

Evergreen Real Estate Investments LLC

TERM SHEET

Evergreen Real Estate Investments LLC (“**EREI**”), on behalf of itself and/or one or more lenders (the “**Lenders**”), is pleased to provide the Borrowers (defined below) with this Term Sheet to express its interest in providing a secured commercial loan (the “**Loan**”) for the purposes identified below. The proposed terms and conditions set forth in this Term Sheet are provided for discussion purposes only and do not constitute an offer, agreement, or commitment to lend by EREI and/or any of the Lenders. The actual terms and conditions upon which EREI and/or the Lenders might extend credit to the Borrowers are subject to satisfactory completion of due diligence, credit committee approval, satisfactory documentation, and other such terms and conditions as determined in the sole discretion of EREI and/or the Lenders.

- Loan Amount:** \$
- Disbursements:** The Loan will be funded in full on the Closing Date.
- Borrowers:** (1) a special purpose New Jersey limited liability company that will purchase the New Property (defined below), and
(2) _____ a New Jersey limited liability company (each, a “**Borrower**” and, collectively, the “**Borrowers**”).
- Guarantors:** _____ (each, a “**Guarantor**” and, collectively, the “**Guarantors**”; a Borrower or Guarantor is referred to herein as a “**Loan Party**”)
- Collateral:** The Loan will be secured by the following:
(1) A first lien fee mortgage on (the “**New Property**”); and
(2) A _____ lien fee mortgage on (the “**Existing Property**”).
(3) A full recourse personal guaranty from each of the Guarantors (collectively, the “**Guaranty**”).
The New Property and the Existing Property are collectively referred to herein collectively as the “**Properties**”.
- Purpose:** The proceeds of the Loan will be used solely for the following purposes: (i) to pay the purchase price for the New Property; (ii) to pay Closing Costs, and (iii) to the Borrowers’ balance sheet to pay for renovation costs and expenses.
- Documentation:** The Mortgage Loan will be evidenced by loan documents (the “**Loan Documents**”) satisfactory to EREI and the Lenders. The Loan Documents will include, among other agreements and instruments, (i) a loan agreement, (ii) mortgages and assignments of leases and rents for each of the Properties, (iii) environmental indemnities, and (iv) full recourse guarantees to be made by each Guarantor.

Interest: The outstanding balance of the Loan will accrue interest at a fixed rate of twelve percent (12.00%) per annum, calculated based on a 360-day year consisting of 30-day months.

Payment Terms: The principal will be due at maturity, no amortization. Interest is payable monthly and due on the 1st of the month by ACH, Zelle, or wire transfer. Pro-rate interest for the first month is due at the closing.

Prepayment Fee: None.

Application Fee: A non-refundable application fee of \$1,000 is due from the borrower upon signing of the term sheet.

Underwriting Fee: Four percent (4%) of the Loan Amount (the “**Underwriting Fee**”). The Underwriting Fee will be due in full on the Closing Date and is non-refundable.

Term: The Loan will mature _____ months from the Closing Date.

Conditions to Closing: The Lenders’ obligation to make the Loan is subject to approval of EREI’s investment committee and the following conditions: (i) receipt of title commitments on each of the Properties with coverage and title exceptions satisfactory to EREI in all respects; (ii) receipt of organizational documents of the Borrowers, satisfactory to EREI in all respects; (iii) evidence of casualty and general liability insurance with coverage and amounts satisfactory to EREI in all respects and with EREI, on behalf of the Lenders, added as loss payee and additional insured; and (iv) receipt of Loan Documents duly executed by the Borrowers and Guarantors, with terms satisfactory to EREI in all respects.

Closing: The closing of the Loan will occur three (3) business days (the “**Closing Date**”) after satisfaction of the conditions provided in the section entitled “Conditions to Closing” above. If for any reason the Loan does not close by _____, EREI reserves the right to terminate this Term Sheet and all efforts to consummate this transaction.

Costs and Expenses: The decision by EREI and the Lenders to expend their own time and efforts in attempting to proceed with the transaction described herein (which efforts it may terminate at any time), and any funding by the Lenders, is conditioned upon the Borrowers’ commitment to pay (which Borrowers hereby commits to pay), regardless of whether the Loan is ever documented or consummated, all costs and expenses incurred by EREI and the Lenders for evaluating, negotiating, documenting and consummating the Loan, including without limitation, all legal fees, appraisal fees, credit report fees, title insurance and survey costs, mortgage or transfer taxes, and recording fees (collectively, “**Closing Costs**”).

Governing Law: The laws of the State of New Jersey apply to this Term Sheet, without regard to conflicts or choice of laws principles.

Cancellation: EREI reserves the right to cancel and terminate this Term Sheet at any time prior to the closing of the Loan if it determines that any information or documentation included with Borrowers application for the Loan, or subsequently submitted, is either incorrect or has changed, in any material respect or in the event there have been adverse changes in the condition and/or the occupancy or tenancy of the Properties and/or the financial condition of any of the Borrowers or the Guarantors.

Expiration: This Term Sheet will expire at 5:00 P.M. (New York time) on _____ (the “**Expiration Time**”), unless by that time this Term Sheet has been executed and delivered to EREI by the Borrowers and the Guarantors.

This Term Sheet is for discussion purposes only and is not intended to constitute a commitment, offer, or promise of any type, or be binding in any way whatsoever except for the provisions of sections entitled “*Costs and Expenses*”, “*Governing Law*”, “*Cancellation*” and “*Expiration*” herein, which shall be binding upon the parties. EREI will not have any liability for, nor is it reasonable for any party to rely on, the terms and conditions of this Term Sheet or any oral discussions with respect to the proposed Loan. Only the fully executed formal written Loan Documents may bind the parties with respect to the Loan. By executing and delivering this Term Sheet to EREI, each Guarantor consents to EREI, its affiliates and agents making credit inquiries and obtaining credit reports on him/her.

This Term Sheet may be executed and delivered by facsimile, portable document format (.pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign), and in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page Follows]

If you are interested in pursuing this transaction in accordance with the above-described terms, please execute this Term Sheet where indicated below and return to the undersigned, together with a check or wire transfer in the amount of the Application Fee, before the Expiration Time.

Sincerely,

EVERGREEN REAL ESTATE INVESTMENTS LLC,
a New Jersey limited liability company

By: _____
_____, Authorized Officer

ACCEPTED AND AGREED TO BY:

BORROWER:

a New Jersey limited liability company

By: _____
Name:
Title: Managing Member
Email:
Phone:

GUARANTORS:
