

TERM SHEET

Equity & Debt Investment in High Road Partners and HR Holdings

Date: May 12, 2025

Confidential – Non-Binding

I. Parties

Company:

- **High Road Partners** – Operating company responsible for lease-to-own driver onboarding, fleet management, and customer partnerships
- **HR Holdings** – Asset-holding entity that owns the truck fleet and leases equipment to High Road Partners under a master lease agreement

Investor:

- **Doliver Advisors** (the “Investor”), represented by Scott Jackson, Head of Wealth Management, Portfolio Manager
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II. Transaction Overview The Investor shall provide an upfront capital investment of \$250,000 to HR Holdings and High Road Partners. This contribution shall not be treated as debt and shall secure the Investor’s 10% fully diluted equity stake in both entities.

At closing, \$25,000 of this amount shall be disbursed immediately as a one-time Founder Performance Bonus (\$12,500 each to Jason Hall and Drew Drury), in recognition of significant pre-investment work, strategic development, and foundational buildout of the Company.

The remaining capital shall be used to:

- Cover a portion of the founders' salaries until the business becomes cash-flow positive
- Fund initial travel and logistical costs related to securing 50 Class 8 vehicles
- Hire and onboard key support staff (e.g., controller, fleet manager, driver onboarding specialist)
- Cover startup costs including inspections, legal, tax, technology ramp-up, and asset readiness

Equity Investment: 10% of fully diluted equity in HR Holdings and High Road Partners

Debt Instrument: A senior secured note from the Investor-backed capital fund totaling **\$3,000,000**, per the terms below.

III. Use of Proceeds (Capital Fund) Proceeds will support:

- Class 8 truck acquisitions for the lease-to-own program
 - Transport, inspection, licensing, and preparation of vehicles
 - Driver onboarding and program support
 - Other Board-approved business expenses
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IV. The Investor agrees to increase the available capital in the equity fund for a second round of financing following the successful deployment and operational performance of the initial tranche of approximately 50 trucks. This subsequent round of funding will support the acquisition and onboarding of an additional 50 to 100+ trucks. The Investor's commitment to this second tranche is contingent upon the Company demonstrating consistent cash flow, maintaining profitability, and keeping all financial obligations in good standing. Furthermore, the Investor agrees that this capital support will not be limited to this second round and may be expanded in future phases, provided the Company continues to grow and meets mutually agreed-upon performance benchmarks.

A. Equity Component

- **Ownership:** 10% of fully diluted equity
- **Equity Class:** Class A Non-Voting Common Stock (unless otherwise negotiated)
- **Investor Rights:** Pro-rata in future rounds, ROFR, ROFO, tag-along
- **Anti-Dilution:** Weighted average formula
- **Liquidation Preference:** Return of initial \$250,000 prior to other distributions

B. Debt Component

- **Principal:** \$3,000,000 ±
- **Interest Rate:** 12% APR
- **Draws:** In \$250,000 tranches
- **Interest/payment-Free Period:** 3 months from date of each draw
- **Repayment:** 60-month amortization beginning post-deferral
- **Collateral:** All trucks acquired and associated lease receivables
- **Prepayment:** Allowed without penalty
- **Default & Cure:** 30-day notice; no personal liability for founders

Escrow Structure:

- Drivers deposit 10% of truck assigned value in escrow in year 1
 - High Road matches 10% of purchase price or assigned value (whichever is lower) using admin fee earnings
 - Escrow enhances recovery in liquidation scenarios
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V. Capital Access & Controls

- Draws requested in \$250,000 increments
 - 3 month interest/payment free period per draw
 - Board-approved usage required
 - Company must maintain draw documentation and tracking
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VI. Governance & Reporting

- Non-voting board observer rights to Investor
 - Monthly capital deployment updates
 - Quarterly unaudited and annual reviewed financials
 - 1099-INT and K-1s issued as applicable
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VII. Exit & Redemption

- Redemption via mutual or third-party valuation
 - Exit timeline: 5–7 years (strategic sale, recap, or IPO)
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VIII. Management Compensation

- Jason Hall (COO) and Drew Drury (CEO): \$130,000 annual salary each
 - Salaries paid weekly via payroll
 - May be funded initially from \$250,000 capital contribution
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IX. Distributions Distributions permitted when:

- Debt payments are current
- Any funds exceeding a maintained minimum balance of \$100,000 shall be considered available for distribution.

Distributions made pro-rata by equity ownership.

Founders may receive distributions before full fund repayment if all obligations are current and reserve thresholds are met.

X. Conditions Precedent

- Financial, legal, operational due diligence
- Execution of definitive agreements
- Board approval

XI. Confidentiality & Exclusivity

- Term Sheet is confidential
- 60-day exclusivity for negotiating definitive documents
- Investor agrees to 24-month non-solicitation and non-compete in Company's market

XII. Founder Equity Lockup

- Founders shall not transfer equity for 3 years without Board approval, unless agreed upon by all parties
- All Company IP assigned to HR Holdings
- Any future dilution shall affect Founders, not Investor

XIII. Legal Status This Term Sheet is non-binding, except for Sections XI and XII. Binding commitments require final signed agreements.

Agreed and Accepted:

Company Representative

Signature: _____

Name: Jason Hall

Title: Co-Founder, High Road Partners and HR Holdings

Date: _____

Company Representative

Signature _____

Name: Drew Drury

Title: Co-Founder, High Road Partners and HR Holdings

Date: _____

Investor Representative

Signature _____

Name: _____

Title: _____

Date: _____

