

**TERM SHEET  
FOR INVESTING IN  
MUNDI HOMES, LLC**

NOVEMBER 13, 2014

This Term Sheet summarizes the principal terms of investing in Mundi Homes, LLC, a Maryland company (the “Company”). In consideration of the time and expense devoted, and to be devoted, by the Investors with respect to this investment, the Confidentiality provisions of this Term Sheet shall be binding obligations whether or not the financing is consummated. No other legally binding obligations will be created until definitive agreements are executed and delivered by all parties. This Term Sheet is not a commitment to invest, and is conditioned on the completion of due diligence, legal review and documentation that is satisfactory to the Investors. This term sheet is for discussion purposes only and is not intended to impose a legal obligation on any party.

**A. Closing Date**

As soon as practicable following the Company’s acceptance of this Term Sheet and satisfaction of the Conditions to Closing (the “Closing”).

**B. Investment**

In exchange for monetary investment in the Company, the Investor in the Company would acquire from the Company a monetary return on investment as described in the following section.

**C. Investor Levels in Mundi Homes**

Level A: \$20,000 - \$49,999 investment; 15% return

Level B: \$50,000 - \$99,999 investment; 17 % return

Level C: \$100,000 - \$499,999 investment; 20% return

Level D: \$500,000 - \$999,999 investment; 22% return

Level E: \$1,000,000 or greater; 25% return

As well other investments and returns as mutually agreed upon by Investors and the Company.

All amounts are in U.S. Dollars.

#### **D. Schedule of Interest Payments to Investor**

Investments will carry a percentage (%) return based on the Investor Level as described in section C. Investment return is payable, from Company to Investor, one (1) year after investment.

#### **E. Rollover Principal Investment**

After the initial one (1) year investment period, Investor may rollover—re-invest—the original principal investment per the schedule in section C, plus receiving an additional 1% interest on the return. The investment period would again be for one (1) year. After the rollover investment year (year #2), there could be additional rollover years per mutual agreement of Investor and Company.

#### **F. Liquidation Schedule**

In the event of Company liquidation, dissolution or winding up of the Company, the proceeds shall be paid as follows: the original investment amount plus accrued investment interest to each Investor per the Investor Level.

#### **G. Merger, Consolidation, Transfer**

A merger or consolidation (other than one in which the Company owns a majority interest in the acquiring company) and a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company will be treated as a liquidation event thereby triggering payment of the liquidation schedule described above.

#### **H. Investor Rights**

Investors, by the terms set in this Term Sheet, are not entitled to any rights not expressly contained with this Term Sheet. For example but not limited to, Investors do not by their investment, have the following rights/powers: voting rights, election of board members, Company stock shares, daily business operations or Company operations on any level.

#### **I. Information Rights**

So long as an Investor has currently invested funds equal or greater to 50% of Investor's original investment in the Company, the Company will deliver to such Investor quarterly financial statements within 30 days of the closing of the Company's financial year. An Investor who meets the qualifications in the preceding sentence and who is not a competitor of the

Company, will be granted access to Company facilities and personnel during normal business hours and with reasonable advance notification.

#### **J. Use of Investments**

The funds from Investors will be used for working capital and general Company purposes.

#### **K. Conditions to Closing**

The closing will be conditioned upon:

- (a) Completion of financial and legal due diligence to the satisfaction of the Investors and Company.
- (b) Execution by the Company of an investment agreement and related agreements satisfactory to both parties.
- (c) Compliance by the Company and Investors with applicable laws.
- (d) Other material conditions, to be discussed.
- (e) Such other conditions as are customary for transactions of this type.

#### **L. Counsel and Expenses**

The Company and the Investors will each bear their own legal and other expenses with respect to the transaction, except that Company will pay all legal and administrative costs of the financing at Closing, including reasonable fees and expenses of Investor counsel, unless the transaction is not completed because the Investors withdraw their commitment without cause.

#### **M. Key Person Insurance**

Company to acquire life insurance on Founders in an amount satisfactory to the Company. Proceeds payable to the Company.

#### **N. Company Members**

A current list of company members is available upon request.

#### **O. Confidentiality**

The Company will not disclose the terms of this Term Sheet to any person other than officers, members of the Company, Company's accountants and attorneys and other potential Investors, without the written consent of the Investors. Neither Investor nor Company shall make any public disclosure about the terms and conditions of this Term Sheet or the potential transaction.

#### **P. Governing Law**

This Term Sheet shall be governed by and construed in accordance with the laws of the State of Maryland.

#### **Q. Expiration**

This Term Sheet expires on February 13, 2015 if not accepted by the Company by that date. This Term Sheet expiration deadline may be extended by mutual agreement of both Investor and Company.

#### **R. Signatures**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
[Insert Name]  
[Insert Title]  
[Company]

By: \_\_\_\_\_  
[Insert Name]  
[Insert Title]  
[Company]