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YEAR 2003 IN REVIEW, A FEW NOTEWORTHY CLOSINGS & PASSINGS

LAND FINANCING

\$5,900,000 was funded for restructuring the debt on a 23 acre site located in Palm Springs, California. The site is improved with 7 lots ready for development, and an open and operating service station. **The loan provided "cash-out" to the borrower and no appraisal, no good faith deposit, and no commitment fee required.**

\$11,400,000 was funded to provide capital to complete the infrastructure of Phase I of a five phased 2,028 acre PUD in Bakersfield, California. The funds will prepare lots for master builder purchases, payoff existing debt and provide **several million dollars in "cash-out" to the borrowers.** The **financing structure was non-recourse** and included releases for the lot sales.

\$2,450,000 was funded to provide capital for an acquisition loan for 54 acres in a master planned development in Evans, Colorado. **Non-recourse land financing.**

INCOME PROPERTY

\$8,250,000 conduit refinance fixed rate loan, on an existing shopping center, **anchored by a regional supermarket** chain in Oroville, California. Non-recourse financing.

\$5,500,000 interim loan was funded on a partially completed 25,000 SF two story office over retail building 50% pre-leased in Aliso Viejo, California. **The loan allowed for \$2,900,000 cash out to the developer.**

RATE CHANGES FROM JANUARY - DECEMBER 2003

Prime Rate: 4.25% - 4.00%
10 Yr T-Bill: 4.16% - 4.38%
1 Mo. LIBOR: 1.38% - 1.12%

STRUCTURED FINANCING

\$41,500,000 was funded to provide capital for an Acquisition and Development loan on an 180,000 SF vacant Kmart Building. Our client entered into a 60-day escrow with no tenant lease in place. **Grace Capital structured bank financing for 93% of the cost to acquire and develop with no profit participation.**

\$6,392,250 construction loan and \$1,450,000 mezzanine loan for a **90% loan-to-cost A&D loan** to acquire an existing 22-unit apartment building which will be razed to build 13 "for sale" townhomes in the Mission Beach area of San Diego, California with anticipated **sale prices in excess of \$625/sf.** The **loan funded prior to having all the local and coastal commission approvals.**

CREDIT TENANT FINANCING

\$37,000,000 Life Insurance Company **7-month Forward Commitment** application was issued, **for a 25 year loan** secured by a Lowe's HIW & Michaels Crafts Retail Center, **priced at a 1.30 spread, 75% LTV, and 1.12 DCR.** **This equates to approximately 5.60% fixed for 25 years!!!**

INSPIRATION

" Yes, we are fully confident, and we would rather be away from these bodies, for then we will be at home with the Lord"

2 Corinthians 5:8

Two friends and colleagues, Craig Jones and Alan Vieira went home to be with the Lord in 2003. Our prayers & condolences are sent to their family and friends.