

TERM SHEET - BRIDGE LOAN

September 2026

Purpose	Refinance construction loan to provide time for sale or refinance OR acquisition loan before construction provided that existing improvements remain intact the entire Term.	Conditions Precedent	Business purpose financing for Property in continental U.S. 620 or higher credit score based on weighted average ownership. 110% "release pricing" if multiple units in Loan. Otherwise customary for such a transaction including credit approval.
Interest Rate	8.5% current/reserve pay or 9.0% accrual. Interest only, no amortization. Subject to 1-Year Treas. up to 4.25% at loan close.	Advance Rate	Base LTV + initial period interest if accrual selected Base LTVs: 70% standard. 75% on select basis. 63% non-recourse. Subject to Use of Funds, LTV Exceptions, 81% LTV max with accrual.
Borrower	LLC or other corporate entity.	Use of Funds	Loan applied as follows: (1) Repay existing debt plus 1.5% for closing costs. (2) Pay Origination Fee. (3) If relevant, pay Broker. (4) Fund an interest reserve for initial term or WAIVED if accrual. (5) Cash-Out unlimited if 60% LTV or less, otherwise up to 15% of the Loan subject to full recourse. <i>Any reserve may be "net funded" and not bear interest for Borrower's benefit.</i>
Payments	Auto-pay ACH for interest. Other: wire or check.		
Structure	Term loan with first-mortgage and, at Lender's option, second-mortgage security. Terms herein are a total or blend of both. Additional security: plans, permits, agreements, and at Lender's option, a lien on Borrower. No draws will be funded.	Rate Adjustments	The interest rate is subject to adjustment based items below OR ask for a waiver if borrowing at a reduced LTV. <u>Credit Score</u> : 719-680, 679-660, or 659-620 are plus 15 bps, 35 bps, or 50 bps, respectively. <u>Experience</u> : Across guarantors, fewer than 3 homes in past 5 years built and sold and/or held as rental investment property, plus 35 bps. <u>Payment</u> : Auto-pay ACH unavailable, plus 25 bps. <u>Market</u> : Projected population decline, plus 25 bps.
Property	1-4 unit single family residential. 5+ unit residential structures on a case-by-case basis. Must have certificate of occupancy or local equivalent. TCO is likely acceptable.		
Size	\$400,000 to \$5,000,000 per Loan. For larger, call.	LTV Exceptions	For credit under 660, base LTV limited to 67% or 60% NR. Existing clients welcome at standard terms, but if in non-contractual extension, LTV may not exceed 60% after any LTV adjustments. Base LTV is subject to adjustment down based on any item below. -Loan to be refinanced is NOT in good standing (-3%). -Days on market exceed 90 at 110% of appraised value or less (-3%). -Already have 2 outstanding bridge loans to guarantor (-3%). Potential case-by-case adjustment or limit based on any item below. -Under 10,000 people within 3-miles and/or declining population. -Background issue, e.g. current real estate delinquency or litigation. -Adverse site condition present, e.g. abuts undesirable use such as busy roadway or gas station. -"Appraisal Issue" present: (i) fewer than 3 comparable sales within 3 miles and 1 year under 25% gross adjustments, (ii) neighborhood marked as less than 25% built-out, or (iii) appraisal notes declining property values, over-supply, or 6 months of marketing time.
Term	6 month initial term + 6 month extension OR 9 month initial term + 6 months extension		
Origination Fee	Greater of 0.6% of Loan amount and \$6,000 OR if 9+6 months: greater of 0.75% and \$7,500.		
Extension	To extend, any accrued interest will be capitalized. Must pay interest on current basis during extension. 0.5% extension fee or WAIVED (0.0%) if Property is under recent contract with a deposit of 2.5% or more held in a 1st Financial Bank USA account. Second 6 month extension possible, inquire for terms.		
Other Costs	Standard appraisal pricing, \$950 underwriting fee, and 3rd party costs paid by Lender associated with this Loan to be reimbursed by Borrower, e.g. title.		
Financials	Not required if 70% LTV + interest or lower.	Insurance	Customary for such a transaction.
Recourse	Full recourse to all 20%+ owners, unless non-recourse ("NR") option selected.	Referral/Broker	Identify any party expecting referral compensation. Payment subject to Lender's independent contractor consulting agreement.
Value	Lesser of appraised value and lowest listing price in past 6 months. For loans over \$2 million, Lender may order 2 appraisals and use lowest value. If value based on incomplete work, e.g. unfinished pool, Lender may deduct 150% of its estimated completion cost from value.	Reps., Warranties, and Indemn.	Customary for such a transaction.
		Reporting	Customary for such a transaction.
		Default	Customary for such a transaction.
Pre-Pay Penalty	None.	Governing Law	South Dakota, without regard to the choice-of-law rules thereof.

This document is a preliminary summary of the indicative terms and conditions for the proposed Bridge Loan (the "Loan"). These indicative terms and conditions reflect the current perception of market conditions by Builder Finance Inc. and its respective participants, assignees, affiliates, and any third-party for whom it is acting as originator and/or servicer ("Lender") as they relate to the Loan (based, in part, on information provided to Lender by you), and are subject to change without notice. This is a preliminary summary and does not define all of the terms and conditions of the Loan. Under no circumstances shall the indicative terms and conditions constitute or be deemed to constitute a legally binding commitment on the part of Lender or any of its affiliates, nor shall it be construed as an offer or undertaking by Lender to issue or arrange or negotiate a commitment or the Loan or any other financing, or any commitment, offer, undertaking or agreement of any kind. The Loan, if any, shall be subject to the due diligence review the results of which must be satisfactory to Lender in its sole discretion, and completion of other matters described in this summary of terms and conditions (the "Term Sheet") in a manner acceptable to Lender in its sole discretion, the approval by Lender's credit authorities, and the execution and delivery of documentation satisfactory in form and substance to Lender and Lender's legal counsel. Except as otherwise expressly provided in this Term Sheet, no rights, obligations or liabilities of any kind or nature whatsoever shall arise on the part of Lender or any of its affiliates as the result of the provisions of this Term Sheet. Any action, suit, or proceeding arising out of or relating to this Term Sheet shall be brought in the Federal or State courts located in Minnehaha County, SD. This Term Sheet is confidential, and the indicative terms and conditions shall not be discussed with, or delivered to other persons (other than legal counsel, tax advisors or officers and directors of Borrower) without the prior written consent of Lender.