

LeafHouse Financial Group, LLC

Term Sheet

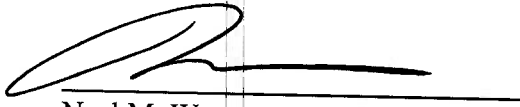
Nov 3, 2022

Terms of Purchase:	<p>Neal M. Weaver (“<u>Weaver</u>”) currently holds 500,000 Class B Interests in LeafHouse Financial Group, LLC (the “<u>Company</u>”), constituting a 48.91% ownership interest in the Company (44.51% fully diluted for the currently outstanding phantom equity awards).</p> <p>Weaver wishes to sell 444,447 Class B Interests in the Company (the “<u>Transferred Interests</u>”) for \$53.41 per Class B Interest, totaling \$23,736,617 in the aggregate (the “<u>Purchase Price</u>”), and to convert his remaining 55,553 Class B Interests in the Company to interests in the Company that are (a) non-voting and (b) not entitled to operating distributions but only to liquidating (including change of control_ distributions.</p> <p>To fund the Purchase Price, the Company intends to raise capital via a newly created entity, tentatively to be named LeafHouse FinTech Fund, LP (the “<u>Fund</u>”), which Fund would purchase the Transferred Interests. Alternatively, the Company may redeem Weaver’s Transferred Interests and issue new interests to the Fund. The parties contemplate that Weaver’s ownership interest after such capital raise would be 4.84% (4.45% fully diluted for the currently outstanding equity interests), as presented in more detail on the capitalization table attached hereto as <u>Exhibit A</u>.</p>
Option to Purchase:	<p>Accordingly, Weaver hereby grants the Company, the Fund and their respective affiliates the option (the “<u>Option</u>”) to purchase the Transferred Interests for the Purchase Price, contingent upon the terms set forth herein.</p>
Representations and Warranties:	<p>Upon the exercise of the Option, Weaver would make representations and warranties typical of a transaction of this size and nature.</p>
Protective Provisions:	<p>Weaver would be granted standard information rights, including the right to receive audited financials on an annual basis.</p> <p>Weaver would have a preemptive right to purchase a pro rata portion of any new equity securities offered by the Company, subject to standard exceptions (including incentive grants to employees, unit splits, and issuances in connection with acquisition consideration).</p> <p>The operating agreement of the Company would include a drag-along right in favor of the holders of a majority-in-interest of the equity securities of the Company and tag-along rights in favor of Weaver.</p>
Conditions to Closing:	<p>The Closing would be contingent upon the Company securing financing of the Purchase Price on terms acceptable to the Company and the Fund in their sole discretion.</p>
Closing:	<p>The transactions contemplated hereunder would close (the “<u>Closing</u>”) as soon as reasonably practicable after all conditions to Closing are met.</p>

Miscellaneous:

This term sheet will be governed in all respects by the laws of the State of Texas. Each party will bear its own legal expenses incurred in the negotiation and drafting of the transaction documents.


Accepted and agreed this 4th day of November, 2022:



Neal M. Weaver

LEAFHOUSE FINANCIAL GROUP, LLC

By:


Todd A. Kading, Managing Member

LeafHouse Financial Group
Capitalization Table

	Current			After Funding		
	Units	Ownership %	Fully Diluted %	Units	Ownership %	Fully Diluted %
Class B Members						
Todd A. Kading	500,000	48.91%	44.51%	500,000	43.59%	38.05%
Neal M. Weaver	500,000	48.91%	44.51%			
Class C Members						
Neal M. Weaver				55,553	4.84%	4.23%
Other Class C Members:	22,337	2.18%	1.99%	22,337	1.95%	1.70%
LeafHouse FinTech Fund						
Total Units	1,022,337	100.00%	91.00%	1,147,103	100.00%	87.30%
Phantom Stock	101,110		9.00%	166,805	0.00%	12.70%
Total - Fully Diluted	1,123,447	100.00%	100.00%	1,313,908	100.00%	100.00%