

Acquisition Financing - Program Summary

Loan Amount LTV	Minimum loan amount = \$100,000 Maximum loan amount = \$750,000 Maximum PCG Loan to Value (LTV) = 50% of Valuation	Buyer's Personal Credit	Minimum average of 625 score (two repositories) No unsatisfied liens > \$1,000 Max 1x90 past 24 months Previous bankruptcy and/or foreclosure is not permitted
Loan Term	6 year (72 month) loan term 7 year term available on an exception basis Shorter annualized terms available upon request	Buyer Documentation	Personal financial statement and resume to support acquisition Two years of tax returns with all schedules and pages Buyer's financials must support a personal positive net worth
Interest Rate	Fixed rate fully amortized loan Rates are at the lower end of credit card rates for risk capital Rates buydowns available - terms are subject to change without notice	Guaranty	All loans are the obligation of the borrowing entity Owner or controlling partner will provide individual guaranty Spouse of owner or controlling partner must execute guaranty
Down Payment	A minimum of 20% down payment from the buyer(s) <20% down payment available (minimum 10%) with two options 1) Corresponding % decrease in PCG maximum advance 2) Corresponding % holdback (12 to 30 months) of seller loan proceeds	Security & Liens	1st lien on all tangible & intangible assets related to business Lien required on primary residence for a minimum of 2 years After 2 years lien can be released if buyer makes timely payments No Liens required on primary residence in CA, MI, NY, & TX
Seller Note	Seller must retain a minimum of 20% interest in the business Terms of the note must be greater than or equal to PCG terms Interest Only (stand-by) notes are permissible Seller note must be subordinated to Pendarvis Capital lien	Business Premises	If owned by buyer, mortgage is required on the real estate If rented, assignment of landlord lease with right to cure Pictures must be provided (interior, exterior, street scene) Location must be amenable to type of business
Fees	Seller - Non-refundable application fee with two (2) options: Option 1) \$500, paid prior to issuing seller listing pre-qual letter Option 2) \$1000, paid from seller's net closing proceeds Buyer - 4% origination fee financed above the loan (non-refundable)	Valuation Methodology	Business value for lending purposes arrived at by reviewing: Contracted sales price, cash flow analysis (SDE), industry valuation guide(s) and independent third party business appraisal. The lesser of the sales price or business valuation is used
Underwriting Deposit	Buyer must sign and deliver executed Underwriting Agreement UW deposit of the > of 1% or \$1,500 required prior to submission Deposit is refundable (less actual expense) if PCG denies loan	Transaction Summary	PCG Loan Amount = Max 50% of Valuation A minimum of 20% from Buyer & 20% from Seller (Note) Remaining 10% is from buyer and/or seller

Program Criteria & Information

Must be evidence of a strong "buyer fit" to successfully operate new business
Provide detailed business background (Complete Business Review) with reason for sale
Seller Discretionary Earnings (SDE) cash flow must be provided & warranted by the seller
SDE to cover loan, "lifestyle" min of \$75k & support buyer's personal debt service
Funds are to be sourced from the buyer(s) and seasoned for 60 days

Seller Documentation Analysis

Three years' business tax returns & financials (P&L) along with seller warranted SDE
Six months of recent bank statements - all pages to support YTD cash flow
Verification of rent from landlord reflecting paid as agreed
Satisfactory review of Dunn & Bradstreet, Paynet, UCC filings and business license(s)

Acquisition Financing Information

Program is for the purchase of existing businesses only (3 yrs financials/cash flow)
PCG issued pre-qualification letter available on seller business listings
All buyers must have documented legal residence status
Prepayment = unpaid principal and unearned interest
Products and programs are subject to change w/o notice - additional info maybe required

Business Analysis & Eligibility

Businesses with undue customer concentration or uniquely identified with seller are excluded
Businesses with legal, regulatory, environmental or compliance issues are excluded
Mortgage brokers, mining companies, adult entertainment businesses are ineligible
Target Market: Hands on ownership - Main street businesses - Stable/growth industries

Funding acquisitions for the American dream of business ownership