees. This Term Sheet is confidential, and the indicative terms and conditions shall not be discussed with, or delivered to other persons (other than legal counsel, tax advisors or officers and directors of Sponsor and Borrower) without the prior written consent of Lender.