



Real Estate Development Loan: Commitment Letter

DATE

Please contact with any questions:

Angie Williamson
Jumpstart Philly
Philly Office Retail LLC
Angie@PhillyOfficeRetail.com
215-247-5555

Property Address:

Borrower(s):

Mailing Address:

Email Address:

Cell Phone Number:

Jumpstart Philly LLC (Lender) is pleased to issue you a loan commitment to purchase, renovate and sell or rent the above property with the following loan terms, conditions and requirements:

Approved Loan Terms

Purchase Price:

Acquisition Costs:

Purchase and Acquisition:

Estimated Construction Costs:

Estimated Total Project Cost:

Loan to Cost Ratio: 85% or

Loan Costs (2% loan fee and legal fees):

Maximum Loan Amount:

Current Interest Rate:

The interest rate resets on the first of every month.

Loan Type: Interest only

Estimated Monthly Payments:

Loan Conditions and Requirement

Title insurance, for amount of maximum loan, is required.

Dwelling and liability coverage for the property is required. Dwelling policy amount no less than the maximum loan amount, liability policy at least \$500,000. Must name "Philly Office Retail LLC" and "Jumpstart Philly LLC" as additional insured and loss payees.

Insurance policy must be paid one year in advance.

All contractors must be licensed in the City of Philadelphia and must carry workers' comp and/or liability insurance policies.

Real Estate taxes must be paid in full through end of the calendar year. Borrower is responsible for paying all taxes during life of the loan.

Total borrower equity contribution to project must be paid at closing or in first draw.

Open End Construction Mortgage and Assignment of Rents & Leases to be recorded.

This loan is not assumable nor transferrable.

This loan may be prepaid in part or in full at any time without penalty.

Lender must approve all leases on the property until the loan is paid in full.

All costs and expenses related to this loan and property acquisition (financing, legal, permits, environmental, title, recording, transfer tax, seller's certification, credit check, etc.) are the responsibility of the Borrower.

Personal guarantee by Borrower(s), and/or its members/shareholders, required.

Borrower Responsibilities

Provide agreement of sale or proof of property ownership.

2% loan commitment fee and legal fee can be financed.

Monthly interest only loan payments are due after loan has been fully advanced or construction is complete. Accounts not paid within 30 days are subject to a 10% monthly late fee on overdue balance.

The interest rate resets on the first of every month. The rate is set at 350 basis points over Lender's cost of funds. Once closed, Borrower's interest rate is fixed.

Funding will be advanced as work is completed. No construction funds will be disbursed at settlement.

Loan must be paid in full within 12 months.

Borrower may extend the loan deadline for 3 months at a time by paying 2% of the full original loan amount for each extension. Loan extensions not paid within 10 days are subject to a 10% monthly late fee on overdue balance. A maximum of 2 three-month extensions are allowed.

Legal Fee of \$275 for one entity with 1-2 members, or up to 2 individuals. Any additional members, entities, or individuals incur a legal fee of \$125 per person. Aforementioned fees apply only if mortgage and promissory note templates are used, actual cost charged if legal negotiations are required.

\$1,500 Commitment Fee is due at time this Loan Commitment Letter is signed and submitted. This fee covers up to four draw inspections. Additional draw inspections may be conducted for \$250 each.

Provide proof of funds in a form acceptable to Lender.

Provide proof of additional collateral, if applicable.

Order title insurance from a licensed and reputable title insurance company.

Obtain all necessary permits and approvals for the work to be performed.

Provide pricing from at least three contractors (may be waived if Borrower is serving as general contractor).

Provide Lender with proper documentation if purchasing as a business entity (i.e. operating agreement for LLC).

Provide copy of Borrower's City of Philadelphia Commercial Activity License prior to Lender funding first draw.

If buy and hold, provide last three years of personal tax returns.

If buy and sell, at least three comparable house values must be submitted.

If buy and hold, pro forma, acceptable to Lender, must be submitted.

Lender Responsibilities

Provide completed credit check with a credit score acceptable to Lender.

Provide Seller's Certification so all property violations are known and acceptable to Lender.

Final inspection and review of construction scope/costs.

Title to Property and Title Insurance

Jumpstart Philly, LLC must have first lien position on the property. The title to the property must be acceptable to Lender and the property must comply with all zoning regulations. Insurance policy must be in effect on the closing date.

Closing

At closing, Borrower must sign all of the customary mortgage documents. Borrower will be required to provide identifying documents such as a driver's license or passport or similar identifying documents.

Acceptance

To accept this commitment, Borrower must sign below and return this commitment letter to Lender with a non-refundable commitment fee of \$1,500 within 15 days from the date of this letter. Please mail or deliver to: Jumpstart Philly, 4701 Germantown Avenue - 3rd Floor, Philadelphia, PA 19144.

This agreement cannot be changed orally and will expire 30 days after the date of this letter. By signing below, Borrower understands and agrees that Jumpstart Philly, LLC will run a personal credit check on Borrower.

Ken Weinstein
President, Jumpstart Philly

Estimated Loan Costs

2% Loan Financing Fee

Commitment Fee (includes up to four draw inspections): \$1,500

Legal Fee: \$275 for one entity with 1-2 members, or up to 2 individuals. Any additional members, entities, or individuals incur a legal fee of \$125 per person. Aforementioned fees apply only if mortgage and promissory note templates are used, actual cost charged if legal negotiations are required.

Estimated Monthly interest only loan payments (after loan is fully advanced): \$

*Interest on the loan begins to accrue upon each disbursement of funds. No loan payments, however, will be due until the loan has been fully advanced and the final draw has been paid. The accrued interest will then be added to your total loan amount.

On the first day of the month following the last draw, and each subsequent month thereafter, an interest only loan payment will be due until the property has been sold or refinanced. If monthly loan payments are not received within a 10 day grace period, you will be assessed a late penalty equal to 10% of the overdue balance.

Acquisition and Closing Costs

Please contact your title insurance company for estimates on the following costs:

Real Estate Transfer Tax

Recording Fees

Prepaid insurance for one year (check with insurance company)

Real estate taxes through end of the current calendar year

Title Insurance