



Rehab Program 100% Financing with Profit Participation Arrangement

Pelorus Equity Group ("PEG") now offers an innovative **"no cash down" rehab program**. The Pelorus **80% ARV** program provides more 100% of the loan costs. The loan and equity component includes the purchase price, up to 100% of the rehab budget, six months of prepaid interest payments, and lender costs; provided that they are no more than 80% of the After-Repaired-Value (ARV). The program requires borrowers be **prequalified** and **only experienced** rehab investors with a **proven track record** will get the best pricing.

Loan Structure:

	Pelorus Equity Group
Lien	1 st position - w/ personal guarantee, but to a <u>corporate entity</u> .
LTV	50% Max (based on ARV appraisal)
Points	4 and \$1,750
Rate	12% interest only
Term	1 year
Interest Reserve	6 months w/ 3 months non-refundable
Rehab Budget	Up to 100% and held in fund control
	Mezzanine Lender
Equity	Non-recourse (except for fraud)
CLTV	80% Max
Points	4
Rate	12% interest only
Term:	Up to 12 months
Interest Reserve	Up to 6 months w/ 3 months non-refundable
Fee	<u>Onetime fee of \$2,997, payable when 1st transaction is ready to close.</u>

Profit Split: (Borrower's Split / Mezzanine Lender's Split)

Term	Experienced Pricing	Standard Pricing
0-90 days	70% / 30%	50% / 50%
91-120 days	60% / 40%	40% / 60%
121-150 days	50% / 50%	30% / 70%
151-180 days	40% / 60%	20% / 80%
181+ *	0% / 100%	0% / 100%

Special Features:

The entire capital stack includes closing costs, up to 100% of the rehab budget and six months pre-paid interest payments of which three months non-refundable and are included with a maximum of 80% ARV.

Borrower Pre-qualification:

All Borrowers must be **pre-qualified** by the Gap Lender prior to submitting any transactions for loan approval. Experienced rehabbers need to show **three completed rehab transactions within the past 24 months**. Exceptions may be granted on a case-by-case basis such as meeting higher liquidity reserves, or assigned purchase contract for the future sale of the property with an all cash buyer or a preapproved lender. If the an exception is granted the profit split

*Max term 12 months and all loans are subject to lender approval. Terms are subject to change on a case by case basis.