

# Temple View Capital, LLC Conditional Term Sheet



**Date:** July 20, 2020

**Term Sheet Expiration Date:** July 27, 2020

Dear Applicant:

We are pleased that you have requested that Temple View Capital, LLC ("TVC") and/or its affiliates, successors and assigns (collectively, the "Lender") provide a loan (as outlined below, the "Loan") to Borrower identified below. Set forth below are the principal terms that would apply to the Loan, subject to, among other things, the Lender's satisfactory completion of its due diligence and underwriting of the property and the additional collateral securing the Loan, approval of executed documentation ("Loan Documents") and receipt of final credit approvals and loan committee approval. This Term Sheet is intended to outline certain conceptual Loan terms and in no way represents a commitment on the part of Lender to enter into any portion of a transaction of the type described herein.

**Applicant Name:** Elliott Enterprise / Gillian Elliott

**Collateral Property:** 2620 Greenwood Dr, Portsmouth, VA 23701

**TVC Experience Level:** Bronze

**Loan Amount:** \$142,430.59

Note(1): Loan not to exceed \$500,000.00

Note(2): Loan not to exceed 75.00% of After Repair Value

Note(3): Loan not to exceed 80.00% of Cost

**Type of Loan:** PURCHASE + REHAB (FINANCED)

**Term:** Interest-only balloon note with a 12 month term

**Interest Rate:** 11.75% simple interest, annualized

**Monthly Mortgage Payment:** \$1,394.63; Interest-Only Payment

Due on the 1st day of each month or the preceding business day if such day is not a business date. For avoidance of doubt, Lender will auto debit Borrower's Payment Escrow Reserve account for each monthly interest-only debt service payment.

**Payment Escrow Reserves:** \$16,735.59 total monthly interest payments escrowed and funded by:

(1) \$16,735.59 = (12) months financed in the Loan Amount

(2) \$0.00 = (0) months funded as Cash at Close

Borrower is required to escrow 12 months of payments at closing, either financed in the Loan Amount (as permitted) or funded as Cash at Close.

**Loan Origination Points:** 2.00% of loan amount

**Broker Points:** 2.00% of loan amount

**As-Is Value** \$80,000.00

Purchase loans are limited by the lesser of the As-Is Value or Purchase Price. An Appraisal ordered by a lender approved AMC and subsequently desk reviewed will be required to verify the As-Is value. Loan amount may be adjusted based on acceptable appraisal.

**After Repaired Value** \$190,000.00

An Appraisal ordered by a lender approved AMC and subsequently desk reviewed will be required to verify the after-repaired value. Loan amount may be adjusted based on acceptable appraisal.

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**Rehab/Construction Escrow:** \$93,430.59 comprised of the below amounts:

- (1) Borrower Requested Rehab Budget (\$): \$70,000.00
- (2) TVC Contingency added to Rehab Budget (\$): \$6,000.00
- (3) Construction Draw Management Fee: \$695.00
- (4) Interest-Only Payment Escrow financed in Loan Amount (\$): \$16,735.59
- (5) Points financed in Loan Amount (\$): \$0.00
- (6) Fees financed in Loan Amount (\$): \$0.00

Each provided budget must be reviewed and approved by a TVC Construction manager upon receipt of the appraisal. Loan amount may be adjusted based on review should a contingency budget be deemed necessary.

**Construction Draw Management Fee:** \$695.00

One-time charge included in the Rehab/Construction Escrow

**Inspection Fee:** TVC shall inspect property prior to any draw disbursements to ensure work has been performed to TVC's satisfaction.

A \$200.00 Inspection Fee will be applied to each draw request (fee shall be deducted from draw release).

**Security:** First priority perfected: (a) mortgage, deed of trust, deed to secure debt or similar instrument covering all or a portion of the Collateral Property; (b) security interest in furniture, fixtures and equipment, personal property related to the Collateral Property and all escrow and reserve accounts; (c) assignment of leases, rents, profits, accounts receivable, other revenues, permits, licenses and contracts with respect to the Collateral Property

**Initial Underwriting Fee:** \$199.00 of the \$999.00 total Underwriting Fee

Due upon acceptance of this Term Sheet to cover credit/background report, preliminary valuation report/analysis

**Property Taxes, HOA, and Condo Fees:** Delinquent property taxes, HOA assessments and/or condo fees, if applicable, must be paid current at closing.

Ongoing property taxes, HOA, and/or condo fees to be pre-paid in an amount in accordance with TVC's underwriting guidelines. Such charges may be financed in the Loan Amount, as permitted, or funded by the borrower in cash at closing.

**Estimated Credit Score:** 750 (as per middle score of a tri-merge credit report). Loan amount and pricing may be adjusted based upon credit profile. Recorded liens and/or judgments must be cleared prior to settlement

**Subordinate Debt / 2nd Liens:** Not permitted.

**Prepayment Penalty:** None (other than the short interest due if the Loan is paid in full or in part on any day other than a monthly payment date).

**Title:** Title must be taken in name of a business entity. Loan must be personally guaranteed by all owners / members of the entity.

**Estimated Cash Required to Close:** \$38,835.22

Final figure shall be calculated by title company and reflected on HUD-1 Settlement Statement. This is an estimate only comprised of the below components.

- (1) Property Purchase Price (\$): \$80,000.00
- (2) Prior Mortgage Payoff (\$): \$0.00
- (3) Total Loan Amount (\$): -\$49,000.00
- (4) Total Fees (due at close) (\$): \$2,138.00
- (5) Interest-Only Payment Escrow funded as Cash at Close (\$): \$0.00
- (6) Borrower Earnest Money Deposit (\$): \$0.00
- (7) Seller Concession (\$): \$0.00

**Suggested Cash Position:** \$46,602.27

This Term Sheet presents the estimated cash due at closing; the Lender suggests the borrower have access to additional funds as the actual Cash Required to Close may be higher than estimated herein due to lower than expected appraisal values, higher actual fees than estimated or other factors.

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**Closing Fee Schedule:** Estimated below to be financed in the Loan Amount, as permitted, or funded by the borrower in cash at closing:

- (1) Application Fee (\$): \$0.00
- (2) Underwriting Fee (\$): \$999.00
- (3) Operations Support Fee (\$): \$0.00
- (4) Purchase Review Fee (\$): \$0.00
- (5) Tax Service Fee (\$): \$89.00
- (6) Document Preparation Fee (\$): \$125.00
- (7) 3rd Party Broker Price Opinion Fee (\$): \$125.00
- (8) Estimated Title/Settlement Fees (\$): \$800.00

**Estimated Appraisal Pass-Thru Fee** \$650.00 estimated. Due and payable prior to the appraisal order with actual cost pending a third-party appraisal firm's fee schedule.

**Builder's Risk and General Liability Insurance:** Satisfactory insurance coverage shall be specified by Underwriting Committee and will include, but is not limited to:

- (1) Builder's Risk Insurance naming TVC as mortgagee and general liability coverage designating TVC as additional insured. Coverage shall be in an amount equal to the lessor of (a) full replacement cost or (b) the loan amount
- (2) General Liability Insurance naming TVC as Additional Insured. Coverage shall be: \$500,000 per occurrence / \$1,000,000 aggregate
- (3) Flood Insurance for all properties located in a flood zone

**Guaranty:** Personal Guaranty is required

**Recourse:** The Loan shall be full recourse to Borrower and Guarantor

**Mortgagee Clause:** Temple View Capital Funding, LP  
ISAOA, ATIMA  
7550 Wisconsin Ave, 10th Floor  
Bethesda, MD 20814

**Next Steps:** Upon receipt of the executed Term Sheet, the following documentation will be sent to you for completion:

- (1) Loan Application
- (2) Track Record
- (3) Line item budget

In addition to completing the above (1-3) and returning to TVC, the following documents must be provided by the Borrower/Guarantor:

- (4) Operating Agreement / Corporate Bylaws for Borrowing Entity
- (5) Purchase & Sale Agreement (required for Purchase Transactions only)
- (6) Photo ID

The above items form an "Application Package" and are required for TVC to accept the loan request and move it from terms to our Processing Department. Appraisal, title, and any other orders related to your file cannot be completed until a full Application Package has been received

**Lender's Disclosure:** This Term Sheet is a statement of the parties general intent only and, other than the provisions set forth herein regarding the Initial Underwriting Fee (defined below) and the confidentiality provisions below together with Borrower's Acknowledgment and Certification at the end of this Term Sheet, this Term Sheet does not constitute a binding agreement among the parties. Except as set forth in the preceding sentence, no person or entity shall have any legal right or obligation under this Term Sheet. This Term Sheet is being furnished to Applicant on a confidential basis and may not be disclosed to third parties other than the undersigned's attorneys and accountants without the Lender's prior written consent and may not be relied upon by any third parties

If the foregoing terms are acceptable, please sign where indicated below and return together with the Initial Underwriting Fee prior to the Term Sheet Expiration Date. If the fully executed Term Sheet and the Initial Underwriting Fee are not received by the Term Sheet Expiration Date (or a later date as approved by an authorized employee of the Lender), this Term Sheet will expire and be null and void. Please return a fully executed copy of this Term Sheet.

The Initial Underwriting Fee will be applied by the Lender to the Lender's out-of-pocket origination costs and expenses, including, but not limited to, third party vendor fees, costs of diligence reports, title work/insurance and recording fees. In the event the Loan fails to close for any reason, the Initial Underwriting Fee will be applied by the Lender to the Lender's costs and expenses incurred in underwriting and processing the Loan. The undersigned is at all times responsible for the Lender's fees and expenses in connection with the origination of the Loan, regardless of whether the Loan closes.

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If the terms and conditions contained herein are acceptable, please sign below and return to TVC, along with any applicable fees and items needed for underwriting (as per attached Initial Documentation Checklist). Upon receipt of the fore mentioned, we will begin processing your loan request. Funding is subject to final underwriting and final loan approval. Terms and conditions are subject change and TVC reserves the right to adjust or cancel loan request at its discretion.

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Borrower

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Date

**Prepared By:**

**Tony James**

Sr. Account Executive



Phone: 240.482.2367

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TEMPLE VIEW CAPITAL FUNDING, LP™ 2016 is licensed (i) by the Financial Division of the California Department of Business Oversight as a California Finance Lender and Broker under DBO license #60DBO-73498, (ii) by the Department of Financial Institutions of Arizona as an Arizona Mortgage Banker under License # BK-1004278, (iii) in Minnesota as a Residential Mortgage Originator under License #MN-MO-1835832 , (iv) maintains its Residential First Mortgage Notification status in Utah through the Utah Department of Financial Institutions and (v) by the Division of Financial Regulation of Oregon as an Oregon Mortgage Lender under License # ML-5871.

TVC F&F LOAN SIZER VERSION 1.17.04.20200716  
TVC:ADET=PASS  
TVC:ATPT=PASS