P C F I N A N C I A L C O R P O R A T I O N
Real Estate Finance and Investment

DEBT & EQUITY PROGRAMS

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DEBT & EQUITY PROGRAMS

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PERMANENT LOAN PROGRAM

Life Company and RiverSource

Loan Type:	Fixed-rate, non-recourse, permanent loan.
Amount:	\$2 to \$100 million.
Loan-to-Value:	Maximum of 75%.
Debt Coverage:	Minimum of 1.25x.
Interest Rate:	Competitive spread over the comparable Treasury (On- the-Run, 30/360).
Term:	3, 5, 7 or 10 years (15 or 20 years available for self-amortizing loans).
Amortization:	Typically 25 years, longer and IO available case-by-case.
Rate Lock:	At application.
Commitment:	Written commitment typically given within two (2) weeks of application (prior to Third Party Reports).
Application Fee:	\$5,000, payable to Columbia Management Investment Advisers LLC at application.
Placement Fee:	1.0%, payable to PC Financial Corporation at closing.
Deposit:	2.0%, good faith deposit, payable at application and fully refundable at closing.
Recourse:	Non-recourse, subject to standard carve-outs.
Prepayment:	Yield maintenance (fixed-declining available for shorter terms).
Secondary Financing:	Permitted, total debt limited to 75% to 80% of appraised value.
Assumability:	Fully assumable with payment of a 1.0% assumption fee.
Borrowing Entity:	Non-SPE acceptable.

Ground Leases:	Considered on a case-by-case basis.
Third Party Reports:	Appraisal, environmental and structural reports are required. Each report will be subject to review and approval by PC Financial and Columbia. Approximate cost for Third Party Reports, $10,000.
Legal:	Lender legal will be performed by Columbia appointed counsel. Approximate cost for Legal, $10,000 - $15,000.
TI/LC Reserves:	If applicable to property type, Tenant Improvement and Leasing Commission Reserves will be calculated and underwritten based on market conditions and tenant expiration schedule. However, TI/LC reserves are not typically collected.
Replacement Reserves:	Replacement Reserves will be calculated and underwritten based on engineering report findings. However, Replacement Reserves are not typically collected.
Tax and Insurance:	Monthly tax escrows will be collected. However, Insurance Escrows are not typically collected.
Financial Reporting:	Annual financial statements are required within 90 days of fiscal-year-end.
Documentation:	Standard documents will be utilized.

PERMANENT LOAN PROGRAM

Wall Street Conduit & Debt Funds

Loan Type:	Fixed-rate, non-recourse, permanent loan.
Amount:	$2 to $150 million.
Loan-to-Value:	Maximum of 75%.
Debt Coverage:	Minimum of 1.20x.
Interest Rate:	Competitive spread over the comparable Treasury.
Term:	10 years.
Amortization:	30 years.
Rate Lock:	Rate locked at acceptance of commitment and payment of a 2.0%, fully-refundable fee.
Commitment:	Written commitment typically given upon completion of underwriting and satisfactory review of Third Party Reports.
Application Fee:	$5,000, payable at application.
Placement Fee:	1.0%, payable to PC Financial Corporation at closing.
Deposit:	$20,000 deposit covering cost of Third Party Reports, payable at application.
Recourse:	Non-recourse, subject to standard carve-outs.
Prepayment:	Defeasance.
Secondary Financing:	Pledge of partnership interests.
Assumability:	Fully assumable with payment of a 1.0% assumption fee.
Borrowing Entity:	SPE is preferred.
Ground Leases:	Considered on a case-by-case basis.

Third Party Reports:	Appraisal, environmental and structural reports are required. Each report will be subject to review and approval by lender. Approximate cost for Third Party Reports, $12,000.
Legal:	Lender legal will be performed by lender appointed counsel. Estimated cost for Legal, $15,000+.
TI/LC Reserves:	If applicable to property type, Tenant Improvement and Leasing Commission Reserves will be calculated and underwritten based on market conditions and tenant expiration schedule. TI/LC reserves are typically collected.
Replacement Reserves:	Replacement Reserves will be calculated and underwritten based on engineering report findings. Replacement Reserves are typically collected.
Tax and Insurance:	Monthly tax and insurance escrows will be collected.
Financial Reporting:	Annual and quarterly financial statements are required.
Documentation:	Standard documents will be utilized.

PERMANENT LOAN PROGRAM

Fannie Mae - DUS

Loan Type:	Fixed-rate, non-recourse, permanent loan for multifamily properties.
Amount:	$1 to $50 million.
Loan-to-Value:	Maximum of 80%.
Debt Coverage:	Minimum of 1.20x.
Interest Rate:	Competitive spread over the comparable Treasury (30/360).
Term:	5 to 30 years.
Amortization:	Typically 25 to 30 years, shorter, fully amortizing loans also available.
Rate Lock:	Rate locked at acceptance of commitment and payment of a 2.0%, fully-refundable fee.
Commitment:	Written commitment typically given upon completion of underwriting and satisfactory review of Third Party Reports.
Application Fee:	No application fee.
Placement Fee:	1.0%, payable to PC Financial Corporation at closing.
Deposit:	$20,000 to $25,000 deposit covering cost of Third Party Reports.
Recourse:	Non-recourse, subject to standard carve-outs.
Prepayment:	Yield maintenance.
Secondary Financing:	Fannie Mae DUS 2nd mortgage permitted after 12 months, limited to 80% of appraised value.
Assumability:	Fully assumable with payment of a 1.0% assumption fee, subject to lender approval.
Borrowing Entity:	Single asset entity is preferred.

Ground Leases:	Considered on a case-by-case basis.
Third Party Reports:	Appraisal, environmental and structural reports are required. Each report will be subject to lender review and approval. Approximate cost for Third Party Reports, $10,000 to $15,000.
Legal:	Lender legal may be performed by local counsel. Estimated cost for Legal, $10,000 to $15,000.
Replacement Reserves:	Replacement Reserves will be calculated and underwritten based on engineering report findings. Replacement Reserve collection may be waived for low leverage transactions.
Tax and Insurance:	Monthly tax and insurance escrows will be collected. Interest on such escrows payable to borrower.
Financial Reporting:	Annual borrower prepared operating statement and rent roll.
Documentation:	Standard documents will be utilized.

PERMANENT SMALL LOAN PROGRAM

Multiple Lenders

Loan Type:	Fixed-rate, non-recourse, permanent loan.
Amount:	$1 million to $5 million.
Loan-to-Value:	Maximum of to 75% (80% for Multifamily).
Debt Coverage:	Minimum of 1.25x (1.20 for Multifamily).
Interest Rate:	Competitive spread over the comparable Treasury.
Term:	7 to 10 years (15 and 20 years available for fully amortizing loans).
Amortization:	25 to 30 years.
Rate Lock:	Rate locked two (2) days prior to closing.
Commitment:	Written commitment typically given upon completion of underwriting and satisfactory review of Third Party Reports.
Placement Fee:	1.0%, with a minimum of $10,000, payable to PC Financial Corporation at closing.
Deposit:	$10,000, deposit covering cost of Third Party Reports, payable at application.
Recourse:	Non-recourse, subject to standard carve-outs (borrower may elect full or partial recourse for discounted pricing).
Prepayment:	Varies by lender. Open prepayment is available.
Secondary Financing:	Not permitted.
Assumability:	Fully assumable with payment of a $5,000 assumption fee.
Borrowing Entity:	SPE is preferred.
Ground Leases:	Considered on a case-by-case basis.

Third Party Reports:	Appraisal, environmental and structural reports are required. Each report will be subject to review and approval by lender. Approximate cost for Third Party Reports, $9,000.
Legal:	Lender legal will be performed by lender appointed counsel. Estimated cost for Legal, $12,000.
TI/LC Reserves:	If applicable to property type, Tenant Improvement and Leasing Commission Reserves will be calculated and underwritten based on market conditions and tenant expiration schedule
Replacement Reserves:	Replacement Reserves will be calculated and underwritten based on engineering report findings.
Tax and Insurance:	Monthly tax and insurance escrows will be collected.
Financial Reporting:	Annual and quarterly financial statements are required.
Documentation:	Standard documents will be utilized.

MEZZANINE LOAN PROGRAM

Multiple Lenders

Loan Type:	Mezzanine loan to be used only in conjunction with the Wall Street Conduit First Mortgage Permanent Loan, described herein.
Amount:	$1 to $25 million.
Loan-to-Value:	Mezzanine loans will typically be capped at 50% to 60% of total cash funds invested in the property by Borrower. Underlying First Mortgage Loan-to-Value ceilings are 75% for office, retail, and industrial properties, 80% for apartments, and 65% for hospitality and healthcare properties.
Debt Coverage:	Target DSC levels for Mezzanine Loans will be established at 1.10x (1.20x for hospitality and healthcare), although some loans may be underwritten to lower DSC levels based on superior property characteristics, credit quality of tenants, and for other extenuating factors. DSC on the underlying First Mortgages have minimum floors of 1.25x for office, retail, and industrial properties, 1.20x for multi-family projects, and 1.40x for hospitality and healthcare properties.
Interest Rate:	Varies, minimum of 10%.
Yield Requirement:	Dependent upon risk parameters of transaction; minimum IRR of 12%.
Term:	Equal to or less than the loan term of the underlying First Mortgage.
Amortization:	Self-amortizing over the term of the loan in most cases. Loans may be interest only for loans with terms of three (3) years or less.
Application Fee:	$5,000, payable at application.
Loan Fee:	Typically 1.0%, additional front-end and/or back-end fees may be required to achieve desired yield.
Placement Fee:	1.0% to 2.0%, payable to PC Financial Corporation at closing.

Security:	Pledge of partnership interests in a bankruptcy-remote single asset SPE; second mortgage lien if available.
Recourse:	Loans may be non-recourse, partial recourse, or full recourse depending upon risk profile of transaction.
Prepayment:	Typically closed for 18 months, open to prepayment thereafter with make-whole provision to achieve target yield.
Borrowing Entity:	SPE is preferred.
Ground Leases:	Considered on a case-by-case basis.
Third Party Reports:	Lender will agree to accept Third Party Reports prepared for First Mortgage Lender whenever possible.
Legal:	Lender legal will be performed by lender appointed counsel.
Financial Reporting:	Annual and quarterly financial statements are required.
Documentation & Closing:	Standard documents will be utilized. The closing process of the Mezzanine Loan is intended to run on parallel track with the First Mortgage Loan's.

INTERIM/BRIDGE LOAN PROGRAM

Multiple Lenders

Loan Type:	Variable-rate, non-recourse, interim loan.		
Amount:	$2 to $150 million.		
	Tier 1	Tier 2	Tier 3
Loan-to-Value:	75%	80%	85%
Loan-to-Cost:	75%-80%	80%-85%	85%-90%
Debt Coverage: ***(current / stabilized)***	1.15x / 1.25x	1.05x / 1.25x	.90x / 1.30x
Interest Rate:	Competitive floating spread over the 30-day LIBOR.		
Term:	3 years.		
Amortization:	Interest only.		
Commitment:	Written commitment typically given upon completion of underwriting and satisfactory review of Third Party Reports.		
Application Fee:	$5,000, payable at application.		
Lender Fees:	Typically 1.0%, payable at closing, and a 1.0% to 2.0% exit fee.		
Placement Fee:	1.0%, payable to PC Financial Corporation at closing.		
Deposit:	Typically 0.25% good faith deposit, payable at application.		
Recourse:	Non-recourse, subject to standard carve-outs.		
Prepayment:	Fixed declining.		
Secondary Financing:	Not permitted.		
Assumability:	Not permitted.		
Borrowing Entity:	SPE is preferred.		

Ground Leases:	Considered on a case-by-case basis.
Third Party Reports:	Appraisal, environmental and structural reports are required. Each report will be subject to review and approval by lender. Approximate cost for Third Party Reports, $12,000.
Legal:	Lender legal will be performed by lender appointed counsel. Estimated cost for Legal, $10,000 to $20,000.
TI/LC Reserves:	If applicable to property type, Tenant Improvement and Leasing Commission Reserves will be calculated and underwritten based on market conditions and tenant expiration schedule.
Replacement Reserves:	Replacement Reserves will be calculated and underwritten based on engineering report findings.
Tax and Insurance:	Monthly tax and insurance escrows will be collected.
Financial Reporting:	Annual and quarterly financial statements are required.
Documentation:	Standard documents will be utilized.

CREDIT TENANT LEASE

Conduit / Life Co. / Credit Co. / Private

Loan Type:	Fixed-rate, non-recourse, permanent loan.
Amount:	$1.5 to $100 million.
Loan-to-Value:	Maximum of 95% (100% for NNN, bondable [no outs for casualty and condemnation] leases or NN leases with lease enhancement insurance).
Debt Coverage:	Minimum of 1.05x (1.00x for NNN, bondable [no outs for casualty and condemnation] leases or NN leases with lease enhancement insurance).
Interest Rate:	Competitive spread over the comparable Treasury.
Term / Amortization (years):	10/30, 15/15 or 20/20 (others available w/ self-amortizing loans, or loans that amortize to a balance that can be insured by RVI Services, Inc.).
Rate Lock:	Varies.
Application Fee:	$5,000, payable at application.
Placement Fee:	1.0%, payable to PC Financial Corporation at closing.
Deposit:	Varies, typically $12,000 deposit covering cost of Third Party Reports, payable at application.
Recourse:	Non-recourse, subject to standard carve-outs.
Prepayment:	Defeasance or yield maintenance.
Assumability:	Fully assumable with payment of a 1.0% assumption fee.
Borrowing Entity:	SPE is preferred.
Ground Leases:	Considered on a case-by-case basis.
Third Party Reports:	Appraisal, environmental and structural reports are required. Each report will be subject to review and approval by lender. Estimated cost for Third Party Reports, $12,000.

Legal:	Lender legal will be performed by lender appointed counsel. Estimated cost for Legal, \$10,000 to \$15,000.
TI/LC Reserves:	Typically not required.
Replacement Reserves:	Replacement Reserves will be calculated and underwritten based on engineering report findings. Replacement Reserves are typically collected.
Tax and Insurance:	Monthly tax and insurance escrows will be collected.
Financial Reporting:	Annual and quarterly financial statements are required.
Documentation:	Standard documents will be utilized.

EQUITY PROGRAM

Institutional / Private

Structure Type:	Joint venture, Mezzanine, Preferred Equity.
Property Type:	All product types for opportunity buys, value creation plays/rehabs, preferred equity or yield plays. Prefer apartments and industrial for new construction (very selective growth markets). 50% +/- preleasing typically required for new retail and office construction.
Amount:	$1 million and up.
Capital Structure:	Typically, PC Financial invests, or secures such investment, for 50% to 90% of equity capital with 70% to 80% Loan-to-Value debt. Structures available such that standard partner's share in upside (residual) can be increased to an amount greater than its initial capital (i.e. partner's "promote") based on added value of partner to deal.
Term:	Typically 1 to 5 year holding period. Prefer 2 to 3 year hold.
Preferred Returns .	8% to 10% on all equity invested.
Pricing	Very flexible. Preferred returns, size of promote, need for IRR lookback, equity return preference, and other deal items vary depending upon transaction risks and amount of partner equity.
Placement Fee:	Dependant upon transaction complexity and risk.