Great-West Life – Sample Deal No. 1

1st Mortgage:	$20 million
Property Type:	Luxury Apartment “Grand Lyon Terrace”
Size:	130 Suites
Location:	South Winnipeg

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Great-West Life – Sample Deal No. 1

Challenges

- Construction Risk (2-year construction / lease-up)
- Borrower wanted to lock in 10-year mortgage rate
- Luxury apartment with rents at upper end of market
- New project with no operating history

Solutions

- **Construction Risk and No Operating History:**
  - Experienced / reputable apartment developer
  - Substantial cash equity
  - Advances on cost-to-complete basis
- **Securing 10-Year Mortgage Rate Prior to Construction:**
  - GWL priced over 12-year GOC bond
  - GWL funds full loan into escrow
  - Borrower draws loan on cost-to-complete basis

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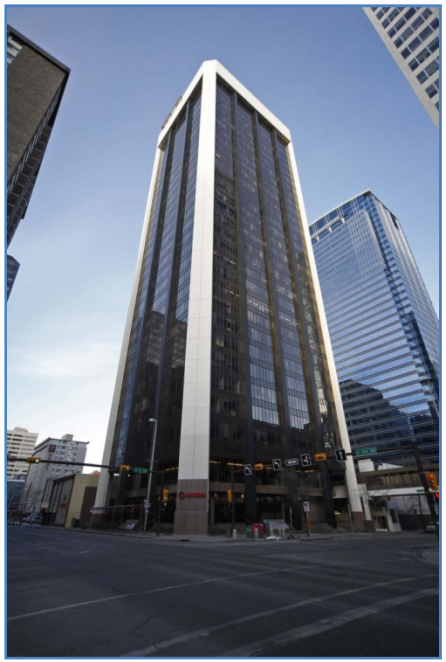
Great-West Life – Sample Deal No. 2



Existing 1st Mortgage:	$40 million
New Money:	+ $15 million
Total Loan Amount:	$55 million
Property Type:	Class “A” Office “Altius Centre”
Size:	307,000 SF
Location:	Downtown Calgary

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Great-West Life – Sample Deal No. 2

Challenges

- Meet mortgage needs of purchaser with funds for closing…19 business days from "concept" to "funding"
- Borrower wanted to take advantage of 10-year rate
- Collapse existing $40 million mortgage maturing in 2016
- Quick approval required for new $55 million mortgage
  - 10-year term / 30-year amortization, 30% LTV
- Allow secondary financing of $55 million
  - 10-year term / 30-year amortization, 60% LTV

Solutions

- **Favourable Yield Maintenance Calculation:**
  - GOC Bonds + GWL "Reinvestment Spread"
- **"Speed" Strategies:**
  1. Skip term sheet
  2. Provide draft Commitment Letter prior to approval
  3. Title Insurance
  4. Pay lawyers by the hour….
  5. Approval Philosophy
  6. Constant Communication

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