

Guidance Line Limitations and Terms

Borrower: _____

Guarantor(s): _____

Termination Date (Last date Borrower can have Lender consider new loans under this line): _____

Advances: Advances are available within _____ days.

Commitment Amounts:

- (a) Pre-Sold House: lesser of (i) _____ % of approved budget,
(ii) _____ % of projected sales price,
(iii) _____ % of appraised value, or
(iv) \$ _____ per Pre-Sold House.
- (b) Spec House: lesser of (i) _____ % of approved budget for the Spec House,
(ii) _____ % of projected sales price,
(iii) _____ % of the appraised value, or
(iv) \$ _____ per Spec House.
- (c) Model House: lesser of (i) _____ % of approved budget,
(ii) _____ % of projected sales price of,
(iii) _____ % of the appraised value, or
(iv) \$ _____ per Model House.
- (d) Vacant Lot: lesser of (i) _____ % of the purchase price or
(ii) _____ % of the appraised value, or
(iii) \$ _____ per Vacant Lot.
- (e) Existing House: lesser of (i) _____ % of the purchase price or
(ii) _____ % of the appraised value, or
(iii) \$ _____ per Existing House.

Limitations on Commitment Amounts

- (a) Maximum limit. \$ _____ at any time.
- (b) Limitation on Pre-Sold Houses. Aggregate \$ _____ #Units _____
- (c) Limitation on Spec Houses. Aggregate \$ _____ #Units _____
- (d) Limitation on Model Houses. Aggregate \$ _____ #Units _____
- (e) Limitation on Vacant Lots. Aggregate \$ _____ #Units _____
- (f) Limitation on Existing Houses. Aggregate \$ _____ #Units _____
- (g) Geographical limitation. Properties must be located in: _____ (counties)
- (h) Other limitations: _____

Interest Rate(s) _____ Index (WSJ, 1yr T-Bill)

- (a) Pre-Sold Houses: _____ % Margin
- (b) Spec Houses: _____ % Margin
- (c) Model Houses: _____ % Margin
- (d) Vacant Lots: _____ % Margin
- (e) Existing Houses: _____ % Margin

Other Information

- Max Life Interest Rate: _____ %
- Min Life Interest Rate: _____ %

- Late charge: _____ %
- Grace period: _____ days
- Returned Check Fee: \$ _____

Payment Terms

Interest due monthly/quarterly.

Pre-Sold House: Principal is due _____ months after closing.

Contract House: Principal is due _____ months after closing.

Model House: Principal is due _____ months after closing.

Vacant Lot: Principal is due _____ months after closing.

Existing House: Principal is due _____ months after closing.

Extension Requests

Lender will not be obligated to consider the approval of an Extension Request for a Loan made in connection with a:

Pre-Sold House: for more than _____ months after the original Principal Payment Date.

Spec House: for more than _____ months after the original Principal Payment Date.

Model House: for more than _____ months after the original Principal Payment Date.

Vacant Lot: for more than _____ months after the original Principal Payment Date.

Existing House: for more than _____ months after the original Principal Payment Date.

Extension Fees

If Lender approves an Extension Request for any Loan made in connection with a:

Pre-Sold House: \$ _____ for each approved Extension Request.

Spec House: \$ _____ for each approved Extension Request.

Model House: \$ _____ for each approved Extension Request.

Vacant Lot: \$ _____ for each approved Extension Request.

Existing House: \$ _____ for each approved Extension Request.

Principal Reductions

Required principal reductions if Lender approves an Extension Request for a Loan made in connection with:

Pre-Sold House:

- (1) _____ % for the first _____ month extension period,
- (2) an additional _____ % for the second _____ month extension period,
- (3) an additional _____ % for the third _____ month extension period, and
- (4) an additional _____ % for the fourth _____ month extension period.

Spec House:

- (1) _____ % for the first _____ month extension period,
- (2) an additional _____ % for the second _____ month extension period,
- (3) an additional _____ % for the third _____ month extension period, and
- (4) an additional _____ % for the fourth _____ month extension period.

Model House:

- (1) _____ % for the first _____ month extension period,
- (2) an additional _____ % for the second _____ month extension period,
- (3) an additional _____ % for the third _____ month extension period, and
- (4) an additional _____ % for the fourth _____ month extension period.

Vacant Lot:

- (1) _____ % for the first _____ month extension period,
- (2) an additional _____ % for the second _____ month extension period,
- (3) an additional _____ % for the third _____ month extension period, and
- (4) an additional _____ % for the fourth _____ month extension period.

Existing House:

- (1) _____ % for the first _____ month extension period,
- (2) an additional _____ % for the second _____ month extension period,
- (3) an additional _____ % for the third _____ month extension period, and
- (4) an additional _____ % for the fourth _____ month extension period.

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Loan Fees

- Annual loan fee of \$ _____
- Pre-Sold Houses: a loan origination fee equal to _____%
- Spec Houses: a loan origination fee equal to _____%
- Model Houses: a loan origination fee equal to _____%
- Vacant Lots: a loan origination fee equal to _____%
- Existing Houses: a loan origination fee equal to _____%

Inspection Fees \$ _____ for each House

Borrower's Statements and Tax Returns

- (a) **Annual Statements:** Within _____ days after the end of each calendar year during the term of the loans beginning _____, Borrower shall deliver Borrower's annual internally prepared/reviewed financial statements to Lender.
- (b) **Semi-annual Statements:** Within _____ days after the end of each semi calendar year during the term of the loans beginning _____, Borrower shall deliver Borrower's semi-annual internally prepared/reviewed financial statements to Lender.
- (c) **Quarterly Statements:** Within _____ days after the end of each calendar quarter during the term of the loans, Borrower shall deliver Borrower's quarterly internally prepared/reviewed financial statements to Lender.
- (d) **Tax Returns:** Within _____ days after the date filed with the Internal Revenue Service, Borrower shall deliver signed copies of Borrower's annual federal income tax returns to Lender.

Guarantors' Statements and Tax Returns

- (a) **Annual Statement:** Within _____ days after the end of each calendar year during the term of the loans, Guarantors shall deliver Guarantors' annual internally prepared/reviewed financial statements to Lender.
- (a) **Semi-annual Statement:** Within _____ days after the end of each semi calendar year during the term of the loans, Guarantors shall deliver Guarantors' annual internally prepared/reviewed financial statements to Lender.
- (a) **Quarterly Statement:** Within _____ days after the end of each calendar quarter during the term of the loans, Guarantors shall deliver Guarantors' annual internally prepared/reviewed financial statements to Lender.
- (b) **Tax Returns:** Within _____ days after the date filed with the Internal Revenue Service, Guarantors shall deliver signed copies of Guarantors' annual federal income tax returns to Lender.

Inventory Reports

Borrower agrees to deliver inventory reports to Lender within _____ days after the end of each calendar month/quarter/semi-annual/year during the term of the Loans.

Financial Covenants

- (a) **Debt/Tangible Net Worth Ratio:** Borrower agrees that, for each calendar month/quarter/semi-annual/year during the term of the loans, its Debt to Tangible Net Worth shall not exceed ____ to 1.0
- (b) **Minimum Tangible Net Worth:** Borrower agrees that, for each calendar month/quarter/semi-annual/year during the term of the loans, its Tangible Net Worth shall not fall below \$ _____.

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Other Terms and Conditions:
