

DEMO PRIME MARKETPLACE LOANS
SECURED LOAN AGREEMENT DISCLOSURES

Version 1

Version Dated May 15, 2025

This is a commercial credit transaction.

THE LOANS LENDER OFFERS TO MAKE TO DEMO PRIME 1 TRUST (THE "TRUST") ARE NOT FDIC INSURED, MAY LOSE VALUE, ARE NOT BANK GUARANTEED, ARE NOT A BANK DEPOSIT, AND ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. MAKING LOANS INVOLVES A HIGH DEGREE OF RISK. BEFORE Lender ENTER INTO AN AGREEMENT TO MAKE LOANS TO THE TRUST, LENDER MUST ACKNOWLEDGE THAT IT HAS REVIEWED AND UNDERSTANDS THE RISKS, SOME OF WHICH ARE OUTLINED BELOW.

1. FIGURE DOES NOT PROVIDE TAX OR LEGAL ADVICE. We strongly advise seeking expert advice on loan legal and/or tax issues prior to entering into any Loan.
2. The Loan proceeds will be used by Figure Lending LLC, an affiliate of the Trust, a multi-state licensed mortgage bank, to further its business activities and investments, which may carry high risk, and may use such proceeds for general corporate purposes.
3. While the Borrower uses proceeds from the HELOC pool securing the Loans to repay such Loans, repayment prior to maturity may be made using affiliate Figure Lending Corp's or Figure Lending LLC's capital. If many Lenders elect not to roll-over their Loans at maturity, such capital may be insufficient to repay all such Loans.
4. The HELOC assets securing each Loan are performing loans that do not conform to Figure Lending's Underwriting Guidelines because they have certain defects which were not cured prior to funding. If a pooled HELOC becomes non-performing, the Trust will remove that HELOC from the secured loan pool underlying the Loan made by Lender and other Lenders as reasonably necessary to restore the loan pool to the stated Advance Rate.
5. The market value of the underlying HELOCs may significantly decline due to changes in market conditions.
6. Lender's security interest in the HELOCs securing a Loan will not be perfected. In the event of any liquidation, dissolution, bankruptcy or other similar proceeding by Figure Lending, any perfected security interest in the same collateral will have priority over any unperfected security interest. Lender's security interest, however, will have priority in respect of the underlying collateral over any general creditor. The security interest is granted to Figure Markets, Inc., the administrative agent on Lender's behalf, which is an affiliate of the Trust.
7. The Lender will typically be "one of many" such Lenders who participate in lending to a single Pool, each secured by a pro rata share in the Collateral.
8. It's impractical for any one lender to exercise its security interest independently. Lender acknowledges that it will not have the right to seek enforcement individually. Only the Agent may enforce the security interest after a Trigger Event.
9. After a Trigger Event, the Agent will liquidate the collateral. The sale proceeds, net of fees, will be distributed to all lenders secured by the same collateral on a pro rata basis. The proceeds may not fully satisfy the amounts owed, and Lender will be an unsecured creditor for the remaining amounts.
10. Lender waives its right to claim a priority security interest over any other lender with a security interest in the same collateral.

11. Loans are funded and repaid in YLDS, a registered security, which is issued on the Provenance blockchain, a permissionless ledger and not in US Dollars or any other form of currency.