October 28, 2026

SBA Pre-Qualification Letter

To Whom it May Concern,

I have reviewed certain documents from Grant Besner including a personal financial statement, SBA eligibility applications, management resume, 3 years of tax returns. Based off my experience and initial analysis, I believe that Grant would qualify for financing under the SBA 7(a) program for a purchase price of $5,000,000. The proposed structure would be based on a term and amortization of 10 years with equity injection meeting Live Oak Bank's and the SBA requirements.

Key Assumptions:

- Transition plan to adequately explain the transfer of the company to Grant Besner including discussion around assignment of existing contracts, target amount of inventory and net working capital, amount of time seller will consult with the company and other due diligence items TBD.
- Details from Grant around relocation plan to manage day to day activities of acquired business.
- Ability of new business to provide sufficient cash flow after deducting for a new annual officer compensation to the buyer of $100,000.
- Understanding of any vendor or customer concentrations in excess of 20% individually or top two >35%
- Subject to review of last 3 years tax returns, year to date financials (within last 60 days) and all supporting documentation for proposed bank add backs for a business of interest.
- Additional collateral such as junior liens on personal/ commercial real estate as required per SBA guidelines.
- 2 years of detailed projections to confirm adequacy of working capital and capital expenditures required as part of structure.
- Requirement that the project be approved through the US Small Business Administration through Live Oak Bank's Preferred Lender Status

To proceed with an application or for any questions, please call me at 954-289-0013 or e-mail me at rocco.decelestino@liveoak.bank. Live Oak Bank formal credit decisions generally made within 10 business days from receipt of complete application and all requested information. Live Oak Bank is a Preferred Lender under the US A 7(a) program and is dedicated to the customer experience.

Sincerely,

Rocco De Celestino

Rocco De Celestino
Vice President
Live Oak Bank M&A Lending Team

This loan pre-qualification is for discussion purposes only. Loan approval is subject to Live Oak Bank lending's full underwriting process.

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