

# Democratized Prime General Terms and Conditions 10.22.25

## Democratized Prime General Terms and Conditions

Last Updated: October 22, 2025

### 1. Introduction.

These Democratized Prime General Terms and Conditions (the “**Agreement**”) govern the contractual relations between a Lender holding a Figure Markets Account (an “**Account**”) and Figure Demo Prime 1, LLC (“**Figure Prime**”), a subsidiary of the Figure Technology Solutions, Inc. group of companies (“**Figure Group**”), in regard to the use by Borrowers and Lenders (each as defined below) of the Democratized Prime Platform (the “**Platform**”), a lending marketplace operated by Figure Markets Holdings, Inc. (“**Figure Markets**”), a part of the Figure Group. This Agreement constitutes a legally binding agreement between the Parties and is made as of the date acknowledged and accepted. The [Figure Markets General Terms of Service](#) are incorporated herein by reference and are applicable to all participants on the Democratized Prime Marketplace, including Lenders who enter into Loan transactions with Borrowers through use of the Democratized Prime Platform.

### 2. Definitions.

Capitalized terms not defined herein shall be as defined in the Figure Markets General Terms of Service.

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms shall have the definitions ascribed to them:

“**Administrative Agent**” means Figure Markets Margin LLC, as the administrative agent hereby appointed by and for Lender.

“**Allocated Portion**” means the principal amount in a Lender’s Lender Offer with respect to a Pool divided by all principal amounts in all Lenders’ Lender Offers with respect to that Pool.

“**Auction**” means a time-limited, recurring, Dutch-Style Auction that restarts every hour and closes at the end of each hour.

“**Auction Closing**” means, for each Auction, the 59<sup>th</sup> minute and 59<sup>th</sup> second of each hour unless otherwise determined in advance by Figure Prime.

“**Automatic Liquidation**” means the programmatic and discretionary sale of Collateral in the event that the Maximum LTV Ratio is exceeded until the LTV Ratio equals or is lower than the Standard LTV Ratio.

**“Borrower”** means a Person that receives a Loan from a Lender through the Democratized Prime Platform and legally agrees to repay the funds under the terms specified therefore on the Platform (the **“Loan Terms”**) within a given timeframe in accordance with the requirements described in this Agreement, the Loan Terms and any other requirements applicable at such time.

**“Borrower Offer”** means an offer to take a Loan from a Lender (or Lenders) on the Democratized Prime Platform, specifying the principal amount and the interest rate.

**“Collateral”** means the asset category identified in the relevant Collateral schedule.

**“Default Event”** means, with respect to a Loan, any of: (i) a failure by the Borrower to to make payments when due, as required by the collateral Loan Terms; (ii) a failure by the Borrower to pay the accrued and outstanding interest or any fee due; or (iii) the LTV Ratio a Pool exceeding the Maximum Pool LTV Ratio unless and until it is below the Standard LTV Ratio.

**“Democratized Prime Platform”** (aka “Democratized Prime” or the “Platform”) means a lending marketplace operated by Figure Prime, a subsidiary of Figure Markets Holdings, Inc., that connects Lenders with Borrowers seeking short-term loans through Figure Markets. As of the date of this Agreement, and subject to change at Figure Markets Holdings, Inc.’s discretion, the Platform allows Lenders to set their own minimum interest rate for each Loan. Lenders can earn a higher rate if an interest rate above their minimum is reached during an Auction. Borrower matching, interest collection, and collateral allocation are automated through the Platform, with the goal of ensuring Borrowers maintain sufficient collateral. Lenders can withdraw assets at the end of each Settlement Period. (<https://www.figuremarkets.com/c/democratized-prime>).

**“Dutch-Style Auction”** means an interest rate bidding process in which the interest rate of the Loan for a given Settlement Period is set after taking in all Lender Offers and determining the interest rate for the Settlement Period at which the Loan can be made. Each Settlement Period, Lenders submit competitive bids indicating the amount of the Loan they each will offer at a specific interest rate. The lowest interest rate that allows the Borrower the full requested amount of the Loan determines the final interest rate for that Loan for all bidders for that Settlement Period whose bids equaled or were below such interest rate.

**“Eligible Collateral”** means Collateral that meets the specific criteria established by Figure Prime, and as described in the relevant schedule for the Collateral, making it eligible to be included in a specified Pool on the Democratized Prime Platform.

**“Eligible Lender”** has the meaning assigned to such term in Section 3 of this Agreement.

**“Eligible Pool Amount”** means all unpaid balances of Eligible Collateral in a Pool multiplied by the Standard LTV Ratio.

**“Figure Markets Exchange”** (aka the **“Exchange”**) means the Figure Markets Cryptocurrency/Digital Asset Exchange (<https://www.figuremarkets.com>).

**“Interest Rate”** means, for any Loan, the annual percentage interest yield for a given Settlement Period, as determined through an Auction related to such period.

**“Lender”** means a Democratized Prime Platform participant who lends to one or more Borrowers in accordance with the terms and conditions contained herein.

**“Lender Offer”** means an offer to extend a Loan to a Borrower (or Borrowers) on the Democratized Prime Platform, specifying the principal amount and the interest rate.

**“Loan”** means an agreement where, at the beginning of a Settlement Period, a Lender advances principal to a Borrower and the Borrower commits to repay the principal in accordance with the applicable Loan Terms at the end of the Settlement Period, along with interest and any other required fees and in accordance with all other terms and conditions contained herein.

**“Loan Amount”** means the outstanding principal balance of a Loan.

**“LTV Ratio”** means, for each Pool, the Loan Amount of Loans secured by the same Pool *divided by* the value of the Eligible Collateral within such Pool, expressed as a percentage. The value of the Eligible Collateral shall be determined by the Administrative Agent by reference to the Pyth Network, the Exchange, or any other means reasonably determined by the Administrative Agent.

**“Marketplace Operator”** means Figure Markets, Inc.

**“Maximum LTV Ratio”** has the meaning assigned to such term in the relevant schedule for the Collateral.

**“Parties”** means Figure Prime, the Administrative Agent, Demo Prime 1 Trust (in the case of the HELOC Pool) each Lender and each Borrower (each a **“Party”**).

**“Person”** means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization or association, business entity, or governmental authority.

**“Pool”** means each pool of Collateral as identified and set forth by Figure Markets Margin LLC on the Democratized Prime Platform.

**“Ratable Share”** means, for any Loan, the Lender’s pro rata share of the proceeds of the Collateral in a Pool securing that Loan, which is equal to all amounts due and payable to such Lender at the time of a Default Event for that Loan *divided by* all amounts due and payable to all Lenders at such time (including the Lender) whose Loans are secured by the same Collateral, as calculated by the Administrative Agent in its sole and absolute discretion.

**“Service Fee”** has the meaning assigned to such term in Section 4 of this Agreement.

**“Settlement Period”** means a period of sixty minutes, beginning with zero minutes and zero seconds through and including 59 minutes and 59 seconds.

**“Standard LTV Ratio”** has the meaning assigned to such term in the relevant schedule for the Collateral.

**“Transaction Confirmation”** means any communication from the Democratized Prime Platform to the Lender or Borrower confirming the existence of a Loan.

**“YLDS”** means a fixed-price, interest-bearing, transferable stablecoin issued by Figure Certificate Company.

### **3. Lender Eligibility.**

Persons must comply with the following conditions to participate as Lenders:

- A. Open a Figure Markets Account and be in compliance with the Figure Markets General Terms of Service;
- B. Acquire and hold the specific asset required for each Pool in which it seeks to be Lender;
- C. Satisfy all applicable KYC/AML requirements, including not being located in, a resident of, or under the control of any person resident in, located in, under the control of, or organized in, any sanctioned or embargoed jurisdiction or any other jurisdiction where Figure Prime may restrict or limit use of the Platform; and
- D. Not have any related connection with any country, state, territory, or province where Figure Prime does not operate or has prohibited or restricted access to the Democratized Prime Platform.

By entering into this Agreement, Lender acknowledges and confirms that it meets all the conditions set out above (such a Lender, an “**Eligible Lender**”) and while a Lender shall be deemed to continuously represent such. Should it at any time be determined that the Lender no longer meets any of these conditions, its account may be immediately suspended or closed, including all entitlements to utilize the Democratized Prime Platform and the Lender’s Figure Exchange Account, with or without notice.

At any time, in Figure Prime’s sole and absolute discretion and without liability to Lender, Figure Prime can: (i) refuse Lender’s request to use the Democratized Prime Platform; (ii) change the terms and conditions of this Agreement or use of the Democratized Prime Platform; (iii) suspend the provision of Democratized Prime or of all or part of any related services offered by any Figure Group entity; or (iv) change, update, remove, cancel, suspend, disable or discontinue any feature, component, content, incentive or referral plan of Democratized Prime. Absent fraud, misuse or any other breach of these Terms and Conditions, any such action will occur at or immediately prior to the beginning of the next Settlement Period.

### **4. Specific Terms of the Democratized Prime Platform.**

#### **A. Loan and Promise to Pay**

A Lender may submit a Lender Offer on the Platform. If all, or any portion of the principal amount of the Lender Offer is accepted by the applicable Borrower and the Interest Rate equals or exceeds that which was specified in the Lender Offer, the Lender agrees to lend through the Platform, contemporaneous with the start of the Settlement Period, an amount equal to its Allocated Portion multiplied by the principal identified in its Lender Offer in return for the Borrower’s agreement to repay such principal amount plus interest at the Interest Rate and in accordance with the Loan Terms (each, a “**Loan**”), along with any applicable fees. This Loan, including the amount of the Lender Offer accepted and the interest rate, will be displayed as a Transaction Confirmation available through the Platform. All computations of interest shall be calculated per Settlement Period by multiplying the Interest Rate by a fraction with 1 as the numerator and a denominator based on a year of 8,760 hours or 8,784 hours, as the case may be.

## B. Term

The Term of each Loan is for one Settlement Period.

## C. Lender Offer Rollover

Each Lender Offer and Borrower Offer shall be deemed to remain continuously in effect for the purpose of lending or borrowing in each Settlement Period unless the Lender or the Borrower, through the platform, submits a notification to withdraw their offer prior to the next Settlement Period.

ii. After a Lender or Borrower withdrawal request is received by the Platform, the Platform will automatically adjust the Lender Offer to the maximum rate. If the offer remains unfilled at the end of that Settlement Period, it will be automatically removed and considered withdrawn.

iii. After a Borrower withdraw request is received and full repayment of the Loan secured by a Pool is received by the Platform, the Borrower Offer is automatically removed and considered withdrawn.

## D. Service Fees

The Borrower agrees to pay a service fee to Figure Markets equal to 50 basis points (“bps”) (0.5%) of the Loan amount per annum (“Service Fee”), which is automatically deducted by the Platform from interest that is paid to the Lender. All computations of this fee shall be calculated per Settlement Period by multiplying it by a fraction with 1 as a numerator and a denominator based on a year of 8,760 hours or 8,784 hours, as the case may be.

## E. Closing

Each Loan closing (the “**Closing**”) shall take place through the Democratized Prime Platform as set forth in this Agreement with the Loan Terms recorded as an immutable record on the Provenance Blockchain. The Lender acknowledges and agrees that a Borrower of a Loan the Lender has made may receive similar Loans supported by the same Pool from other lenders who participate in the Democratized Prime Platform.

For so long as a Lender is an Eligible Lender, a Lender may make a Lender Offer. Each Lender Offer shall constitute a representation by the Lender that the Lender is an Eligible Lender. No Lender Offer shall constitute a Loan until a successful Auction has occurred in accordance with this Agreement and the Loan principal has been transferred to the Borrower in the required asset. If the Platform does not process the Lender Offer or Loan principal transfer on or before the start of the Settlement Period for which such Lender Offer was made, such Lender Offer shall be void and of no further force or effect for that Settlement Period.

If a successful Auction has occurred, the Loan principal has been transferred to the Borrower in the required asset, and all other requirements are satisfied, the Lender shall have funded such Loan and the related Closing shall have occurred. The Lender acknowledges and agrees that each Lender Offer and any resulting Loan shall be subject to the terms of this Agreement and, as applicable, the Exchange Terms and Conditions.

F. Disclosures. Lender acknowledges receipt, review, and acceptance of the disclosures in Section 8 and in the Schedule related to the applicable Collateral.

G. Ineligible Collateral. Notwithstanding anything herein to the contrary, if the Borrower becomes aware at any time that all or any portion of the Borrower's Collateral in any Pool no longer qualifies as Eligible Collateral, then such ineligible Collateral shall be treated as having a zero valuation for purposes of determining the LTV Ratio of the Pool.

#### H. Books and Records

The Lender acknowledges that the Loans will be made pursuant to the electronic execution of any Lender Offer and the Loan Terms applicable to each Loan (e.g., principal amount, interest rate, time of maturity) and an irrevocable promise to pay the Loan at the end of the Loan's Settlement Period by the Borrower will be recorded on the Provenance Blockchain which creates an immutable record of the terms of each Loan. The Loans will not be evidenced by separate physical notes or instruments. The Loan Amounts, Interest Rate, interest calculations, and any other loan calculations related to this Agreement shall be evidenced solely by the data maintained by the Platform on the Provenance Blockchain. The Lender further acknowledges that any records maintained on, by, or for the benefit of the Platform by the Platform operator or its designees, shall be deemed accurate and conclusive in the absence of manifest error.

It is the intention of Borrower that the Collateral transfer and assignment evidenced by this Agreement and each applicable recorded entry on the Provenance Blockchain shall constitute a legal, binding and enforceable Loan to the Borrower by the Lender, secured by the specified Eligible Collateral and that such collateral shall not be part of the Borrower's estate or otherwise be considered property of the Borrower in the event of the bankruptcy, receivership, insolvency, liquidation, conservatorship or similar proceeding relating to Borrower or any of its property.

### **5. Payments.**

#### A. Payments

Funding for Loans and payments for matured Loans shall be in the required asset specified for each Pool in the relevant schedule for the Collateral and executed on the Provenance Blockchain via the respective Party's Figure Markets Exchange digital wallet. The Borrower expressly acknowledges that, where dollars are not specified as an asset for a Pool, it waives any right to receive payment in United States Dollars, any other asset other than that specified, or through any alternative payment method. Lender authorizes automated transfers of YLDS or any asset specified with respect to the Collateral schedule for a given Pool from the Lender's Figure Markets Exchange digital wallet in a manner consistent with this Agreement.

#### B. Payment Due Dates

If a Default Event occurs, the Interest Rate, if below thirty percent (30%) per annum (or, if less, the highest rate permitted by applicable law), will increase to thirty percent (30%) per annum (or, if less, the highest rate permitted by applicable law) until the Loan and all unpaid and accrued interest and fees is repaid in full. Notwithstanding anything to the contrary in this Agreement, the interest paid or agreed to be paid shall not exceed the maximum rate of non-usurious interest permitted by applicable law. If the Lender shall receive interest in an amount that exceeds this amount, the excess interest shall be refunded to the Borrower.

## 6. Pledge of Collateral as Security.

The Borrower agrees to pledge all right, title, interest of the Borrower in and to the Eligible Collateral described in each Transaction Confirmation as security for each Loan. Following the timely acceptance of this Agreement by the Lender and Borrower and each Party's satisfaction of applicable closing conditions, if any, each Loan will be originated.

### A. Security Interest

i. Grant. The Borrower hereby grants, pledges and assigns all of its right, title, and interest in the applicable Collateral to the Administrative Agent for loans secured by cryptocurrency, and to Demo Prime 1 Trust or its designee for loans secured by mortgages, each on behalf of and for the ratable benefit of Lender, as security for the payment and performance by Borrower of its obligations herein, a security interest in all of the Borrower's right, title, and interest in, to, and under, in any case, whether now held or hereafter acquired: (i) the Collateral in the Pool relating to such Loan; (ii) all such Collateral documentation, including without limitation all electronic records relating to such Collateral; (iii) all insurance policies and insurance proceeds relating to such Collateral; (iv) all income related to the Collateral; and (v) any and all replacements, substitutions, distributions on, or proceeds of any and all of the foregoing (collectively, the "Pledged Collateral").

ii. Further Assurances. The Borrower will promptly, at its expense, execute and deliver such instruments, financing and continuation statements, and documents and take such other actions as the Administrative Agent may reasonably request from time to time to maintain the security interest in and to the Pledged Collateral for the benefit of the Lender.

iii. Release. Upon payment in full of any Loan (including accrued and unpaid interest thereon and any associated fees), the Administrative Agent (and in the case of the HELOC Pool, Demo Prime 1 Trust and/or its designee) shall, and is hereby authorized on behalf of the Lender to, release the Lender's security interest in the Pledged Collateral and take such other action as may reasonably be requested by the Borrower to evidence such release. Demo Prime 1 Trust may, in its sole and absolute discretion and without notice, delegate some or all of these actions to a Trust Administrator (the "Trust Administrator") of its choosing.

iv. Remedies. Upon the occurrence of a Default Event, the Administrative Agent (and in the case of the HELOC, Demo Prime 1 Trust and/or its Trust Administrator) may take all remedies including liquidation of the defaulted Borrower's Collateral in a Pool, through Automatic Liquidation or otherwise. After all such realizations, the Lender shall be paid its Ratable Share of the proceeds with deductions therefrom for payment of the liquidation fee set by the Platform as well as the Administrative Agent's direct and indirect reasonable expenses (including counsel fees).

v. Errors. In the event of any payments made to the Lender by the Administrative Agent (and in the case of the HELOC Pool, Demo Prime 1 Trust and/or its Trust Administrator) in its capacity as agent and certified by the Administrative Agent (and in the case of the HELOC Pool, Demo Prime 1 Trust and/or its Trust Administrator) as having been made in error, Lender agrees to

immediately reimburse Administrative Agent for such amount (or in the case of the HELOC Pool, Demo Prime 1 Trust and/or its Trust Administrator).

## B. Appointment of Administrative Agent

i. Administrative Agent. The Lender hereby appoints the Administrative Agent hereunder and irrevocably authorizes the Administrative Agent to act as the agent of the Lender in respect of the Collateral and with the rights and duties expressly set forth herein. It is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to the Lender by reason of this Agreement and that the Administrative Agent is merely acting as the Agent of the Lender with only those duties as are expressly set forth in this Agreement. The Administrative Agent shall be entitled to rely upon any Loan, notice, consent, certificate, affidavit, letter, telegram, statement, paper, or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and, in respect of legal matters, upon the opinion of counsel selected by the Administrative Agent. With respect to the Pledged Collateral, the Administrative Agent (and in the case of the HELOC Pool, Demo Prime 1 Trust and/or its Trust Administrator) shall have the same rights and powers hereunder and under this Agreement or applicable law as Lender may exercise.

ii. Exclusive Powers of Administrative Agent. The Administrative Agent shall have and may exercise such powers under this Agreement as are specifically delegated to it, together with such powers as are reasonably incidental thereto. The Lender agrees that the Lender shall not have the right individually to seek to realize upon any security interest in the Pledged Collateral granted under this Agreement or exercise any rights given to such Lender under the Uniform Commercial Code, or seek to enforce or have standing to exercise any remedy against the Borrower directly with respect to the Pledged Collateral, it being understood and agreed by the Lender that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of Lender upon the terms of this Agreement.

iii. Administrative Agent Liability and Indemnification. Neither the Administrative Agent nor any of its affiliates and its or their officers, partners, directors, employees or agents (each an "Indemnitee") shall be liable to Lenders for any action taken or omitted by any Administrative Agent or its Indemnitee's or in connection with this Agreement or any of the loan documents except to the extent caused by such Indemnitee's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. Each Lender, in proportion to its Ratable Share, severally agrees to indemnify the Administrative Agent for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Administrative Agent in exercising its powers, rights and remedies or performing its duties hereunder or under this Agreement or related documents; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

## 7. Representations and Warranties.

### A. Representations and Warranties of the Lender

The Lender hereby represents and warrants to the Borrower and the Administrative Agent (and in the case of the HELOC Pool, Demo Prime 1 Trust and/or its Trust Administrator) that, as of each Closing of each Loan on the Democratized Prime Platform that: (i) the Lender has full power and authority to fund the Loans; (ii) this Agreement constitutes valid and legally binding obligations of the Lender, enforceable in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and Lender has all licenses and other regulatory approvals as may be required; (iii) the Lender has reviewed and understands the terms of this Agreement, the Figure Markets General Terms and Conditions, and understands that while the Loans are supported by the Collateral specific to each Pool, there is not necessarily a perfected security interest in such Collateral for the benefit of the Lender; (iv) the Lender hereby confirms that each Loan is being funded by the Lender for the Lender's own account, not as a nominee or agent of any other Person; (v) the Lender is not relying upon any Person (other than the information made available on the Platform) in making or funding any Loan; (vi) Lender has not relied on Figure, the Borrower, or any other person or entity, or any of their respective representatives for tax, legal, financial or other advice.

#### B. Representations and Warranties of the Borrower

Borrower represents and warrants to the Lender that, as of each Closing of each Loan on the Democratized Prime Platform: (i) Borrower is the sole beneficial owner and holder of any Collateral, and the rights to that Collateral are not assigned or pledged to any other Person; (ii) Borrower has good, indefeasible and marketable title to such Eligible Collateral and has full right and authority subject to no interest or participation of, or agreement with any other person, to pledge, hypothecate, transfer, assign and sell or liquidate such Collateral to the Lender; (iii) the execution, delivery and performance of the Loan by the Borrower to the Lender (including any applicable Transaction Confirmation and all other instruments of transfer to be delivered in connection therewith) and the consummation of the transactions contemplated thereby will have been duly and validly authorized; and (iv) any documentation executed in connection with the Loan shall be the legal, valid, binding and enforceable obligation of the Borrower, except as limited by applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally or general equitable principles.

#### C. Representations and Warranties of the Administrative Agent

The Administrative Agent hereby represents and warrants to the Lender that: (i) the Administrative Agent is duly organized, validly existing and in good standing in its jurisdiction of organization; and (ii) the Administrative Agent has the corporate power and authority to transact the business it transacts, to execute and deliver this Agreement and to perform the provisions herein and thereof.

### **8. Risk Disclosure.**

New initiatives like Democratized Prime are inherently unpredictable and risky, which Lender acknowledges when agreeing to transact on the Democratized Prime Platform. The Democratized Prime Platform utilizes smart contracts, auctions, and collateral management. Risks explicitly tied to its structure include:

- Collateral volatility and liquidity

- Pre-determined over-collateralization requirements
- Dutch auction model volatility
- Smart contract liquidation if loan-to-value ratios are breached
- Technological failures
- Fraudulent transaction activity

New products or services, such as Democratized Prime, may raise new and potentially complex regulatory compliance obligations, which may cause Democratized Prime to be changed in unexpected ways. Lenders are expected to make their decision on participating and on the desired loan interest rate based on their own independent analyses accounting, at a minimum, for a combination of (i) the liquidity of the Collateral, (ii) the volatility of the Collateral, (iii) the over-collateralization amount, and (iv) the quality of the Collateral.

## **9. Limitations on Liability.**

Lender understands and agrees that it is solely responsible for any losses, claims or disputes, whether direct or indirect or realized or unrealized, incurred in connection with Lender's account activities and during or as a result of an Automatic Liquidation. Lender agrees and understands that under no circumstances is the Figure Group or its affiliates liable for 'lost' expectation of profits or any other indirect or consequential damages. Lender further understands the limited role of Figure Prime as the operator of the Platform and acknowledges the limitation of liability terms contained in the Figure General Terms of Service (<https://www.figure.com/terms/>).

## **10. Termination.**

This Agreement shall be terminated immediately upon the closing of Lender's Figure Markets Exchange Account by Lender, Figure Markets, Figure Prime, or otherwise,. The Agreement can be terminated upon written notice by Figure Markets if Figure Markets discontinues Democratized Prime, regardless of the reasons therefor. In all cases of termination under this section, Lender is not entitled to receive any interest in regard to Democratized Prime that accrued during the active Settlement Period at the time of termination, and such interest will not be credited to Lender's Figure Markets Exchange Account.

Lender shall be entitled to recover the remaining balance of digital assets and accrued interest thereon, if applicable, or their fiat equivalent, or remaining balances of U.S. dollars unless Figure Prime is prohibited from releasing such assets and interest by applicable law or court order, including, but not limited to, instances where Figure Markets reasonably suspects the digital assets or the funds with which such assets were obtained were acquired through fraud, unlawful means, or are connected to criminal activities. Certain limitations may apply, as indicated in the Figure Markets Exchange Account and on the Democratized Prime Platform, subject to revision from time to time, in any Figure Group entity's sole and absolute discretion.

The termination of this Agreement shall not prevent any Party from seeking any remedies against another Party for any breach of this Agreement occurring prior to termination.

## **11. Notices.**

### **A. Notices and Communications**

Figure Prime may deliver notices to Lender by mail, at the most recent address Figure Markets has on file for Lender, or if Lender has consented to electronic communications, by e-mail or any other electronic method to which Lender has consented. Lender authorizes Figure Prime or its designee to contact Lender using the contact information that Lender has provided. Unless prohibited by applicable law, Figure Prime may (i) contact Lender using an autodialer, text message, or prerecorded message, at any phone number the Lender has provided, including any mobile phone number; (ii) contact Lender at any address in Figure Markets' records or public or nonpublic databases; or (iii) contact other people who may provide employment, location or contact information for Lender.

## B. Cooperation with Regulatory Authorities

The Borrower and Lender acknowledge and agree that any information provided in connection with this Agreement, including but not limited to personal, financial, and transactional data, may be disclosed to regulatory authorities as required by applicable laws, regulations, or legal processes. Such disclosures may be made without prior notice to the Borrower or Lender, to the extent permitted or required by law, in order to comply with regulatory obligations, investigations, or reporting requirements.

## 12. Governing Law and Jurisdiction.

### A. Choice of Law

THIS LOAN AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

## 13. Arbitration Agreement.

This is an agreement to arbitrate Claims (as defined below) that may arise as a result of the Loan or this Agreement. Read this agreement to arbitrate carefully. If a dispute arises that is covered by this agreement to arbitrate, the Parties may be required to resolve the dispute through binding arbitration. This means that a Party will not be able to have the dispute resolved by trial or before a jury. Other rights that a Party would have if the Parties resolved the matter through litigation may not be available or may be more limited in arbitration, including a Party's right to appeal.

In consideration for Lender's willingness to extend Borrower the Loan described in this Agreement, and the Marketplace Operator's willingness to provide an operating platform to conduct transactions, the Parties mutually agree as follows:

Any claim, dispute or controversy ("**Claim**") by either Borrower or Lender against the other or against the Marketplace Operator arising from or relating in any way to this Agreement or a Loan, shall, at the demand of any Party, be resolved by binding arbitration by a single arbitrator who shall be an attorney or retired judge.

"**Binding arbitration**" means an arbitration proceeding according to the rules of either JAMS or the American Arbitration Association (each referred to herein as the "**Arbitration Association**"). Borrower may select which of these Arbitration Associations to use. If Borrower fails to select the Arbitration Association within 45 days from either the date the Marketplace Operator receives from Borrower a demand for arbitration or the date Borrower receives a demand for

arbitration from Marketplace Operator or a Party, Figure will choose one. Any arbitration proceeding will take place at a location within the federal judicial district that includes Borrower's address in the Marketplace Operator's records for Borrower's Loan at the time the Claim is filed or at any other mutually acceptable location. Any party to the arbitration proceeding may enter judgment upon the arbitration award in any court having jurisdiction over the arbitration award and may have that judgment enforced by any court having jurisdiction over that judgment.

A demand for arbitration under this agreement to arbitrate may be made either before or after a lawsuit or other legal proceeding begins. Neither Borrower nor Figure waive the right to arbitrate by filing suit or seeking or obtaining provisional remedies from a court. However, any demand for arbitration that is made after a lawsuit or other legal proceeding has begun must be made within 90 days following the receipt of (i) service of a complaint, (ii) third-party complaint, (iii) cross-claim or counterclaim, or (v) any answer thereto or any amendment to any of the above, whichever is received by the Party first.

This agreement to arbitrate includes all controversies and disputes of any kind between or among the Parties and/or Marketplace Operator. It also includes any disputes a Party may have with the Administrative Agent, Trust Administrator, contractors, employees, officers or assignees or any third party that has been involved or becomes involved with, any activity relating to a Loan or this Agreement (including any such third party that has not signed this Agreement), and for purposes of this agreement to arbitrate the words "we," "us" and "our" include any and all such third parties.

The Claims covered by this agreement to arbitrate include, without limitation:

- Any disputes regarding the enforceability of this agreement to arbitrate or any other aspect of this entire Agreement;
- Any disputes regarding: the application Borrower submitted in connection with a Loan; any solicitation or advertising materials or disclosures Borrower received in connection with this Loan; Borrower's acceptance of this Loan; any activities, action or inaction relating to the disbursement, maintenance or servicing of Borrower's Loan (whether based on statute, contract, tort or any other legal theory); and any funds held by the Marketplace Operator, Trust (or its designee), or Administrative Agent in connection with Borrower's Loan;
- Any disputes arising from the collection of amounts Borrower owes in connection with Borrower's Loan;
- Any disputes regarding information obtained by us from, or reported by us to, credit bureaus or others.

IMPORTANT: NO PARTY WILL HAVE THE RIGHT TO A JURY TRIAL, TO ENGAGE IN DISCOVERY, EXCEPT AS PROVIDED IN THE APPLICABLE ARBITRATION ASSOCIATION'S RULES, OR OTHERWISE TO LITIGATE THE CLAIM IN ANY COURT (OTHER THAN IN AN ACTION TO ENFORCE THE ARBITRATOR'S AWARD).

FURTHER, NO PARTY WILL HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM SUBJECT TO ARBITRATION. THE ARBITRATOR SHALL HAVE NO AUTHORITY TO ARBITRATE CLAIMS ON A CLASS ACTION BASIS AND CLAIMS BROUGHT BY A PARTY MAY NOT BE JOINED OR CONSOLIDATED WITH CLAIMS BROUGHT BY OR AGAINST ANY OTHER PERSON. (THIS IS CALLED THE "**CLASS ACTION WAIVER**".)

OTHER RIGHTS THAT A PARTY WOULD HAVE IN COURT ALSO MAY NOT BE AVAILABLE IN ARBITRATION.

GOVERNING LAW: The Parties agree that the transactions subject to this agreement to arbitrate involve interstate commerce. Consequently, this agreement to arbitrate shall be governed solely by and enforceable under the Federal Arbitration Act, 9 USC Section 1 et seq.

- The cost of any arbitration proceeding shall be divided as follows:
- The Party requesting the arbitration proceeding shall pay to the Arbitration Association an amount up to \$200.00 when the demand for arbitration is made.
- The Marketplace Operator, Administrative Agent, or Trust Administrator will pay to the Arbitration Association all other costs for the arbitration proceeding up to a maximum of one day (eight hours) of hearings;
- All costs of the arbitration proceeding that exceed one day of hearings will be paid by the non-prevailing Party unless otherwise required by applicable rules of the Arbitration Association, applicable law, or by the arbitrator's decision; and
- Each Party shall pay its own attorney, expert and witness fees and expenses, unless otherwise required by law or by the arbitrator's decision.

Notwithstanding the foregoing, if a Party believes the cost of arbitration may be too burdensome, such Party may seek a waiver of the filing fee and any other charges of the Arbitration Association under applicable rules of the Arbitration Association. If a Party seeks, but does not qualify for such a waiver, the other Party may consider a written request from such Party to advance all or part of the filing fee.

The arbitrator will be required to follow relevant law and applicable judicial precedent to arrive at a decision, and to apply all applicable statutes of limitation. The arbitrator shall have the authority to award in favor of the individual Party seeking relief all remedies permitted by applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (subject to constitutional limits that would apply in court), and attorneys' fees and costs (subject to any applicable limits that would apply in court). In addition, the arbitrator may award declaratory or injunctive relief only in favor of the individual Party seeking relief and only to the extent necessary to provide relief warranted in that Party's individual Claim. If the arbitrator determines that any Claim or defense is frivolous or wrongfully intended to oppress the other Party, the arbitrator may award sanctions in the form of fees and expenses reasonably incurred by the other Party (including arbitration administration fees, arbitrator's fees, and attorney, expert and witness fees), to the extent such fees and expenses could be imposed under Rule 11 of the Federal Rules of Civil Procedure.

The arbitrator's decision shall be in writing and shall include a concise explanation of the basis of the arbitrator's decision. The arbitrator's decision shall become final and binding after 30 days unless the Marketplace Operator, Demo Prime 1 Trust, Administrative Agent, Trust Administrator or a Party, takes an appeal from the decision by making a written request to the Arbitration Association. The appeal panel, which will consist of three arbitrators who shall be attorneys or retired judges, will consider all factual and legal issues anew, will conduct the appeal in the same manner as the initial arbitration, and will make decisions based on the vote of the majority. The Party requesting the appeal shall pay all costs of the appeal process, except that each Party shall pay its own attorney, expert, and witness fees and expenses unless otherwise required by law. The panel's decision shall be final and binding, and shall be in writing and include a concise explanation of the basis of the panel's decision. The parties shall maintain the confidential nature of the arbitration proceeding and the arbitrator's or panel's decision,

except as may be necessary to prepare for or conduct the arbitration proceeding on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an arbitration decision or its enforcement, or unless otherwise required by law or judicial decision.

Unless properly rejected by a Party as described below, this agreement to arbitrate shall survive full payment of a Loan, the sale or transfer of a Loan, bankruptcy or insolvency, any forbearance or modification of a Loan, and any termination of a Loan or this Agreement.

If any provision of this agreement to arbitrate other than the Class Action Waiver described above should be found invalid or unenforceable by a court or arbitrator, such a determination shall not affect the enforceability of the remaining provisions of this Section 13, which shall remain and continue in full force and effect. However, if the Class Action Waiver described above is found by a court or arbitrator to be unenforceable, the remainder of this agreement to arbitrate shall be unenforceable.

Borrower may contact the Arbitration Associations listed below to obtain information about arbitration, arbitration procedures and fees by calling the telephone numbers or going to their Internet websites indicated below:

JAMS American Arbitration Association 18881 Von Karman Avenue 120 Broadway, Floor 21 Suite 350 New York, NY 10271 Irvine, CA 92612 [www.asdr.org](http://www.asdr.org) 800-352-5267 or 949-224-1810 [www.jamsadr.com](http://www.jamsadr.com)

#### **14. Miscellaneous.**

##### **A. Entire Agreement**

This Agreement and any other terms, conditions, or documents expressly referenced above contain the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements, and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. Any ambiguity in the interpretation of these Agreement terms shall not be construed against the Party responsible for their drafting.

This Agreement may be executed electronically in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same agreement. The words "execution," "signed", "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement shall include images of manually executed signatures and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Nevada Electronic Transactions (Uniform Act) and any other applicable law, including, without limitation, the Uniform Commercial Code.

##### **B. Severability**

Except as specifically provided in the agreement to arbitrate, if any provision of this Agreement is determined to be invalid or unenforceable, the other provisions of this Agreement remain in full force and effect, and to the extent permitted and possible, the invalid or unenforceable provisions will be deemed replaced by provisions that are valid and enforceable and that come closest to expressing the intention of the invalid or unenforceable provisions.

#### C. No Waiver

A delay or failure by the Marketplace Operator, Demo Prime 1 Trust, the Trust Administrator or the Administrative Agent to exercise any of our rights under this Agreement or applicable law is not a waiver of our rights. Any waiver by us of any provision of this Agreement on any one occasion will not be a waiver on any other occasion.

## HELOC Pool Collateral Schedule

<b>Collateral Asset Category</b>	Obligations arising under Home Equity Lines of Credit (“HELOCs”)
<b>Eligibility Criteria</b>	Performing HELOCs (those HELOCs that are not 60 days delinquent)
<b>Maximum LTV Ratio</b>	93% (or as otherwise indicated)
<b>Standard LTV Ratio</b>	90% (or as otherwise indicated)
<b>Form of Funds for Borrowing and Lending Activities</b>	\$YLDs

### Collateral Asset Category Specific Disclosures

#### HELOC Loan Pool:

1. The Lender acknowledges and agrees that the HELOCs comprising the applicable loan pool may serve as collateral in connection with borrowing arrangements offered through the Platform. The designation of such Loans as collateral does not constitute a guarantee of repayment or performance.
2. Lenders understand and accept that repayment of any obligations secured by such collateral is dependent upon the continued performance of the underlying loans and the enforceability of the related collateral arrangements. The value of the collateralized loan pool may fluctuate due to borrower defaults, prepayments, variations in interest rates, or other market and credit factors.
3. In the event of default, or liquidation of the loan pool, proceeds realized from such collateral may be insufficient to satisfy all outstanding obligations. The Figure Group, its affiliates, and service providers make no representation, warranty, or covenant, express or implied, as to the collectability, market value, or sufficiency of the collateral.

Important information and risk disclosures regarding the aggregated HELOC Credit Profiles within the loan pool can be found at

<https://www.figuremarkets.com/disclosures/helocs-credit-profile>.



## Crypto-Backed Loan (CBL) Pool Collateral Schedule

<b>Collateral Asset Category</b>	Crypto-backed loan obligations
<b>Eligibility Criteria</b>	Performing CBLs
<b>Maximum LTV Ratio</b>	93% (or as otherwise indicated)
<b>Standard LTV Ratio</b>	90% (or as otherwise indicated)
<b>Form of Funds for Borrowing and Lending Activities</b>	\$YLDS

### Collateral Asset Category Specific Disclosures

#### Crypto-Backed Loan Pool:

1. The Parties acknowledge that digital assets pledged by the Borrower (“Crypto Collateral”) secure the Borrower’s obligations under this Agreement. The value of such collateral is subject to significant market volatility and may decrease materially at any time.
2. In the event of a margin deficiency, default, or other trigger event, the Platform or its designated agent may liquidate the Crypto Collateral without prior notice to satisfy outstanding obligations.
3. No guarantee is made as to the value, liquidity, or recoverability of any Crypto Collateral, and the Platform and its affiliates assume no obligation to supplement or replace collateral or to ensure repayment of any Loan.
4. All rights and remedies relating to the use, custody, and liquidation of Crypto Collateral are governed by this Agreement and the Platform Terms of Service.

Important risk disclosures on investing and trading in cryptocurrencies can be found here: <https://www.figuremarkets.com/disclosures/cryptocurrency/>.

## Margin Pool Collateral Schedule

<b>Collateral Asset Category</b>	Certain Digital assets are valued at a discounted (haircut) rate shown in the table below.
<b>Eligibility Criteria</b>	Digital assets that have sufficient liquidity and have a reliable valuation source, as determined by Figure Markets Holdings, Inc.
<b>Maximum LTV Ratio</b>	90% (or as otherwise indicated)
<b>Standard LTV Ratio</b>	80% (or as otherwise indicated)
<b>Form of Funds for Borrowing and Lending Activities</b>	Pool-specific, depending on the particular asset in the pool, including USD, USDC, USDT, BTC, ETH, SOL

Collateral Asset Category Table:

Bitcoin 100.00%	Ethereum 100.00%	LRWA 100.00%
Solana 100.00%	Tether 100.00%	US Dollar 100.00%
USDC 100.00%	XRP 100.00%	YLDS 100.00%
Chainlink 99.96%	Uniswap 99.95%	Hash 40.00%

### Collateral Asset Category Specific Disclosures

#### Margin Loan Pool:

1. By participating in margin lending through the Platform, Lenders provide financing to margin borrowers secured by digital assets (“Crypto Collateral”). The performance of such Loans depends on the borrowers’ ability to maintain required collateral levels and satisfy margin obligations.
2. Lenders acknowledge that margin lending involves risks, including borrower default, collateral liquidation, and potential shortfalls in repayment. Liquidation of Crypto Collateral may not fully satisfy borrower obligations, and Lenders may experience losses on principal or interest.
3. The Platform and its affiliates do not guarantee repayment, interest income, or the value or sufficiency of any Crypto Collateral. Lenders should carefully assess whether margin

lending is appropriate given their investment objectives, experience, risk tolerance, and financial condition.

4. All margin lending activity is governed by this Agreement, Platform Terms of Service, and the Margin Trading Terms and Conditions of Service available [Here](#).

Important risk disclosures on investing and trading in cryptocurrencies can be found here: <https://www.figuremarkets.com/disclosures/cryptocurrency/>

## YLDS Disclaimer

### **Investment Products: Not FDIC Insured, No Bank Guarantee, May Lose Value.**

YLDS Stablecoins are unsecured face-amount certificates and solely backed by the assets of Figure Certificate Company (FCC), who is the issuer of the certificates. As a subsidiary of Figure Markets Holdings, Inc., FCC is (absent exclusion or exemption) required to comply with certain limits on its activity, including investment and/or trading limitations on its portfolio and other limitations under applicable banking and securities laws. FCC is not a bank, and the securities it offers are not deposits or obligations of, or backed or guaranteed or endorsed by, any bank or financial institution, nor are they insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board or any other agency. The Certificates are not an insurance company product, an equity investment, or an investment in a money market mutual fund. FCC's qualified assets on deposit may exceed the deposit amounts required by applicable regulations. If there are losses on FCC's assets, FCC may not have sufficient resources to meet its obligations, including making interest and/or principal payments on certificates. Most of FCC's assets are debt securities and are subject to risks including credit risk, interest rate risk and prepayment and extension risk. You could lose money by investing in the Stablecoin. Although the Stablecoins seek to preserve the value of your investment at \$0.01 per share, it cannot guarantee it will do so. You should consider the investment objectives, risks, charges and expenses of certificates carefully before investing. Download a free prospectus, which contains this and other important information about FCC's certificates. Read the prospectus carefully before you invest. Figure Certificate Company Prospectus available [here](#).

Interest rate applicable to all Certificates is the overnight Secured Overnight Financing Rate ("SOFR") less 35 basis points, with a minimum rate of 0.00%. SOFR stands for the Secured Overnight Financing Rate (SOFR), which is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. For more information, please visit the Federal Reserve Bank of New York's Website by clicking [here](#).

FCC will collect certain information about you that helps FCC comply with various securities regulations and rules and the USA PATRIOT Act, a Federal law that requires all investment companies to obtain, verify, and record information that identifies each applicant. Please note: if FCC cannot verify the information you provide, FCC will be required to restrict or deny your account.

Reserves for YLDS Stablecoins are managed by Figure Investment Advisors, LLC, a registered investment advisor located at 650 California, Suite 200, San Francisco, CA, 94108. For more information about Figure Investment Advisors, LLC, or to obtain a free copy of FCC's disclosure brochure, please contact FCC at 628-236-5823 or you may download a copy at Figure Markets Website.

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