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Company of the Month: UC Funding, LLC is a national real estate finance company that has closed over \$500 million in transactions

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UC Funding, LLC is a national, diversified, real estate finance company, founded in 2010 and headquartered in Boston, with offices in New York and Miami. UC Funding provides commercial real estate financing solutions throughout the United States having closed over \$500 million in commercial real estate investments, on its own balance sheet, since its inception with a current pipeline of over \$1 billion. Headed by 25-year industry veteran Dan Palmier and a team of seasoned real estate executives, the firm offers a wide range of capital solutions to its customers, inclusive of specialty finance bridge loans, mezzanine, equity and permanent loans. The firm's production, to date, is comprised of over 70 investments with a growing national geographic footprint. UC Funding has differentiated itself for its ability to close transactions rapidly and offer highly leveraged investments, providing its clients with the ability to exploit opportunities that require lightning fast speed of execution. UC is known as a "one stop shop" for capital solutions, as it also provides permanent loans through Fannie Mae, Freddie Mac, FHA and its newly formed conduit. The innovation of the UC Funding platform, which offers attractive rates as low as 5% on first mortgage bridge loans, has been developed and perfected over the course of decades in the business, as most of the senior management team has been together for over 10 years.

Moreover, UC Funding's growing base of repeat customers has come to value the firm's unique approach to lending. The core values and competitive advantages that embody the firm's entrepreneurial spirit include creativity, speed, service, expertise and reliability. A vertically integrated firm that originates, underwrites and services all of its loans, UC Funding places a strong emphasis on cultivating relationships and delivering a high level of customer service from the initial loan screening through closing and ultimately the loan maturity.

As a full-service capital provider, UC Funding originates a wide range of financial products, from shorter term bridge loans to 5 to 10 year permanent financing, while also offering subordinate debt and equity financing solutions to its clients. The firm's loan origination focus does not emphasize a specific class of asset or geographic region; rather, the company has sought to forge strong financial partnerships with groups that demonstrate a successful track record of performance, and whom desire flexible and creative capital to expand their portfolio. In addition, UC Funding employs a real estate-centric focus to its credit evaluation of each loan which has enabled the firm to aggressively pursue opportunities in which the intrinsic value of the asset is understated.

A few examples of UC Funding's customized, unique approach to lending/investing are summarized in the below deal capsules.

The firm closed a \$28.2 million first mortgage loan secured by 400 units multifamily property in Birmingham, AL, closing the transaction in under 30 days and providing over 90% of the total

capitalization for a first time client. Within 12 months of closing, UC had originated a \$25 million permanent loan at sub 4% with 2 years interest only, converting its remaining investment to a joint venture equity position. The yield to equity after servicing the new first mortgage is in excess of 20%, creating substantial value for UC Funding's partners.

In December 2012, UC Funding closed a \$6 million acquisition bridge loan, its third loan with that Sponsor, to reposition a market rate multifamily and convert it to student housing. The property is located 2 miles north of the University of Arizona main campus in Tucson, AZ. The loan closing occurred in under 30 days from the time of term sheet execution, at an interest rate of 7.5%. This repeat customer has closed over \$30 million in loans with UC Funding over the past 18 months.

UC Funding closed a \$27.5 million hybrid first mortgage and mezzanine loan in February 2012 for a southern California developer. The loan structure enabled the sponsor to acquire an irreplaceable land site and office condominium tower in Santa Monica, CA while investing only \$2 million in equity. The 11 day quick closing enabled the sponsor to capitalize on a below market price and realize a substantial equity return 90 days after the UCF loan closed.

In July 2013, UCF closed the second of two first mortgage loans for a Philadelphia-based developer. The loans are secured by premier, in-fill land sites that the sponsor is positioning through extensive site work, architectural plans and entitlement approvals for a large scale multifamily development.

In January 2013, UC Funding closed a \$6.3 million senior construction loan toward the rehabilitation of a vacant apartment project in Atlanta, GA. The sponsor, a first time client of the firm, is a locally based owner operator with a successful track record in "value add" construction projects. The loan was structured with a 24 month initial term, one 12-month extension and a 6.25% interest rate.

In February 2013, UC Funding closed a 98% LTC, \$12.1 million first mortgage bridge loan in Charlotte, N.C., secured by a 300 unit class B+ apartment property. The sponsor, another repeat customer of the firm, has closed over \$50 million in loans with UC Funding in the past 24 months, including a similar project in Durham, N.C. this past December. Both transactions closed in under 3 weeks from the signed term sheet, and the sponsor contributed less than 5% of the total capitalization. The ability to close quickly enabled the sponsor to secure a substantial discount to market value on each transaction, and the highly leveraged execution enabled the Sponsor to retain 100% of the project's upside.