



OLD CAPITAL

P A R T N E R S

Bridge Loan Program Overview

Underwriting Overview



Old Capital Partners Provides Bridge Financing that can fill the void that exists in institutional capital markets when your project requires:

- Flexible Terms and Conditions
- Aggressive Underwriting
- Quick Commitments/Closing
- Excellent Service

5051 Westheimer, Suite 700 Houston, Texas USA 77056

713.621.2050 Office

713.621.6432 Fax

Bridge Loan Program Overview

Old Capital Partner's ("OCP") Bridge Loan Program is primarily designed for transactions that do not currently qualify for permanent financing. The typical bridge loan transaction has a lower level of cash flow or debt service coverage than a similar-sized permanent loan. In some cases the property may have no cash flow whatsoever. The primary motivation for borrowers under OCP's Bridge Loan Program is seizing an opportunity with which the property serves as collateral. OCP is able to quickly underwrite Bridge Loan transactions which often involve unique situations that require an urgent capital need.

Bridge Loan Program Guidelines

- Eligible Properties:** We will consider Multifamily (including Senior Housing), Retail, Industrial, Office, Residential Subdivision, Hospitality, and Condo Conversion projects/properties for the following types of investments: Development; Recapitalizations; Renovations; Yield Plays; Quick Close Acquisitions, Workouts, and Gap Equity or Interim Financing needs.
- Eligible Locations:** Nationwide. While we prefer Tier I and Tier II Markets with strong market fundamentals in place we often fund transactions in small markets where project economics and collateral are compelling.
- Loan Amount:** \$1MM to \$20MM with larger transaction evaluated on a case-by-case basis.
- Coupon:** Depending upon project dynamics, sponsor suitability and deal structure rates will fall between 10% and 15% on a fixed rate, interest only basis.
- Term:** Terms from 12 months to 24 months (extension options available).
- Recourse:** Full Recourse
- Prepayment:** OCP may prohibit payment during the first six month of loan. Additionally, OCP may require an exit fee on each loan. This is determined on a case-by-case basis.
- Deal Structure:** First mortgage lien on the subject property(s), assignment of leases and rents, pledge of partnership interests, UCC filings and/or other collateral. Non-recourse options available with additional and/or cross collateralization.
- Underwriting:** OCP will fund up to a maximum 75% LTV. There is no minimum debt coverage ratio, or minimum sponsor equity requirement. Each transaction is based upon PSC's valuation of all underlying collateral.
- Fees:** **Origination Fees:** Origination Fees will vary based upon loan term and may be waived in lieu of equity/participation or increased coupon. Typical Origination Fees range from 2% - 6%
Third Party Fees: An appraisal, survey and environmental report are required. Existing reports may be acceptable, however must require approval of OCP. OCP may request updated reports if reports presented are dated.
- Time Frames:** OCP can typically close and fund Bridge Loans inside of 45 days with some transactions able to be closed inside of 30 days.

Initial Underwriting Checklist

1. If the loan is for acquisition purposes, please provide a copy of the fully executed purchase and sale agreement.
2. If the loan is for a recapitalization, please provide the original purchase price paid for the property, date of purchase and summary of current financing.
3. If the loan is for construction/renovation purposes, please provide complete construction cost breakdown.
4. Detailed Monthly Income & Expense for past 3 years if available, as well as 2003 YTD and proforma by Month.
5. Most recent appraisal and/or complete property description including photos, site plan, floor plans and area location map.
6. Complete property breakdown by type, square footage, Current Rent Roll.
7. Detailed Use of Funds Statement.
8. Detailed Capital Expenditures (Past, Present & Future).
9. Borrower Resume & Current Financial Statement.
10. Property Management Company Overview.
11. Copy of Standard Lease including tenant mix description.
12. Current Market Analysis (if available).
13. Phase 1 Environmental Survey.
14. Copy of any existing notes and deeds of trust.
15. Copy of ownership LLC and/or Partnership.

For More Information Please Contact:
Ron Bearden
Direct: 713.621.2050
info@oldcap.com