



**2010 MORTGAGE ORIGINATION STRATEGY  
UNIFI COMPANIES  
CONSTRUCTION/PERMANENT LOAN PROGRAM**

<b><u>Property Types:</u></b>	Owner-occupied or credit tenant properties.
<b><u>Location:</u></b>	Focus is on MSA's with populations of at least 50,000, and good long-term growth prospects within regions serviced by our core mortgage banking correspondents.
<b><u>Loan Size:</u></b>	\$1,000,000 to \$4,000,000. Will selectively consider transactions outside this range.
<b><u>Term/Amortization:</u></b>	Self-liquidating mortgages of up to 20 years. Term loans where the term is no less than half the amortization period, to a maximum of 20 years. Debt service is interest-only during the construction period, then regular amortization during permanent loan.
<b><u>Loan to Value Ratio:</u></b>	Maximum 75% based on appraised value.
<b><u>Debt Coverage:</u></b>	Typically 1.30x on 20-year amortization. Lower coverage allowable with shorter amortization, or with verifiable investment grade-credit tenancy.
<b><u>Borrower Guarantee:</u></b>	Full recourse required during the construction period, then recourse sought on a case-by-case basis during permanent loan term, with personal guarantees on the loan or lease necessary for owner-occupied properties.
<b><u>Rates:</u></b>	Competitive, and based on market conditions. Typically priced over U.S. Treasuries. Rates are locked at application for the life of the loan.
<b><u>Deposits:</u></b>	Par Lender. Borrower pays all out-of-pocket costs. Application deposit of 1% required prior to rate lock and loan approval. An additional 1% deposit required at acceptance of commitment. All deposits returned if the loan closes in accordance with commitment terms, after return of recorded documents and any other outstanding items.
<b><u>Placement Fees:</u></b>	Typical fees range from \$12,000-\$15,000. Covers Lender inspection, loan administration and legal expenses. Negotiable based on specific deal size and attributes.
<b><u>Leasing:</u></b>	Stabilized leasing required before commitment, typically by owner-occupied tenancy or a long-term lease to credit-worthy third party tenant.
<b><u>Assumption Rights:</u></b>	Available on a case-by-case basis, negotiated in advance. Typical fee is 1.0-1.5% of the then-current balance, with a portion paid to the correspondent based on their efforts during the assumption.
<b><u>Prepayment:</u></b>	Yield Maintenance with a minimum 1% fee. No lockout. Alternative pre-payment terms also available with enhanced loan pricing.
<b><u>Escrow:</u></b>	Real estate tax and insurance escrows typically required. Other escrows may be necessary, based on the property type and use.
<b><u>Construction Documents:</u></b>	Copies of plans, specifications, construction contract and all licenses and permits for the construction of the security are required in advance of initial funding.
<b><u>Contractor's Bond:</u></b>	Performance and payment bond in an amount equal to the cost of the improvements, issued by a bonding company approved by Lender, typically required.



- Draw Schedule:** Disbursements of portions of the Loan shall be made in accordance with a construction draw schedule and trade payment breakdown to be agreed upon by Lender and Borrower prior to the first advance. Disbursements made once per month Typical retainage of 10% of monthly draws issued upon completion of construction.
- Construction Inspections:** Typically required, by an independent inspecting engineer, before monthly draws are issued. Engineer reviews the progress and quality of the construction with all such fees paid by Borrower.
- Appraisal:** Full narrative appraisal required, indicating stabilized value.
- Environmental:** Phase I audit using current ASTM and Lender protocol required, by Lender's designated reporting firms.
- Seismic:** Seismic report required, using current ASTM and Lender protocol, by Lender's designated reporting firms, for properties located in Seismic Zones 3 or 4.
- Geotechnical Report:** Report on the soils and other subsurface matters relating to the Security using Lender protocol required, by Lender's designated reporting firms.
- Title Insurance And Survey:** Title insurance and survey required, using current ALTA and Lender protocol. Survey requirement can be waived by Lender if survey exception is removed by the issuer of Lender's title insurance policy.