



# Pura Vida

CAPITAL GROUP

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**Funding Guidelines  
Program Information**

## The Solution

**Pura Vida Capital Group** is a solution based funding program, with a focus on construction/development funding, throughout the US, Canada, Central America, the Caribbean, and other locations case by case.

PVCG is a direct lender thru various entities based on location, and we underwrite, process, and review internally. Funding is based on many factors, but the focus is always, a Quality Project, in the right Location, with the right development team from the Developer to the Architect/Engineer, General Contractors, Project Management and Review.

Direct Fund means just that. We are not brokers, and we are not representing third party funds. Our capital is derived internally, and our lending is decided by our team, period. PVCG is the check writer, the underwriter, the decision maker, and your Funding Solution.

Our primary target projects **are those that can meet our project funding guidelines:**

Funding is offered to developers with “skin in the game,” a verified track record, the net worth to complete the project if funded at the requested level and the experience to make it happen, on time and within budget.

The project must be shovel-ready or within 90 days at closing, fully-verified in all aspects, and offering a product acceptable to their target market of buyers and location.

**Verification.** We do extensive underwriting and verification of the borrower, project equity, loan to value, projected income, loan-to-costs, permitting and approvals, exit, marketing, management and construction strategies as well as loan repayment via the documents you submit and our site inspection.



**Construction/ Development Focus.**

We distribute the loan amount over an agreed-to draw schedule with monthly disbursements. We fund in a one-time close, combining a construction loan rolling into a permanent loan.

**Equity Invested.** We accept projects with 10% plus equity invested by the developers prior to our funding for straight debt. Less means joint venture funding only. Our funding programs may go as high as 80% to 85% funding in a junior venture program, but do not exceed 70% to 80% for straight debt, requiring a 20% to 30% down payment. Smaller down payments equal joint venture only.

**Loan to Value.** Typically, we require 80% loan-to-value of the project at the completion of construction and income stabilization. We never fund 100% of costs from closing forward. Junior ventures will require a 10% to 19% down payment; debt structures require a 20% to 30% down payment.





## Project Documentation.

Pura Vida requires all project documentation be professionally prepared, fully describing the project under the funding guidelines offered, rate and term, etc. In some cases, we will require third-party verification and feasibility of the project. As a recognized project funding source, most well-prepared, well-documented and real projects find their way to our offices eventually. We carefully screen, analyze and investigate each project to determine:

1. Equity invested prior to funding
2. Borrower ability and experience
3. Liquidity, down payment and net worth
4. Permits and approvals
5. The right plan, product, and documentation for the local economy, price points, etc.
6. Construction, architect, engineers and management involved
7. Inspection, verifications and draw schedules
8. Strategies for construction, management, marketing, sales and exit
9. Full location analysis, value and site inspections with third-party verifications
10. Proper structure for the location, mortgage, trust or SPV

## Typical Funding Process

Our funding programs have been specifically designed to eliminate all of the “BS” that surrounds the various scams, lenders who can no longer fund but still collect upfront fees and brokers pretending to be lenders.

Let’s keep it simple. We have clear and concise guidelines with specific requirements for a project to see, understand and follow to the closing table. We do not have bogus fees for underwriting, processing or any of the scam junk fees floating around the internet. Our program follows a clear path, defined to the borrower on day one, no surprises, no junk fees, with full verification of the borrower, the project and our fund, period.

We are very aggressive in rate and term, and require lower down payments than institutional lenders or banks. We offer both debt and joint venture funding, which will be Non-Recourse on completion to individual shareholders in the borrowing entity with Recourse to the borrowing entity, LLC or corporation.

We have programs for both debt and joint venture for construction/development, and offer both acquisition and refinance loans for existing cash-flowing assets in the United States.

We do not accept submissions involving broker chains or unrealistic fee structures involving brokers.

Our funding process will follow these steps, adjusted to your specific project, fund amount, location and type of funding required:

## **PROJECT SUBMISSION**

The process begins with our receipt of the appropriate submission form detailing your project. This “snapshot” of the project tells us if you meet the general guidelines. What do you bring to the table? What do you need us to fund and how? This submission form is available on our website or via your broker. It needs to be completed under the directions, keystroked (not handwritten) with the basic information supplied to each question. Incomplete submissions, those referring to other documents, handwritten, or not meeting our guidelines are discarded.

We typically receive over 100 submissions each month. Our processors simply delete any documents not following the instructions and not completed 100%. Submissions meeting our general guidelines are then discussed with the borrower/developer and their team to answer any questions we have, obtain additional intel we need and a general review of our program requirements, down payments and other costs, if any. If all parties to those calls agree, the submission is presented to our team, and we issue a Funding Proposal.

## **The Funding Proposal (FP) is the first document we issue to the borrower.**

This is a non-binding proposal, that details one or more funding programs we believe the project qualifies for. It is not an offer, Letter of Intent (LOI) or approval.

The FP will define a preliminary funding amount, down payment (for debt, joint venture or both), with funding options available to the borrower based on our internal review of the project.

The FP also provides a list of the initial underwriting documents we need. This normally requires a full business plan, proforma cash flow projections, construction draw schedule, line item description of equity invested, expanded resumes on the borrower(s), information on permits and approvals, land contracts and leases, product being developed, strategies for marketing, sales, management, construction, debt service and exit.

The Funding Proposal specifies our verification of the borrower and project through the entire funding process and discusses our site visit once you have supplied the required documents for underwriting.

The borrower evaluates the options for debt and/or joint venture, the respective requirements and then executes and returns the FP to us.

**For the Site Inspection** the borrower furnishes the underwriting documents listed in the FP and our team works through the underwriting. We require a site inspection with borrowers present. This is usually scheduled when we are at the 70% to 75% level of underwriting. This is necessary to determine our final approval and issuance of the LOI and eventual closing.

The site visit can take from one to four days, depending on the size of the project, location and funding amount. Projects with a lot of moving pieces, or those not adequately detailed in the documents provided, may be longer; one-asset projects that are fully documented can typically be completed in one to two days. We will verify all information supplied prior to or during the visit.

**The site visit** is usually your only cost to Pura Vida Capital Group prior to full approval and our intent to fund. The borrower will make the travel arrangements for business class air travel, lodging, ground transportation while on-site, meeting rooms and other necessary reservations.

We will need you and your full team to be present, available to us, with all project documents in hard

copy as well as electronic form during the inspections and discussions. We will furnish a suggested agenda of the main discussions and with whom we need to meet—usually architects, engineers, municipal officials, general contractor and your legal team among others.

## **Immediately following a successful site visit, we will issue a Letter of Intent.**

The LOI, assuming there are no material issues on the site visit, will be issued with an Intent to Fund following the site visit.

The LOI will detail any remaining underwriting issues, request the final documents relating to the project, amended to any changes agreed on the site visit, and detail any additional requirements to proceed to Final Approval and Closing.

The LOI will lock in your terms and conditions for funding, and detail the documents relating to the debt or JV program we have agreed to. Your Recourse position or Non-Recourse will be locked in.

The borrower entity, mortgage, trust or SPV based on location of the project (and as discussed during the site visit) is detailed.



## The LOI will detail all items to be discussed prior to the actual closing including:

- Specifics on the down payment amount
- Down payment amount and escrow
- Third-party verification of your construction budget and cash flow projections
- Environmental studies
- Insurance
- Construction firms being used
- Permitting and approvals
- Construction draw account
- Title and property insurance at closing

Any remaining issues to obtain your final approval and closing instructions will be listed.

When you and your team have met all conditions for closing in the LOI, we begin the closing process. The closing process will include any final underwriting, full verification of your budgets, line item construction costs, permitting, compliance to code for architectural and engineering, verification of site plans, zoning, ownership and environmental issues (if any).

These verifications are performed by third party firms, approved by Pura Vida and employed by the borrower as detailed in your LOI.

The Commitment to Fund (CTF) is issued at completion of the above, and at that point, Pura Vida is ready to close. Your down payment escrow/trust is set up, the closing packages are reviewed (as detailed in the Commitment) and the closing is scheduled.

Due Diligence: Once you have furnished all remaining project documentation listed in the LOI, executed the CTF, and before you move forward with closing packages, down payments, etc., you will be furnished verification of our funding program. This will be attorney to attorney, bank to bank, or via a POF of the construction amount. It will not involve previous projects funded, clients or contact info for either. As a private lender lending our funds, we operate under various state and federal regulations and NCND agreements required at all closings with all clients, brokers, et al.

If a bank, attorney or a POF is not sufficient, we will not be the right funding program for you or your clients.

## Final Approval and Closing Instructions:

*When both parties are satisfied with deal structure and due diligence, we will issue and put in place the final requirements for closing and issue an Approval for Closing.*

Your down payment will be placed into the bank under two scenarios: your options include placing the funds in escrow with Pura Vida, under a signed and binding escrow agreement, or into an attorney-controlled trust



created for your project. Attorney escrow accounts require a monthly fee from borrower to attorney, and an executed escrow agreement between the parties. Attorney escrow accounts are controlled by Florida law, escrows may be bonded and/or insured at an additional monthly cost to borrower, and under the sole signature of the closing attorney closing your loan. This is an attorney appointed by Pura Vida Capital Group, not the borrower.

Closing will be based on the time it takes your attorney and ours to agree on our detailed closing package. Closing will be conducted by our attorneys at either a title company or local attorney in the location of the project. US/Canada projects are closed via US attorneys and international projects are closed via a local trust or fideicomiso (escrow).

Draws can typically be disbursed as soon as mortgages are recorded for US locations; trusts are filed for international locations. Draws are disbursed by lender on monthly, or quarterly schedules selected by borrower, via direct wire transfer/deposit as outlined in the CTE.

## Project Guidelines Real Estate

Pura Vida is a construction/development-specific fund and we typically do not fund acquisitions, bridge loans, mezzanines or refs. Submissions are accepted starting at USD 10 million and up. USA, Canada, Mexico, Central America and Caribbean projects are considered for both straight debt and joint ventures. All other locations are straight debt only or case by case for joint venture. Our program considers all types of real estate development including multi-family, hospitality, mixed-use commercial and retail, golf clubs, marinas, offices, condominiums, large-scale resorts, medical facilities, assisted living, memory care, sport/recreational, casinos, redevelopment and more.

For resort projects located in either the Caribbean or Central America, and in our joint venture program, we will also provide single-family, condo

and time-share mortgages to qualified buyers (US and Canadian citizens) within the resort at favorable terms and conditions. Projects must meet individual guidelines for size, type, location, loan-to-costs, loan-to-value and total funding required.

We do not fund 100% in any circumstance and require a cash down payment in all cases regardless of equity invested, appraised value or firms involved.

Direct or broker submissions are welcome, but brokers must be direct to project—no broker chains.

Pura Vida works with CPACE, ground leases, and various bridge/mezzanine programs with third-party providers.



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## Renewable Energy

Our Renewable Energy program is similar to the Real Estate Fund except:

- **Funds all renewable and green energy projects globally**
- **Minimum funding amount is USD 25 million**
- **We require a confirmed offtake agreement or PPA with an approved buyer**
- **We require additional insurance for business interruption coverage**
- **Our underwriting will include heavy emphasis on the technology, equipment and management operating agreements**

Down payment requirements will be based on the strength of the PPA, offtaker, the total funding amount, the specific draw schedule and equipment deposits, and may be less than our real estate program on projects. For investment-grade deals, higher loan to costs and reduced down payments may be available.

## SOVEREIGN, CORPORATE, MERGERS & ACQUISITIONS

We require a sovereign, corporate or infrastructure project/developer to be investment-graded BBB+ or higher according to Moody's, Standard & Poor, Fitch or similar rating agency.

The program begins at USD 100 million and higher. Submissions for smaller amounts should be approved by Pura Vida prior to submitting. Our emphasis for projects above USD 500 million will be via a direct issued bond program, and below via correspondent direct fund.

Down Payments for these programs are typically less than our other funds. Submissions requiring 100% funding are not accepted. Bonds and sovereign funds will have significant pre-closing costs for underwriting by the bond agencies, legal and direct bank fees.

This program does not have an upper limit for investment-graded entities and larger funding amounts are available.

We often can combine multiple projects together with one developer, offering a line of credit for a joint venture with Pura Vida Capitol Group or other loan structures to fit the need.



## STRAIGHT DEBT VERSUS JOINT VENTURE DEBT PROGRAM

Requires 20% to 30% down payment. Down payment may be reduced from 30% based on verified hard-dollar equity invested by borrower prior to closing, subject to the detailed draw schedule required.

## JOINT VENTURES

- **Require down payment of 10% to 20%**
- **Require liquid net worth of 2% to 10%**

We do not accept equity invested in non-project related items or common overhead expenses or paper equity from appraisals in either debt or joint venture.

Rate, term and equity positions are determined project by project, on loan to value, loan to costs, down payment, project type, funding amount, draw schedule and location.

The aforementioned ratios assume a USD 25 million funding amount and may vary with smaller or larger closings. Assumptions include monthly construction draws do not exceed USD 2 million, and typical construction is completed in 12 months for a shovel-ready project on land owned by the borrower.

## BROKER REFERRALS

We accept project submissions from professional brokers each and every day, so if you are a broker, welcome to Pura Vida Capital Group. If you are being represented by a Broker, no issue.

We require a clear and completed project submission with full disclosure of all parties to the transaction. Brokers must be direct to the project and have signed agreements stating so. All brokers must be covered by an executed NCND and fee agreement with Pura Vida prior to closing.

We do not accept broker chains of any form and brokers with unrealistic fee requirements or expectations. Professionals that can follow our guidelines and be a part of the process, not a hindrance to it, are always welcome. You will find when working with Pura Vida, you have a trusted direct funding source for multiple clients in the years to come.

Our referral fee to brokers is set in stone, signed prior to your providing detailed information on your client, and ranges from one percent of funding up to USD 100 million, and decreasing on a sliding scale for funding amounts exceeding USD 100 million. All fees are paid directly by Pura Vida Capital Group, and there are no side agreements, commissions, additional fees, ownership in the project, borrower entity or compensation allowed in any form under any name. Violation of this policy will terminate the submission, your registration of the client, and—if post-closing—will be a loan default by borrower, resulting in loss of the funding and/or the project.



## For Every Circumstance, We Have A Solution

Our program can be customized for large-scale developers with multiple projects, groups of projects in a specific sector/geography or for qualified developers with unique situations/projects/strategies/concepts.

We frequently have special programs available for specific sectors or geographies that may offer a lower down payment and higher LTV in a joint venture with Pura Vida and designated funds set aside for the program. If so, we can discuss in the submission process.

We appreciate the time you have taken to review our information. Pura Vida is ready to discuss your project, requirements and unique situation.

You can always email us at [info@PuraVidaCapitolGroup.com](mailto:info@PuraVidaCapitolGroup.com) with questions or information requests. Project submission forms are available at our website for download at [www.PuraVidaCapitolGroup.com](http://www.PuraVidaCapitolGroup.com)

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The information and funding program contained herein is subject to market changes at any time prior to closing without prior notice to the reader or client.

