

NON-DUTCH FEATURE

Lightning Docs allows users to elect to apply non-Dutch interest to all of a transaction's reserves. This feature is hidden behind a permission and will need to be enabled via a scenario for access.

Which Standard Loan Terms would you like to make available to users?
(Enabled features will appear on the *Standard Loan Terms* page of the Lightning Docs interview.)

☐ Manually enter First Payment Date	☐ User can Change Interest Calculation Type between 30/360 - Actual/360 and Actual/365 ?	☐ Enable Deferred Payments ?
☐ Enable Interest Rate Step Up ?	☒ Enable Non-Dutch Accrual of Interest for All Reserves ?	☐ Enable DART language to be used in the document ?
☐ Enable Bridge to Perm loan ?		

Once enabled, the new question can be found on the **Standard Loan Terms** page of the interview.

Interest Rate %

Default interest rate

Does the loan have an initial interest-only payment period? ?
☒ Yes ☐ No

Number of months of interest-only payments ?

Variable Rate Loan? (ARM)
☐ Yes ☒ No

Does interest accrue on all reserve funds only when they are advanced to the borrower? (non-dutch interest) ?
☒ Yes ☐ No

Insert MERS language in Loan Documents? ?
☐ Yes ☒ No

The document examples below are from a transaction with the following terms:

- Interest-only loan
- Loan term: 12 months
- Loan Amount: \$800,000
- Interest rate: 12%
- Construction reserve: \$100,000
- Generic Lender Reserve: \$10,000

If this new option is selected, the changes occur in the following areas:

1. Per Diem and Payment Calculations identified in the Closing Instructions, Key Provisions Summary, Note, and First Payment Letter will now use Loan Amount less aggregate amount of all reserves.

Fee Amount	Description	Comment
~~\$266.67~~ <u>233.33</u> per day	Per Diem Interest	Per day from the later of: (i) the date of funding, or (ii) one day prior to the date the loan proceeds are disbursed to borrower through and including April 30, 2026 payable and delivered to Lender

Loan Amount:	\$800,000.00
Interest Rate:	12%
Number of Interest-Only Payments:	12 months
~~Initial~~ Interest-Only Monthly Payment Amount:	~~\$8,000.00~~ <u>\$6,900.00</u> (Payment amount to increase as reserves are advanced)
Maturity Date:	May 1, 2027

2. Any provision in the Loan Agreement that provides that reserves will accrue interest from the close of the loan, will now include qualifying language to allow for non-Dutch interest.
3. The Note provides that interest will accrue on the "unpaid principal balance" rather than "the entire Loan Amount."

FOR VALUE RECEIVED, the undersigned, John Borrower ("Borrower"), whose address is 20 Pacifica, Suite 300, Irvine, California 92618, hereby promises to pay to LendCap, LLC, an Alabama limited liability company, or order ("Lender"), whose address is 42 Wallaby Way, Sydney, Alabama 99999, the principal sum of Eight Hundred Thousand and 00/100 Dollars (\$800,000.00), together with interest on the ~~entire Loan Amount~~ unpaid principal balance of this Note, as follows:

1. **Interest.** Interest on the ~~entire loan amount, including any Lender Retained Funds~~ unpaid principal balance will accrue from the date ~~any~~the proceeds have been distributed to or on behalf of the Borrower (the "Date of Advance") at an annual rate equal to Twelve and 00/100 Percent (12%). Notwithstanding the above, interest on the proceeds disbursed from the Lender Retained Funds (as defined in the Loan Agreement) shall begin to accrue upon the date the proceeds have actually been advanced to Borrower.

4. The following sentence is added to the "Interest" section of the Note:
- "Notwithstanding the above, interest on the proceeds disbursed from the Lender Retained Funds (as defined in the Loan Agreement) shall begin to accrue upon the date the proceeds have actually been advanced to Borrower."**

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5. The "Payments" section of the Note now refers to an "initial" payment and adds the following sentence:

"The payment is calculated based on the principal advanced at loan closing and shall increase based on amounts advanced."

2.2. **Initial Interest-Only Payments.** Interest-only payments shall be due and payable in consecutive monthly installments of ~~Eight~~Six Thousand ~~Nine Hundred~~ and 00/100 Dollars (~~\$8,000~~\$6,900.00) commencing with the first payment due on June 1, 2026 and continuing on the first day of every month thereafter for a period of twelve (12) consecutive months. The payment is calculated based on the principal advanced at loan closing and shall increase based on amounts advanced.

6. The "Payments" described in the Key Provisions Summary now provides that the amount will increase as funds are advanced.

Loan Amount:	\$800,000.00
Interest Rate:	12%
Number of Interest-Only Payments:	12 months
Initial Interest-Only Monthly Payment Amount:	~~\$8,000.00~~ <u>\$6,900.00</u> (Payment amount to increase as reserves are advanced)

If further assistance is needed, please reach out to support@lightningdocs.ai.

Thank you!