



International Lending Program

Thank you for your interest in our International commercial real estate lending program. Through our international capital fund investment partners, we can provide funding for international real estate projects. Due to the complex nature of international loans, we have prepared this sheet to answer many of the most common questions regarding our policies, costs and review process.

THESE TERMS DO NOT APPLY TO PROJECT LOANS IN THE UNITED STATES.

Guideline	Terms	Notes
Minimum Loan Amount	\$5,000,000	
Maximum Loan Amount	No maximum	
Maximum LTV	<80% 80.01% - 100%	<i>80% for debt only Debt/Equity structure; requires 40-50% equity participation</i>
Purpose	Purchase Refinance Acquisition/Construction/Development Rehabilitation	
Lien Position	First position only	
Timing <i>(estimated)</i>	Term Sheet: 2-5 days Closing: 60-90 days	
Term	Up to 10-years FIXED RATE	
Location	International - <u>anywhere</u> *	<i>*Except third-world, politically unstable, or black-listed countries</i>
Interest Rates	3.00% - 4.00% FIXED	
Origination Fees	3-5 points 1-3 points	<i>For <80% LTV 80.01% - 100%</i>
Amortization	Up to 25-years	

Recourse	NON-Recourse	<i>Subject to "bad boy" carve-outs, fraud, etc.</i>
Reserves	3%-4% Liquid reserves	<i>Reserves MUST be documented at time of submission – no exceptions.</i>
Prepayment Fee	Varies	<i>As a percentage of balance.</i>
Processing Fees	\$100,000+ Retainer	<i>Due only after initial approval and pre-commitment. Placed in escrow to cover third-party expenses. Varies based upon loan amount and LTV.</i>
Office / Site Visit	Required	<i>Sponsor will be required to visit our office to present project once accepted for funding.</i>
Borrower Entity	International entities; foreign companies, etc.	

This applies ONLY to the International program. Other options MAY be available through our traditional finance program on a case-by-case basis. **WE DO NOT CHARGE UPFRONT FEES.** However, **we do not advance expenses on your behalf** either. We will conduct initial review and underwriting of the project and sponsor(s), conduct conference calls, and issue a LOI/Term Sheet in advance. You will have the opportunity to speak directly with us, any affiliates; review terms, rates, fees and anticipated expenses; and accept our loan offer – **prior to committing any funds.**

Once you have accepted our offer, then we are required to conduct due diligence on the project. This will include background & credit checks (*company and each primary principal*), project/sponsor verifications, possible site visits, third-party reports (*such as environmental, structural or engineering, etc.*), governmental permits, appraisal, insurance, bond or securitization underwriting, and similar costs. The Client is responsible for these advance expenses. As such, a performance retainer will be required to cover such costs and expenses. This amount will vary based upon the loan and anticipated expenses, and **will be fully refunded at time of closing.** We do not earn or charge any fees unless the loan closes. The performance retainer insures that necessary expenses will be covered, and upon final approval, we can commit the funds to closing. *If you do not have the proper fees available to cover the expenses, then please do NOT apply for financing through us.*

Again, we will provide you with a detailed breakdown of anticipated expenses PRIOR to your commitment, but we will not fund your advance expenses.

Submission Process

To submit a loan request under the International program, please prepare and send the following:

1. Project Submission Form
2. Detailed Executive Summary about the project, including location and project details.
3. Biographies/resumes of Principals involved in the project (*over 10% ownership*).
4. Detailed sources/use of funds for Project including detailed budget. (*MUST be in both currency of Country AND in US Dollars*).
5. Proof of LIQUID FUNDS of at least 3% of the requested loan amount – this is MANDATORY. **Your loan request will be ignored without this!**
6. Detailed financial pro forma for 5 years.

We will require more information later if the Project is accepted, but this is the MINIMUM needed for initial evaluation. Again – if all information is not submitted, your submission will be ignored and deleted.

Loan Approval & Funding Process

Our goal is to fund your project, but (*of course*) not all projects are fundable. Our system is designed to quickly discern which transactions do or do not fit our lending profile, and support the ones that do.

While every transaction is different, the basic process that we follow is the same. Here is the anticipated flow of a typical transaction:

1. Client submits Executive Summary Package for review (*must be detailed and contain all required information and attachments*).
2. Project is reviewed by our lending committee for acceptance.
3. Project is accepted (*pre-underwriting*) – LOI/Term Sheet is issued for Client review.
4. Conference call scheduled with Principals to discuss terms, process, estimated expenses, timeline, etc.
5. Client provides additional documentation and required underwriting forms/conditions.
6. Project receives approval (*conditional*). Funding Agreement issued and accepted by Client. Client visit to lender's office for project presentation.
7. Performance retainer placed in escrow; due diligence, third-party expenses, etc.
8. Full processing. Additional conference calls, due diligence, inspections, reports and conditions as required based upon project type and underwriting. Lender visit to Project site.
9. Final underwriting approval and Client acceptance of Commitment.
10. Pre-close review – valuation, legal, compliance, environmental, etc.
11. Closing package issued, executed, and funding of loan.

Please send all loan requests to:

Bruce Ramsey, E: bruce@northernrange.ca, T: 905-901-3063