



Land Financing

Income Property  
Loans

Hard Money

Equity Capital

Credit Tenant  
Financing

Mortgage Purchases

[www.gracecapital.com](http://www.gracecapital.com)

FIRST QUARTER 2003

## Financing Updates

### LAND FINANCING

In 2002 Grace Capital Group did approximately \$35 Million in land financing transactions.

In 2003 we expect to do over \$75 Million!

This is the result of commercial banks pulling away from land financing. We have both debt and equity available for commercial and residential land projects nationwide.

### INCOME PROPERTIES

Did you know that Fannie Mae Rates were this low...

Fixed Rates starting at approximately 4.06% \*

Adjustable rates starting at approximately 2.84% \*

What are you waiting for?

### HARD MONEY

There is a huge amount of capital available for hard money loans because investors are taking cash out of money market accounts, and putting it in loans secured by commercial real estate.

Hard Money available from \$750,000 to \$20 Million.

### EQUITY CAPITAL STRUCTURES

Most equity is being structured as participating debt or mezzanine financing, which is less expensive than traditional equity. Equity is available for land, commercial properties and residential development. Grace Capital Group has equity available for small projects ranging from \$500,000 - \$2 Million, as well as equity for larger projects.

### CREDIT TENANT FINANCING

Credit Tenant Financing is gaining greater interest given the low returns in the money markets. Grace Capital can finance CTL properties up to 100% of cost, provided the lease terms support a 1.03% debt coverage ratio and the tenant is investment grade.

### RECENTLY CLOSED LOAN

\$11,400,000 was funded in March 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. The PUD was entitled and ready for the final map on the first phase once the financing was in place.

### ECONOMIC UPDATES

• For the first time this year, Investors will begin to shift their focus from the war in Iraq back to the struggling U.S. economy. Investors are hopeful for a rebound now that the military conflict in Iraq is finishing.

• The President discussed the Stock Market with Small Business Owners. In his speech the President said "The removal of double taxation will put more money into the hands of investors, it would encourage more investment in American businesses. Economists say that this plan will help our stock markets. And since half of American families own stock, the reform will help them save and help our economy grow."

- A dramatic 108,000 jobs were lost in March.
- Overall construction spending is contracting.
- Overall consumer spending is down.