

Lending Guidelines

24-hour underwriting decisions ... guaranteed!

We do what we say we'll do ... no last minute changes at closing, and we guarantee 24-hour underwriting decisions.

Property Types We Service

- Office ■
- Retail ■
- Mixed Use ■
- Industrial ■
- NOO Homes ■
- Apartments ■
- Mobile Home Parks ■
- Hotels/Motels ■
- Restaurants ■
- Gas Stations ■
- Churches ■
- RV Parks ■
- Marinas ■
- Bed and Breakfasts ■
- Auto Repair ■
- Fully Entitled Land Loans ■

Loan Specifications ...

Amount: **\$100,000 to \$2,000,000**
Loan-to-value: **Up to 75% on improved property**
Up to 50% on fully entitled land
Rates: **As low as 10.99 fixed, interest only**
Fees: **As low as 3 points**
Terms: **1-3 years**

Credit Criteria: A to D credit. In most cases, credit won't be an impediment to completing the loan transaction.

Income Verification: We do require income verification. However, we are flexible in what we utilize. If not tax returns, then P/L's, leases, rent rolls, or bank statements.

Short Term Loans: In most cases, our loans will be used as a BRIDGE to get a borrower to a more conventional loan. Our 1-5 year loan term provides a workable solution and interest-only payments make it convenient and affordable for our borrowers.

Easy Prepayment Penalty: 1% for the first six months, none thereafter.

Note: JTI underwrites based on "as is" income and value. We do not utilize projections or future value.

Hard Money Commercial Loan Checklist

- 1 Project/Property Description Overview
- 2 Pictures & Map of the Property
- 3 Preliminary Title Report (if available)
- 4 Copy of Purchase and Sale Agreement (if applicable)
- 5 Business Plan (if applicable)
- 6 Use of proceeds
- 7 Repayment Plan / Exit Strategy
- 8 Existing Appraisal Reports (if available)
- 9 Other Existing Third Party Reports
(Environmental/Engineering if available) Phase 1 & Phase 2
- 10 Comparable Rentals or Sales (if applicable)
- 11 2 Years Operating Statements of Business (if applicable)
- 12 Current Rent Roll showing concessions (if applicable)
- 13 2 Years Tax Returns of Business (if applicable)
- 14 Company Organizational Documents (if applicable)
- 15 Zoning Information (if available)
- 16 Permits/Status (if applicable)
- 17 Principal(s) Personal Financial Statements
- 18 Principal(s) Resume or Bio.
- 19 2 Years Personal Tax Returns
- 20 Copy of 1st Note, 2nd Note (if applicable)
- 21 Completed Application Form
- 22 Signed Commitment Letter
- 23 Good Faith Deposit - **Due Diligence** A deposit of \$7,500* is required before due diligence process is begun and is credited against the third party costs of underwriting: quick-sale value evaluation fee, inspections, site visit, legal costs, escrow, etc. **NOTE:** *A Commitment Fee equal to \$7,500 or ranging from .5% - 1% of the fully committed loan amount (based on our determination) will be required by the Borrower at the time of commitment typically within 14 business days.

To review your loan, please send me the following:

- **Photos of the property** – about 3 each of inside, out and the neighborhood
- **P&Ls for the subject property** - and company if it is owner occupied – last year and YTD
- **Personal Financial Statement** - on the Borrower / Guarantor
- **Executive Summary**, - concise and thorough, including:
 1. Description of Property and Use
 2. Purchase Price and Date

- **Financial Assurance** - How will you make monthly loan payments? - Will you rent it out – will it produce income?
- **Exit Strategy** - Refinance? Sell? Other? When?
- **Use of Funds**
- **Equity** – JTI lends up to 75% LTV and requires borrowers to have a minimum of 20% equity in their projects. If this is a purchase, where will the balance of funds come from?
- **Story** – Why are you seeking hard money rather than conventional financing? What ‘skeletons in the closet’ or ‘bumps in the road’ does JTI need to know about in order to provide you with a quick, reliable answer.

Stacking Order

A credit authorization form must be completed for all Borrowers and Key Principals

- (i) Last two years (plus year to date) property . financial statements or tax returns**
- (ii) Detailed Rent Roll*
- (iii) Copies of leases*
- (iv) Color pictures of property*

Include copies of any existing appraisal, environmental engineering, title and survey reports as available.

Include any purchase, sale or option contracts/agreements relative to loan as available

Include all payoff letters stating mortgage balances owed and/or real estate tax bills substantiating back taxes owed.

(i) Personal Financial Statement for Borrower & Key Principals

(ii) Past three years tax return

(iii) Tax returns and. financial statements for business entities which will act as Borrower (if applicable)

(iv) Resume or personal history description for Borrower and Key Principals

Timetable for Closing

• **Day 1** – Send JTI info needed to Issue Letter of Interest (see below).

• **Day 1/2** – JTI will review the loan package and, if approved, send you a Letter of Intent which says, in essence, “Assuming what you told us is true and the value of the property, per our appointed appraiser’s opinion, has a quick-sale value at the numbers we expect, we will lend so much money at such a rate for this amount of time, etc.”

• **Day 3** – Client reviews the Letter of Interest and Term Sheet, signs it and returns it with a down payment toward the costs of due diligence. Depending on the size and complexity of the collateral property, the borrower is asked to put down about \$7500. This sum is credited at closing against the third-party costs of underwriting, which include: review of any existing appraisals, appraiser’s consultation fee to determine the current quick-sale value of the property, site visit/inspection by JTI rep, financial document review, document preparation, legal and escrow fees. In the event that due diligence turns up a reason why the loan cannot be funded, any balance remaining from that down payment will be returned with an explanation. Due diligence funds can be paid with certified funds cashiers check, money order wired. Wiring instructions will accompany the Letter of Interest.

• **Closing for Hard Money Loans** – 2-3 weeks* from signing of Letter of Interest and receipt of down payment for due diligence costs. *If funding is needed in less than two weeks, contact us for special needs information.

BRIDGE LOANS : TERMS

Acquisition, Construction, Restructuring and Refinancing

LOAN AMOUNT: \$1,000,000 and up.

BORROWER: Management and/or ownership should be experienced. Past or present credit problems, including Chapter 11 or Chapter 7 bankruptcies are workable.

LOAN TERM: 1 to 5 years, interest only.

PREPAYMENTS: Loans may be prepaid at any time after the first anniversary of the loan with no prepayment penalties.

INTEREST RATE: A preferred interest rate typically priced at 12% to 15%.

COLLATERAL: First mortgage on land, office, multifamily, recreational, medical, warehousing, manufacturing, self-storage, hospitality (hotel/motels) or industrial properties, etc. — non-income or income-producing, located anywhere in the USA and select countries around the world.

L-T-V RATIO: 40% to 70% of As-Is Value by independent third party MAI appraisal.¹

USE OF LOAN: Proceeds may be used for land development, real estate acquisition, construction costs, equipment, working capital, closing costs or cash-out.

PROCESSING: Approvals within 24hours, commitments within 48 hours, and closings in as little as 14 business days.

EXIT FEE: In lieu of equity, a fee of 2% to 8% of the loan amount.

OTHER COSTS: Application Fee: \$15,000 - \$30,000 -- NON-REFUNDABLE if Loan Commitment is in compliance with lender's Letter of Interest.

Commitment Fee: 3% of Loan Amount.

SUBMISSIONS: Brief property description • Schedule of all proposed capital expenditures • Sources and use of proceeds statements • Appraisal, where available

¹ *As-Is Value defined as a cash sale within a 180-day marketing period*

MEZZANINE LOANS : TERMS

Acquisition, Construction, Restructuring and Refinancing

LOAN AMOUNT: \$1,000,000 and up

BORROWER: Management and/or ownership should be experienced. Past or present credit problems, including Chapter 11 or Chapter 7 bankruptcies are workable.

LOAN TERM: 1 to 5 years, interest only.

PREPAYMENTS: Loans may be prepaid at any time after the first anniversary of the loan with no prepayment penalties.

INTEREST RATE: A preferred interest rate typically priced at 12% to 15%.

COLLATERAL: Pledge of the stock of the borrowing entity, second mortgage on the real estate (if permissible), improvements and equipment. Office, recreational, medical, warehousing, manufacturing, hospitality (hotels/motels) or industrial properties. Typically income producing, located anywhere in the USA and in select countries around the world.

L-T-V RATIO: Up to 90% of the As-Is Value by independent third party MAI appraisal when combined with the first mortgage.¹

DSC RATIO: Typically, a minimum of 2.0 of Excess Cash² over mezzanine debt service.

USE OF LOAN: Proceeds may be used for land development, real estate acquisition, construction costs, equipment, working capital, closing costs, cash-out, etc..

PROCESSING: Approvals within 24 hours, commitments within 48 hours, and closings in as little as 14 business days.

EXIT FEE: In lieu of equity, a fee of 5% to 10% of the loan amount.

OTHER FEES & COSTS: Application Fee: \$15,000 - \$30,000 -- NON-REFUNDABLE if Loan Commitment is in compliance with lender's Letter of Interest.

Commitment Fee: 3% of Loan Amount.

SUBMISSIONS: Property and area description • Three years operating statements • Sources and use of proceeds statement • Information on existing debt • Borrower's financial statements • Schedule of all proposed capital expenditures • Appraisal, if available

¹ As-Is Value defined as a cash sale within a 180-day marketing period

² Excess cash: NOI – 1st mortgage debt service

CONSTRUCTION LOANS : TERMS

Acquisition & Construction

LOAN AMOUNT: \$1,000,000 and up.

BORROWER: Owner/developer with track record.

LOAN TERM: 1 to 3 years, interest only.

PREPAYMENTS: Loans may be prepaid at any time, after a lockout period, with no prepayment penalties.

INTEREST RATE: Interest rates start at 12%. Interest is paid monthly on the amount drawn based on the disbursement schedule. Allowances are made for prepayments of interest during the construction period.

COLLATERAL: First-mortgage on land and existing structures. Borrowers must personally guarantee all notes. On larger loans completion/construction bond by G.C. and/or Letter of Credit from investment grade institution.

L-T-V RATIO: Up to 50% of the As-Is Value¹ by independent third party MAI appraisal, up to 70% of approved infrastructure development costs, and up to 80% of approved vertical development costs.

USE OF LOAN: Proceeds may be used for construction costs, real estate acquisition, and related costs.

PROCESSING: Completed loan application, title report, appraisal, project overview, proposed building plans, cost projection for disbursement schedule, proof of funds for purchase of land, two years personal and corporate tax returns. Approvals within 24 hours, commitments within 48 hours.

EXIT FEE: 2% to 8% of loan amount in lieu of equity.

OTHER COSTS: Application Fee: \$15,000 to \$30,000, which is NON-REFUNDABLE if the Letter of Interest is in compliance with lender's Commitment.

Commitment Fee: 3% of Loan Amount, payable 1% to 3% percent at commitment and the balance at closing.

SUBMISSIONS: Borrower's financial statements and tax returns for 2 years • Brief property description • Sources and use of proceeds statements • Appraisal, if available.

¹ *As-Is Value defined as a cash sale within a 180-day marketing period.*

LAND LOANS : TERMS

Acquisition & Development

LOAN AMOUNT: \$1,000,000 and up.

BORROWER: Owner/developer with track record.

LOAN TERM: 1 to 3 years, interest only.

PREPAYMENTS: Loans may be prepaid at any time, after a lockout period, with no prepayment penalties.

INTEREST RATE: Interest rates start at 12%. Interest is paid monthly on the amount drawn based on the disbursement schedule. Allowances are made for prepayments of interest during the construction period.

COLLATERAL: First-mortgage on land and existing structures. Borrower must personally guarantee all notes. On larger loans completion/construction bond by G.C. and/or Letter of Credit from investment grade institution.

L-T-V RATIO: Up to 50% of the As-Is Value¹ by independent third party MAI appraisal and up to 60% of approved infrastructure development costs.

USE OF LOAN: Proceeds may be used for construction costs, real estate acquisition, and closing costs.

PROCESSING: Completed loan application, title report, appraisal, project overview, proposed building plans, cost projection for disbursement schedule, proof of funds for purchase of land, two years personal and corporate tax returns. Approvals within 24hours, commitments within 48 hours, and closings in as little as 14 business days.

OTHER COSTS: Application Fee: \$15,000 to \$30,000, which is NON-REFUNDABLE if the letter of interest is in compliance with lender's Commitment.

Commitment Fee: 3% of Loan Amount payable 1% to 3% percent at commitment and the balance at closing.

Exit Fee: Up to 8% of loan amount in lieu of equity.

SUBMISSIONS: Brief property description • Budget • Sources and use of proceeds statements & Appraisal, if available

¹ *As-Is Value defined as a cash sale within a 180-day marketing period.*

DOCUMENTATION FOR LOANS

Please provide information relevant to property type:

1. Brief statement of the prospective mortgage loan request (including loan amount, sources and use of funds, 'as-is' value, 'as-complete' value, budget, and exit strategy).
2. Brief description of the mortgaged property including location, square footage, acreage, 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 and competitive properties.
5. Copy of first mortgage loan commitment, if applicable.
6. Copy of Site plan or building layout/floor plan.
7. Set of color photographs (including aerial photographs, if available) of the mortgaged property and surrounding area including buildings and parking area.
8. Property operating statements and occupancy for the past two calendar years. For retail, industrial and office properties, include current year-to-date actual and remainder of the year budget. For multifamily, hotel, self-storage, nursing home, congregate care and mobile home park properties, include trailing 12-month statements. Each signed, dated and certified correct by the borrower.
9. For retail, industrial and office properties only- Current rent roll (or other evidence of leasing status), signed, dated, and certified correct by the borrower/principal, detailing the following information 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)
10. Schedule of all significant capital expenditures incurred during the past three years, and budgeted for the next 12 months for the Mortgaged Property. Each signed, dated and certified correct by the borrower/principal.

Items For Private Financing Loans

24-hour underwriting decisions ... guaranteed!

Items needed for 24-hour Underwriting:

1. 1003 Loan Application or current financial statement (less than 6 months old)
2. Signed Tax Returns for 2 most recent years. (Corporate and Individual, if applicable.)
3. Borrower's credit report.
4. YTD Operating Statement for subject Property
5. Rent rolls and copies of all rental/lease agreements.
6. Appraisal or Documentation of Estimated Value
7. Written "Use of Proceeds" letter
8. Color pictures of subject property

*Note: JTI underwrites based on **as is** income and value. We do not utilize projections.*

Additional items needed to close transaction

1. Title Report (if available) -- Have ordered.
2. Purchase and Sale Agreement, if applicable.
3. Attorney opinion letter regarding applicability of State Usury Laws
4. Insurance Agent name and phone number.
5. Current year property tax statement for all parcels.
6. Assignment of appraisal and appraiser's authorization to use the appraisal in a public offering.

If the Borrower is a Corporation/LLC/Partnership or Trust:

1. Articles of Incorporation.
2. Corporate Resolution authorizing the loan, and the officer(s) authorized to execute the loan documents.
3. LLC Certificate of Organization and Operating Agreement (Resolution required).
4. Copies of the Partnership/ Trust Agreement.

JTI Funding
 PO BOX 3112
 Warrenton, VA 20188
 Phone: 540.341.4180

Fax the following to your Apex Loan Officer:

1. LOAN REQUEST FORM	3. TRI-MERGED CREDIT REPORT
2. LOAN APPLICATION (1003)	(dated within 30 days)
4. APPRAISAL, IF AVAILABLE	
Please Fax to 815-572-0099	

LOAN REQUEST FORM

SOURCE

BROKER	PHONE (INCLUDING EXT.)	FAX
CONTACT	E-MAIL ADDRESS	LICENSE TYPE <input type="checkbox"/> BROKER <input type="checkbox"/> LENDER

ADMINISTRATION

JTI ACCOUNT EXECUTIVE	CALL CENTER REPRESENTATIVE Dex Johnson	SUBMISSION DATE
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BORROWER(S)

NAME	NAME #2
GUARANTOR	GUARANTOR #2
CREDIT SCORES	CREDIT SCORES

BORROWER(S) WILL BE

<input type="checkbox"/> INDIVIDUAL(S)	<input type="checkbox"/> CORPORATION/LLC [TIN _____]
<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> OTHER (PLEASE SPECIFY): _____
<input type="checkbox"/> % OF CORPORATION OWNED BY BORROWER _____	

PROPERTY

ADDRESS	CITY	STATE	ZIP
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COMMERCIAL PROPERTY TYPE

TIER 1 <input type="checkbox"/> MULTIFAMILY <input type="checkbox"/> MIXED-USE TIER 2 <input type="checkbox"/> OFFICE <input type="checkbox"/> RETAIL <input type="checkbox"/> WAREHOUSE <input type="checkbox"/> MOBILE HOME PARK (less than 25% RV) <input type="checkbox"/> SELF-STORAGE <input type="checkbox"/> AUTO SERVICES	TIER 3 <input type="checkbox"/> FLAGGED HOSPITALITY <input type="checkbox"/> ROOMING HOUSE <input type="checkbox"/> MARINAS (w/ Ocean Access) <input type="checkbox"/> CAMPGROUND <input type="checkbox"/> BED & BREAKFAST	TIER 4 <input type="checkbox"/> DAY CARE CENTER <input type="checkbox"/> UNFLAGGED HOSPITALITY <input type="checkbox"/> EDUCATION <input type="checkbox"/> RESTAURANT <input type="checkbox"/> CAR WASH <input type="checkbox"/> MOBILE HOME PARK (greater than 25% RV) <input type="checkbox"/> GOLF COURSE <input type="checkbox"/> LIGHT INDUSTRIAL <input type="checkbox"/> FUNERAL HOMES	<input type="checkbox"/> MARINAS (w/lake access only) <input type="checkbox"/> RV PARK (no mobile homes) <input type="checkbox"/> SPECIAL PURPOSE (describe) _____ _____ _____
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NO. OF UNITS	OCCUPANCY%	OWNER OCCUPANCY %	OTHER COMMENTS
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OCCUPANCY <input type="checkbox"/> BUSINESS OWNER OPERATED <input type="checkbox"/> BUSINESS INVESTMENT	PRIMARY RESIDENCE DOES BORROWER RESIDE IN PROPERTY? <input type="checkbox"/> YES <input type="checkbox"/> NO
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PROPOSED LOAN TRANSACTION

LOAN PROGRAM <input type="checkbox"/> 2/6 MONTH PRIME ARM <input type="checkbox"/> FIXED <input type="checkbox"/> 5/6 MONTH PRIME ARM <input type="checkbox"/> 1 YEAR ARM	PURPOSE <input type="checkbox"/> PURCHASE <input type="checkbox"/> RATE/TERM REFI <input type="checkbox"/> CASH-OUT REFI
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REAL ESTATE VALUE \$	SOURCE OF VALUE <input type="checkbox"/> APPRAISAL <input type="checkbox"/> SALES PRICE (IF PURCHASE) <input type="checkbox"/> ESTIMATE	APPRAISAL DATE
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REQUESTED LOAN AMT \$	LTV %	CLTV %	SOURCE OF 2ND	GIFTS \$
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ORIGINAL COST (REFI) \$	USE OF PROCEEDS (REFI)	CLOSING COSTS: \$ _____	CASH-OUT: \$ _____
DATE PURCHASED ____/____/____	PAY OFF MTG: \$ _____	PAY OFF TAXES: \$ _____	PURPOSE OF C/O: _____

RATE	TERM <input type="checkbox"/> 15 YEAR <input type="checkbox"/> 20 YEAR <input type="checkbox"/> 25 YEAR <input type="checkbox"/> 30 YEAR	JTI DISCOUNT POINTS 3 pts	BROKER POINTS Up to 2 pts	YIELD SPREAD TO BROKER n/a
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PLEASE CONSULT YOUR LOAN OFFICER ON PREPAYMENT PENALTIES THAT APPLY BASED ON TERM OF LOAN

COMMENTS

The broker must disclose any ownership interest maintained in any service provider as well as any other conflict of interest in transaction.
 Apex is authorized to send any and all communications, rate sheets, product information and advertisements to the facsimile number provided above. **BROKER SIGNATURE** _____