



COMMERCIAL MORTGAGE FINANCING SOLUTIONS

Attached is an introduction to NORTHERN RANGE CAPITAL CORP describing some of our unique mortgage financing programs. At Northern Range Capital we assist our clients in arranging mortgages for **Commercial, Multi-family residential and Industrial** properties.

Real estate loans come in many forms. Mortgages are the most common. Mortgages are sometimes also called a trust deed or land contract. Regardless of the form that the security instrument takes, the basic idea is the same. A mortgage is the legal agreement between a borrower and a lender, where the value of the borrowers real estate is offered as security for a loan.

We act as the intermediary (middle man) between the borrower (you) and the lender institution, which can be a bank, trust company, credit union, mortgage corporation, finance company, pension fund or even an individual private investor.

Typically, loan amounts range from 50% to 65% of the properties' value supported by strong cash flow and/or credit tenants, with terms of 1 to 5 years, paying interest only for the term of the loan. In the case where there is no cash flow, interest can be capitalized for a limited time and thereafter interest payments can be paid for the remainder of the term.

We offer bridge, mezzanine, and other hard money financial products for innovative solutions to non-conforming transactions. Loan amounts range between \$1 million and \$100+ million, anywhere in Canada, the United States, the Caribbean, Central and South America and in some European countries.

BRIDGE When conventional financing fails to meet your needs, a bridge loan can provide the speed and flexibility you need to act fast on an opportunity.

MEZZANINE If a first Mortgage falls short of your needs and your current lender won't allow subordinate financing, a short-term, interest-only mezzanine loan can make all the difference.

OTHER PRODUCTS We also can arrange creative alternatives such as sale-leasebacks, Joint venture equity transactions and permanent loans (in conjunction with bridge or mezzanine loans) among others.

Our business centers on relationships and our services are always personalized to best meet the needs of the borrower. We provide fast, flexible funding where it's needed most. I look forward to doing business with you.

Regards,
Bruce Ramsey

Telephone: 905-901-3063

Email: bruce@northernrange.ca

FEES

We do not charge any Up Front Fees whatsoever, but rather we prefer to earn a Success fee and/or Equity commission upon successful closing of a transaction.

No Up Front Fee

No Revision Fee

No Stand by Fee

No Retainer

Important Note:

Fees are always an issue with borrowers, but at the proper time, with the right proven source, they are a reality. If your local bank in your hometown requires a fee to do an appraisal, title survey, credit reports, property inspection, legal contract preparation, background check, and many other verifications to fund a house down the street, it is not realistic to expect them to fund a real estate project, in another city, province, state or country, at zero costs.

Developers that insist on paying absolutely nothing until funding will never get funded, it takes money to borrow money. Liquidity or cash on hand is definitely going to be required, and varies widely from lender to lender. Be prepared to pay lender fees/costs of some form.

In any given transaction, the **Client will be responsible for paying** the Legal Fees, Appraisal Fees, Feasibility and Marketing Report fees, Environmental report fees, Quantity surveyor fees, Land surveyor fees and any other fees related to due diligence and background checks and a Site visit. Some lenders may require that you pay the fees/costs directly to a third party for the expenses incurred or they may require that you make a deposit in order to cover these costs as they are incurred.

The availability of the money is more important than the cost. Our lenders often need to move quickly to help the seller get out of their current situation. They have to have capital available at all times in order to “make the deal happen” and paying a fee or higher interest rate is irrelevant compared to the loss of thousands of dollars in profit if the money was not available.

Please do not waste our time if you are not prepared to pay due diligence fees that may be required by the lender.

PRELIMINARY LOAN INFORMATION REQUIREMENTS

Please provide information relevant to the property type:

1. Brief statement of the prospective mortgage loan request including loan amount, loan term and amortization, interest rate preference and use of proceeds.
2. Brief description of the mortgaged property including square footage, number and type of units, year built and renovated, and parking information (including number of total spaces, covered and handicapped spaces).
3. Brief description of the borrower, principal and property manager including real estate experience and financial capacity.
4. Neighborhood map indicating location of the mortgaged property aerial competitive properties.
5. COPY OF FIRST MORTGAGE LOAN COMMITMENT (mezzanine loans only, where applicable).
6. Set of color photographs (including aerial photographs, if available) of the mortgaged property and surrounding area, including buildings and parking area.
7. Property operating statements and occupancy for (i) the past two calendar years, (ii) for retail, industrial and office properties, current year-to-date actual and remainder of the year budget, and (iii) for multi facility, hotel, self-storage, nursing home, congregate care and mobile home park properties, trailing 12-month statements, each signed, dated and certified correct by the borrower.
8. **For retail, industrial and office properties -**
Current rent roll (or other evidence of leasing status), signed, dated and certified correct by the borrower/principal, showing for each tenant, where applicable:
 - Tenant name Suite number
 - Square footage of leased space
 - Current annual base rent (with break out of amortized tenant finish)
 - Expense payment provision (pass-thru or stop)
 - Stated options or fixed renewals
 - Estimated current market rental rate of the space
 - Current status of concessions (build-out, free rent, etc.)
 - Lease commencement and expiration date
 - Percentage rent/breakpoint (retail only)
 - Current sales per square foot (retail only)
 - Vacant space
9. **For Multifamily, hotel, self-storage, congregate care, nursing home properties -** Current rent roll (or other evidence of leasing status), signed, dated, and certified correct by the borrower/principal. showing, where applicable:
 - Break-out of units, rooms, beds, or pads
 - Average square footage of units, rooms, beds, or pads
 - Occupancy of units, rooms, beds or pads
 - Current average annual or monthly rental rate
 - Estimated current market rental rate
10. Schedule of all significant capital expenditures (1) incurred during the past three years, and (ii) budgeted for the next 12 months for the mortgaged property, each signed dated and certified correct by the borrower/principal.



U.S. COMMERCIAL PROPERTY LOANS

PROPERTY TYPES:

- Income producing Multifamily, Condo, Office, Retail, Hotel, Industrial, Mixed-use

TERM:

- Flexible up to 5 years.

PREPAYMENT:

- No prepayment penalties.

LOAN TO VALUE:

- Up to 75%

RATES:

- Rates from 9% per annum.

FEES:

- As low as 2%.

LOAN SIZE:

- From \$500k to \$50+ Million

COLLATERAL:

- Real estate and other fixed or liquid assets.

CONSTRUCTION LOANS
FOR
COMMERCIAL & MULTIFAMILY REAL ESTATE
PROJECTS
U.S., CANADA AND OVERSEAS
Minimum loan \$5 million - no maximum

- Nationwide US, Canada - Overseas on a case by case basis
- Almost all property types including:
Hotels, Office, Retail, Warehouse, Multifamily, Self-Storage, MHP, RV Park, Marina, Seniors, Medical, Special Purpose, Condo, A&D, Land and more.
- Shovel ready, fully permitted with pre-leasing/sales preferred but not required
- If land free and clear shovel ready and preleasing/sales up to 100% LTC is possible
- U.S. – Up to 100% Loan to Cost (LTC) not to exceed 70% Loan to Value (LTV)
- Overseas - 65% LTC not to exceed 60% LTV
- Land only - up to 50% LTC/LTV
- 5 year mini-perm rates 6%-10% for 24 months during construction; fixed for 3 years thereafter with 20 year amortization
- Short term rates 10% - 14% up to 24 months
- Rates and points higher for overseas.
- Prepayment penalties are minimal
- 4 - 8 Point origination fee
- Traditional 3rd party reports sometimes required
- Releases for sold units
- Full personal recourse

First step for ALL construction inquires is to answer the following:

1. Is land owned already?
2. If so, is it free & clear?
3. Is it Fully permitted and shovel ready
4. Are there any presales/preleases?

Email a deal summary, with sources & uses, detailed construction budget, Personal financial statement, photos.

HOTEL LOANS & HOTEL NOTE PURCHASES (DPO)

Permanent Loan Details:

Flagged hotel, resort, suites, full/limited service, limited stay (high-end unflagged also possible.)

Nationwide US and Canada only

- Minimum \$2 million up to \$150 million
- LTV up to 75%
- Stabilized or Unstabilized
- Rate under 5.0% (subject to change) 5 & 10 year terms - 20-25 year amortization
- Points 1% payable at Closing
- 45 day closing

A or B property with A or B borrowers.

Property should be in very good condition, quality flag or destination resort, performing at better than average against competitive set defined within STAR report; quality borrower required.

Bridge Loan Details:

Flagged hotel, resort, suites, full/limited service, limited stay (quality unflagged also possible.) must comply with all PIP requirements. - Completion of construction and major rehab ok too - Nationwide US, Canada and select Caribbean countries only

We also offer ground up hotel construction financing, US and International, permitted and shovel ready even up to 100% LTC.

- **US and International**
- Minimum \$5 million up to \$500 million
- LTV up to 70%
- LTC 65% up to 100%
- Rate 6% to 15%
- Mini-perm 5 year terms - 20 year amortization
- Short term 2 years
- Points 4-11% payable at Closing
- Full personal recourse
- 45 day closing

HOTEL CAPEX AND FF&E LOANS

CapEx/FF&E financing for:

- Hotel renovations
- Property improvement plans (“PIPs”)
- Brand conversions
- Furniture, fixture and equipment (FF&E) carve out for a new construction project

Nationwide US and Canada only

These loans typically range from **\$200,000 to \$25 million** and are amortized over the useful life of the improvements, typically 3-10 years.

Transaction Size: Up to \$25 Million

Use of Proceeds: Up to 100% of cost for the acquisition of FF&E for the development of new hotel properties or the refurbishment or conversion of existing properties to include soft cost and construction related items

Interest Rate: Fixed rates from 7–10 percent based on credit review and scope of project

Typical Terms: 3 – 10 years based on useful life of the equipment (typically 5-7 years). Interest only period of up to 18 months available based on cash flow and stabilization needs.

Debt Service Coverage Ratio (DSCR) Requirements: Minimum 1.25x at stabilization (typically 18-24 months post renovation)

Leverage: Total overall debt on property not to exceed 80 percent of cost for new construction or 85 percent of stabilized value for an existing property

Recourse: Personal and/or Corporate guarantees as applicable



BRIDGE LOANS FOR VALUE-ADDED COMMERCIAL REAL ESTATE TRANSACTIONS

\$2 million - \$50 million - Non-Recourse

Continental US

Income producing and vacant commercial real estate properties including land, apartments, retail, office, warehouse, industrial, hotel, resort, senior living, self-storage, medical/hospital/nursing home, adult entertainment, marina and more.

- Busted condo deals valued as apartments.
- Land with a variety of approvals
- No personal recourse
- Up to 50% LTV/LTC on land
- Up to 80% LTV/LTC on income producing properties
- Rates start at 10%
- Term: 12-24-36 months
- 10 business days to close with all recent 3rd party reports

Caribbean Lending Too:

USVI, Anguilla, Bahamas, BVI and Turks and Caicos, Puerto Rico ONLY!!!.



RENEWABLE ENERGY FUNDING

Minimum Advance: \$5 million USD

If you're a renewable energy developer, and can obtain an absolute purchase agreement or off take agreement from a credit rated purchaser for your power, bio-diesel, etc, we can directly fund 100% of the costs of your project, for as many projects as you can operate, in any global location. The world is choking on garbage, costs of power generation go up every day, and the demand for clean, renewable energy is endless world wide.

In a world starving for renewable energy, with costs of traditional power generation tied to expensive black oil or natural gas, we are direct to multiple lenders and funding programs for verified renewable energy projects globally. Most funding solutions start at \$5 million USD and go up to no limit, and are available in any stable, location. Bio-diesel, wind, solar, waste to energy, thermal, hydroelectric, just about any renewable energy project can be funded.

Energy funding falls into two distinct categories of projects being funded, with multiple solutions available in both categories. Many of the projects we work on daily, offer the lender a strong governmental or corporate guarantee by an end purchaser of the power being generated. If this purchase agreement, usually referred to as the "off take" or "PPA" agreement is absolute, without a cancellation or termination clause of any form, and the purchaser is a credit rated corporation or government entity, rated BB+ or better by Standard & Poors or Moody's, we have multiple funding solutions in straight debt, joint venture, or sale/leaseback that can fund the project 100%, quickly, at favorable terms. The funding term will usually match the term of the PPA agreement for the power generated, to 5-30 years on a project by project basis.