Project Example #1

- $7.8MM refinance of 80 acre parcel of serviced industrial lots located in Red Deer, Alberta.
- Fund Usage:
  - Payout existing debt
  - Retire existing payables
  - Interest Reserve and Fees
- Security taken included 1st Mortgage, Personal and Corporate Guarantees.

Project Example #1

- Project Economics:
  - Price list provided indicated a project value of $21.9MM (~ $286M/acre)
  - Recent lot sold at $265M/acre. JayCap valued the properties at this price for a total LTV of 37%.
  - JayCap into the project at $91.7M/acre

Project Example #1

- Weaknesses to Deal:
  - Some new industrial parks were coming online
  - Majority of guarantors' net worth was tied up in the project
  - Red Deer had been a slow market over the past 3 yrs
- Mitigating Factors:
  - Low LTV of 37%
  - An improved outlook for both Oil and Gas
  - Borrower's purchased lots in 05' and 06' for around $15M/acre. This allowed them to drop prices easily if required.
  - JayCap has a viable exit strategy, if required, simply sell the lots at a discount. (JayCap in at $91.7M/acre)

Project Example #2

- $3.8MM Interim acquisition/Construction Loan
- Asset was a 40,000sqft office/warehouse located in Calgary, Alberta.
- Funded in two phases
  - $2.125MM for Acquisition of property (61% of purchase price)
  - $1.675MM for development/construction
- History with client:
  - The borrower's main principle had performed on similar projects with JayCap prior to this funding request.

Project Example #2

- Project Economics:
  - Total LTC was 75%
  - Total LTV (as per complete) was 60%
  - 75% pre-leased (30,000sqft)
  - As complete appraised value of $6.4MM
- Exit Strategy:
  - Once project was complete and fully leased, a conventional mortgage could likely be obtained at 60% of value and an estimated DSCR of 1.75 times

Project Example #2

- Weaknesses to Deal:
  - Budget Risk
  - Marketing Risk – Would it be fully leased by loan maturity?
- Mitigating Factors:
  - Past experience with Borrower was such that this was in his scope of expertise. A QS was also brought in to monitor the project progress
  - Market absorption rates within the project area indicated a demand for this type of space as complete