

# LOI Definitions



## Loan Summary

<b>Total Loan Commitment</b>	<b>\$7,602,851</b>	<b>Loan Term (Months)</b>	<b>18</b>
<b>Purchase Price</b>	<b>\$3,000,000</b>	<b>Estimated Close Date</b>	<b>9/22/2023</b>
<b>Seller Carryback</b>	<b>\$0</b>	<b>Estimated Maturity Date</b>	<b>3/15/2025</b>
<b>Estimated Cash to Close</b>	<b>\$1,196,018</b>		
<b>Deposit<sup>1</sup></b>	<b>\$0</b>	<b>LTV</b>	<b>63.36%</b>
<b>1st Draw (WIP) at Close</b>	<b>\$0</b>	<b>LTC</b>	<b>85.00%</b>
<b>Estimated Cash to Close with 1st Draw (WIP)</b>	<b>\$1,196,018</b>	<b>Committed Day 1 LTV</b>	<b>50.89%</b>
		<b>Post Dev. LTV</b>	<b>0.00%</b>
		<b>Guaranty Type</b>	<b>Full Personal</b>

Total Loan Commitment	Cumulation of Vertical Budget, Origination Fee, Interest Reserve and any loan fees detailed in the loan details section
Refinance Payoff or Purchase Price	Amount that is paying off any existing loan
Estimated Cash to Close	Amount Borrower is bringing to closing
Deposit	Amount Due from borrower prior to underwriting
1stDraw(WIP)at Close	Amount of draw at closing for Work in Progress
Estimate Cash to close with 1stDraw(WIP)	Amount due from borrower at closing after Work in Progress (WIP)draw
Estimated Closing Date	Date loan is estimated to close
Estimate Maturity Date	Date Loan needs to be paid off
LTV	Loan to Value (Loan Amount/Total Value)
LTC	Loan to Cost (Loan Amount/Total Cost)
Committed Day1LTV	Committed Loan Amount Day 1/As-Is Value
Post Development LTV	Loan Amount after developed lots/Finished Lot Value
Guaranty Type	Type of Guranty required on loan (Full Personal or Completion w/Carveouts)

# LOI Definitions



## Loan Details

Interest Charged On	Principal	Processing	\$4,750
Origination Fee (%)	2.490%	Est. Title & Escrow	\$45,389
		Appraisal*	\$0
Origination Fee (\$)	\$226,039	Flood Certificate	\$20
Interest Reserve	\$701,923	Credit Report	\$142
		Property Budget Setup Fee	\$0
		Legal Processing Fee	\$5,000
		Engineering Fee	\$0
		Budget Review Fee	\$0
		Project Feasibility Review Fee	\$0
		Project Feasibility Engineer Fee	\$7,500
		Estimated Draw Administration	\$13,560
		Modeling Fee	\$0
		Draw Type	Non-Direct Pay
Rate Type	Adjustable Rate	Broker Fee (%)	0.000%
Interest Rate	Index + Margin	Broker Fee (\$)	\$0
Index	1 mo. Term SOFR		
1 mo. Term SOFR Rate (on 5-1-2023)	5.03%		
Margin	6.46%		
Interest Rate (if closed on 7-31-2023)*	11.49%		
Adjustment Interval (Months)	1		
Rate Floor	9.490%		
Number of Extensions	2		
Extension Margin Bump	0.000%		
Days of Each Extension	90		
Extension Fee	0.750%		

Interest Charged on	Interest calculation based on Principal only
Origination Fee	Percent and Dollar (includes whitelabeled broker fee)
MOR Potential Dollar	Materials Order Rebate amount of rebate in dollars that borrower could potentially earn towards origination fee
Interest Reserve	Interest Calculated on estimated draws
Rate Type	Rate Structure
Interest Rate	Calculation of Interest rate structure
Index	Index type use in interest rate structure
Margin	Builders Capital Margin
Index+Margin	Addition of Index and Margin
Adjustment Interval Months	Frequency at which interest rate changes
Rate Floor	Lowest calculated rate charged on Loan
Number of Extension	Number of extensions prices in
Extension Margin Bump	Cost of extensions in margin
Days of Each Extension	Number of days in each extension
Extension Fee	Cost of each extension

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			Draw Type	Non-Direct Pay
			Broker Fee (%)	0.000%
			Broker Fee (\$)	\$0

Processing Fee

Charged by Builders Capital for Processing Loan

Estimated Title and Escrow fee

Estimated Fee based on Loan Amount

Appraisals

Paid by the Borrower Directly to Appraiser

Flood Certification

Fee for obtaining Flood Cert

Credit Report

Fee Charged for Credit Report

Property Budget Setup fee

Fee Charged to setup Budget

Legal Processing Fee

Fee charged for Legal work

Engineering Fee

Fee charged for Engineering Report (if applicable)

Budget Review Fee

Fee charged to review prepared budget

Project Feasibility Fee

Fee charged for feasibility Report

Project Feasibility Engineer Fee

Fee charged for Engineer report

Estimated Draw Administration

Fee estimated on Draws

Modeling Fee

Fee charged for Modeling project (if applicable)

Draw Type

Type of Draw selected

Broker Fee

Percent Broker Fee

Broker Fee

Dollar Broker Fee

# LOI Definitions



## Project Breakdown

Finished Value	\$11,865,937	Remaining Subject Value	\$2,100,000
Purchase Price	\$3,300,000	Additional Collateral Value	\$0
Development Budget	\$1,926,262	Number of Developed Lots	33
Vertical Budget	\$5,521,362	Number of Vertical Units	19
Finance Costs	\$1,004,523	Release Type	Net Proceeds %
Estimated Cash to Close (in excess of Payoff)	\$0	Minimum Release Percent	85%
Costs Paid to Date (Actual Spend)	\$0	Estimated Release Price per Unit	\$505,000
Costs Paid to Date (Equity Lift)	\$0	Cost Paid to Date (Total)	\$0
Seller Carryback	\$0		
PACE Financing + Budget	\$0		

Finished Value	Total Value of Project
Refinance Payoff/Purchase Price	Amount of any existing Liens to be paid off or Purchase Price
Development Budget	Budget amount allocated to development of property/land
Vertical Budget	Budget amount allocated to Vertical Construction
Finance Cost	Loan including Origination Fee, Interest Reserve and related loan fees
Estimated Cash to Close	Estimated cash borrower will need to close loan
Cost Paid to Date	Cost listed as paid already
Equity Lift	Value created between pay off amount and current value of property
Subordinate Debt	Amount that will be subordinate to Loan
Pace Financing +Budget	Total budget including PACE financing (if applicable)
Remaining Subject Value	Additional value of project
Additional Collateral Value	Collateral outside of the subject project
Number of Developed Lots	Number of lots to be developed
Number of Vertical Units	Number of units that will be built in current loan
Release Type	Method of repayment
Minimum Release Percent	Percent of unit sale allocated to repay loan
Estimated Release Price Per Unit	Estimated per unit amount allocated to repay loan



# Price Lock Deposit Agreement



<b>Timing</b>	Price Lock Deposit must be collected on all new loans within 5 business days of receipt of the signed Letter of Intent (LOI) and Price Lock Deposit Agreement. The Price Lock Deposit will be used to reduce the Borrower's cash to close. If there is no cash required to close, the deposit will be refunded to the Borrower at closing or applied towards the Borrower's principal loan balance.
<b>Amount</b>	The Price Lock Deposit amount is the greater of \$5,000 or 10 bps of proposed loan amount. All loans must have a Price Lock Deposit to continue with underwriting and processing. If the Price Lock Deposit is collected by a broker due to white labeling or table funding, the Price Lock Deposit will be assigned to Builders Capital as soon as it is received by the broker.
<b>Refund</b>	Borrowers will be eligible for a refund of the deposit (minus fees as defined in the Price Lock Deposit Agreement) if the loan is denied by Loan Review Committee (LRC) or the conditions under which the Borrower signed are changed by LRC. Example of eligible refunds: Underwritten Value changes lower than the Appraisal, Significant increases of Down Payment or Guarantee Changes.
<b>Period</b>	The Price Lock Agreement period lasts 60 days after the LOI is signed, unless the Borrower opts to pay a 30-day extension fee. Loans must close within the Price Lock Agreement period to honor the margin rate and fee on the LOI. Borrowers may not be eligible for a refund of the deposit if they do not close within the Price Lock Agreement period.
<b>Collection</b>	Collection of Price Lock Deposit, the Loan Officer should have the Borrower's signed Price Lock Deposit Agreement attached to the signed LOI. The Loan Officer or Business Relationship Manager (BRM) will work with the Borrower or Broker to collect payment for the Price Lock Deposit. -Borrower may use Credit card payment, Checks or Wires