



December 23, 2024

STRR LLC  
C/O Teddy Farrell  
PO Box 689  
Victor ID 83455

Via E-mail and e-mail address if e-mailed:  
tfarrell@sunriseco.com

Dear Mr. Farrell,

On behalf of Bank of Jackson Hole, I am pleased to make the following proposal to you for discussion purposes. This proposal letter should not be deemed as a commitment, but as an outline of possible terms and conditions that we will consider subject to approval by Bank of Jackson Hole loan committee. We appreciate the opportunity to consider this lending opportunity. The proposal is as follows:

- Borrower:** STRR LLC or an entity to be determined
- Guarantors:** Randall Bone, individually (unlimited)
- Amount:** Loan A: \$2,500,000 letter of credit (Demand Note)  
Loan B: \$2,500,000 construction line of credit  
Loan C: \$2,500,000 construction line of credit
- Purpose:** Loan A: Letter of credit for infrastructure improvements to 645-acre Eddyline Road Development, as required by Teton County ID.  
Loan B: \$2,500,000 construction line of credit for various improvements to the Eddyline Road Development in Teton County, ID, specifically the construction of ponds and roads.  
Loan C: \$2,500,000 construction line of credit for vertical construction at the Eddyline Road Development in Teton County, ID, specifically the construction of a caretaker cabin and related HOA facilities.
- Term:** Loan A: Demand Note  
Loan B: Advance line of credit, 36 months (18 month draw period and 18 month marketing period, interest only)  
Loan C: Advance line of credit, 36 months (24 month draw period and 12 month marketing period, interest only)

**Rate:** Loan A: Demand Note

Loans B: One Month Term SOFR index plus 325 basis point margin (today all-in rate of 7.62%), floating monthly. Floor rate of 2.00% below the then start rate. The rate assumes a 20% minimum average deposit relationship vs. the proposed loan commitments. If the deposit relationship declines below 20% of the outstanding proposed loan commitments, the interest rate will increase by 25 basis points.

Loan C: Terms for Loan C will be negotiated at a later time as loan will not close concurrently with Loan A and B.

**Repayment:** Loan A: Demand Note.

Loans B and C: Interest only for the duration of the term.

**Fee:** Loan A: 2% loan fee plus all other ordinary and customary closing fees including appraisal, title insurance, 3<sup>rd</sup> party documentation costs, etc.

Loans B and C: 0.50% loan fee plus all other ordinary and customary closing fees including appraisal, title insurance, potential 3<sup>rd</sup> party documentation costs, etc.

**Collateral:** Loan A: 1<sup>st</sup> Deed of Trust and Assignment of Rents on land, improvements and planned improvements located near County Road W 4000 N, Teton County ID, AKA 645 acres known as the Eddyline Ranch Subdivision, Teton County ID. UCC filing on fixtures and general business assets. The loan to value/cost is not to exceed 50%.

Loan B: 2<sup>nd</sup> Deed of Trust and Assignment of Rents on land, improvements and planned improvements located near County Road W 4000 N, Teton County ID, AKA 645 acres known as the Eddyline Ranch Subdivision, Teton County ID. UCC filing on fixtures and general business assets. The loan to value/cost is not to exceed 50%.

Loan C: 3<sup>rd</sup> Deed of Trust and Assignment of Rents on land, improvements and planned improvements located near County Road W 4000 N, Teton County ID, AKA 645 acres known as the Eddyline Ranch Subdivision, Teton County ID. UCC filing on fixtures and general business assets. The loan to value/cost is not to exceed 60%.

Proposed Loans A, B and C to be cross-collateralized. A pledge of the deposit account is to be utilized as collateral for the proposed loans.

Deposit Account Relationship and Pledge: the amount to be held/pledged is \$1,000,000 or 20% of the total loan amount, of which up to a \$1,000,000 minimum balance must be maintained. This account can be a business money market account.

**Other Terms and Conditions:**

1. The Borrower and Guarantors agree to provide Bank of Jackson Hole with annual financial statements, and tax returns when due (or extensions of tax returns due at extension date). In

- addition, the Borrower and Guarantors agree to provide the Bank with any additional documentation or information that the Bank may require from time to time.
2. Borrower to provide Builder's Risk and, when complete, hazard insurance on the "Collateral" for the subject loan naming Bank of Jackson Hole as Additional Loss Payee in an amount at least equal to the replacement value of the property satisfactory to the Bank.
  3. Borrower to pay for an appraisal, all third party and other traditional closing costs related to this transaction, including legal costs related to document preparation.
  4. Bank of Jackson Hole will require a review of copies of the architectural drawings, a construction budget, a signed copy of the construction contract, and approved permits.
  5. Third Party inspections will be required with each draw request and will be paid for by the Borrower. Construction monitoring will be performed by a third party inspector and submitted to the Bank for review and approval of loan construction draws.
  6. Lien Waivers: borrower shall provide lien waivers for each pay application.
  7. If requested, the Borrower agrees to assign the project plans, construction contract and architectural contract to the Bank as additional security for the loan.
  8. The Borrower agrees to inject cash equity into the project up front before construction loan proceeds are advanced, as determined by a review of the project with a third party inspector and third party costing analysis. Third party costing analysis fees to be paid by the borrower.
  9. Overruns and change orders: the borrower will be responsible for any line-item overruns beyond the contingency amount as they are recognized.
  10. Borrower agrees that one lot will be pre-sold prior to the funding of the proposed Loan C.
  11. Borrower to maintain deposit accounts at Bank of Jackson Hole for the life of the loan. The proposed interest rate on Page 2 assumes a minimum 20% deposit balance in relation to the proposed loan committed amount. If the deposit relationship declines below 20% of the proposed committed loan amount, the interest rate will increase by 25 basis points.
  12. Borrower to provide Articles and Bylaws (or Operating Agreement) for the borrowing entity.
  13. Release provision for:
    - Loan A: sold units to be equivalent to 100% of sales proceeds, net of realtor commissions and reasonable closing costs.
    - Loan B & C: Amount to be determined upon sale of units.
  14. Re-margin Agreement to 60% loan to value of the completed appraised value at Bank of Jackson Hole's discretion.

**Miscellaneous:**

Not every ancillary provision imposing duty, burden or limitation on the Borrower contained in the final documentation is set forth in this letter. Failure by either Borrower or Lender to reach an

*STRR LLC Construction Loan/Letter of Credit Proposal*  
*12/23/2024*

agreement on such provisions shall not be deemed to be a breach of contract. The Bank encourages you to read the loan documents in their entirety prior to signing them.

We greatly appreciate the opportunity to consider this financing opportunity. As outlined above, all terms and conditions are subject to our Bank Loan Committee's approval, modifications and changes. This proposal is not binding and can be rescinded at any time. This proposal will expire if not accepted by you as evidenced by you signing and returning this document by 1/23/25 and will also expire and become void if not closed by 3/23/25.


This proposal is deemed confidential. The Borrower and Guarantors agree not to share this proposal or any of the terms outlined in this proposal letter with anyone outside your board of directors and legal advisors.

Sincerely,



Todd Ellingson  
Market President  
NMLS #711790  
Bank of Jackson Hole  
990 W. Broadway Ave.  
PO Box 7000  
Jackson WY 83002  
Phone: 307-732-3054

By signing this proposal letter you are agreeing to accept a commitment letter under similar terms and conditions.

  
Authorized Signer for STRR LLC

1/6/2025  
Date