

## AZNORTH Capital Deal Information Sheet

### I. AZNORTH Capital Investment Criteria (Please make sure your transaction fits the criteria)

1. **Deal size**: \$1-20 million

2. **Investment Products:**

#### **Debt Transactions**

- Security: First Trust
- Investment Profile: Commercial properties
- Rate: 12-15%
- Fees: 1-3%
- Term: 1-4 years
- Investment Strategy: Short term bridge loans with defined exit strategies on income producing assets

#### **Equity/Distressed Transactions**

- Security: Joint Venture Equity, Preferred Equity or Participating Debt
- Investment Profile: Commercial properties, land, condominiums, special situations
- Return Requirements: 18-25% IRR, 1.75x minimum profit multiple
- Term: 1-4 years
- Investment Strategy: Non-performing note purchases, project recapitalizations, opportunistic acquisitions, special situations

3. **Asset types**: Commercial, land (finished lots highly preferred) condos, note purchases

4. **Asset Classes we do not do**: Hospitality, healthcare, non real-estate

## II. Underwriting Philosophy

### 1. We focus on the exit strategy.

#### **Income Properties**

- Exit NOI (how derived)
- Exit cap rate
- Exit loan constant
- Basis per square foot

#### **For Sale Properties**

- Sales price
- Recent comps
- Basis per foot/lot/unit etc.

### 2. We prefer deals that have been ‘pre-underwritten.’ We expect the mortgage banker or the sponsor to have pre-underwritten the transaction so they can easily speak to:

- Proposed deal structure
- Exit underwriting assumptions
- Proposed capital stack
- Proposed sources and uses

## III. KEY DATA POINTS: AZNORTH needs the following information in order to make a quick assessment (in the initial presentation, less is more):

1. Asset type
2. Location/market (near which major airport)
3. Financing request
4. Use of funds
5. Existing debt? If yes:
  - Maturity date
  - Outstanding balance
  - Name of lender
6. Current (in place) NOI
7. Sources and uses of funds: In most cases, this will be:
  - Current
  - Proposed
8. Total current cost basis: per foot, per door, etc.
9. AZNORTH proposed basis: per foot, per door, etc.
10. Exit strategy: (what has to happen for the deal to work?)

11. Exit metrics

Sale:

- Exit NOI
- Exit cap rate

Refinance:

- Exit NOI
- Exit cap rate
- Assumed LTV
- Assumed constant
- Resulting debt service coverage

12. Proposed term

13. Market color: Describe the market

14. Proposed pricing

15. Sponsor: Name of sponsor and a short background

**IF LAND (please answer all of the above, PLUS the following)**

1. Approval status: As-is, today
2. Proposed improvements/cost to complete:
3. Total basis (investment) per lot when finished
4. Sales price today of homes (buildings) in the market
5. Value of finished product (homes) at the peak
6. Any recent sales (within last six months)

**IV. Responding to AZNORTH:**

In the beginning, less is more and will allow for a faster response. If you put the above information into a Blackberry-friendly email, you will get an even faster response.

**AZNORTH Deal Review:**

Deal review is lead by Jeremy Bach. He can be reached at:

[Jeremy@aznorthcapital.com](mailto:Jeremy@aznorthcapital.com)

928-300-4440

Tom Brewster can be reached at:

[Tom@aznorthcapital.com](mailto:Tom@aznorthcapital.com)

928-853-3639