



FLOORPLAN REFERENCE GUIDE

CHRYSLER
CAPITAL.



FLOORPLAN

New Vehicles

- » Maximum advance is 100% of factory invoice (dealer cost)

Non-Factory Auction Used Vehicles

- » Maximum advance is limited to “clean wholesale” values published in Black Book, Kelley Blue Book or other approved vehicle valuation guidebook
- » Maximum advance rates are generally set between 75–90% of cost or wholesale guidebook value
- » No advances on used vehicles with a value less than \$5,000
- » Only current and prior six model year vehicles are eligible for floorplan financing; for example, in calendar year 2019, model years 2013 and newer are eligible

Factory Auction Used

- » Maximum advance on used vehicles purchased at auction within 30 days is limited to 100% of dealer cost plus reasonable, related auction fees

Credit Lines

- » Sublimits for new and used lines are established
- » Days supply is typically limited to 150 days for new and 90 days for used
 - Credit lines can be adjusted to accommodate current inventory levels and seasonal build-out periods

Rates

- » Floating, based on 30-day LIBOR index (updated on the first of each month)
- » Spread over the index is established based on size of account and credit quality, along with understanding of market-specific competitive landscape

Cash Management Accounts

- » Offset amount limited to a percentage of floorplan outstandings
- » Eligible earning rate equal to floorplan rate
- » FDIC insured up to \$250,000

Curtailments

- » New: 10% after 12 months and every 30 days thereafter
- » Demonstrators/Shop Rental: 2.5% monthly principal reduction of the original outstanding balance; after 365 days on floorplan, curtailments will increase to 10% monthly
- » Used: 10% after six months and every 30 days thereafter with balance due in the 12th month



FLOORPLAN

Payments

- » Interest billed monthly on outstanding inventory
- » Principal repaid after unit is sold, subject to a release period as follows:
 - The earlier of either three business days from funding or 10 business days from delivery
 - Retail/lease proceeds will be used to clear floorplan obligation

Audits/Collateral Inspection

- » Chrysler Capital may inspect the collateral without notice at any time during normal business hours

Collateral/Security

- » Priority security interest in all tangible and intangible assets of the dealership
- » Personal guaranty of all owners

Insurance Coverage

- » Dealer shall maintain sufficient comprehensive and collision insurance with respect to the floorplan collateral with a company satisfactory to Chrysler Capital
 - Santander Bank, N.A listed as lender loss payee in ALL instances
- » Chrysler Capital offers competitive insurance through its insurance partner, Risk Point



REAL ESTATE LOANS

Purpose

- » Fund the purchase of the primary dealership real estate and supporting facilities/parcels of land

Loan to Value (LTV)

- » Maximum 80%
- » Lesser of purchase price or Made As Intended (MAI) appraisal

Terms

- » Maximum seven-year term with a 20-year amortization

Credit Underwriting

- » Positive cash flow along with other standard financial ratios

Collateral

- » First deed of trust for the land and buildings
- » Priority security interest in all tangible and intangible assets of the dealership
- » Assignment of lease and rents
- » Guaranty of all owners
- » Cross-collateralization, cross-default and cross-guaranty of all indebtedness to Chrysler Capital

Pricing

- » Fixed is based on the corresponding index plus a spread
- » Floating is based on the 30-day LIBOR plus a spread
- » Interest rate swaps are also available

Closing Items

- » MAI appraisal ordered by Chrysler Capital (lender arranged)
- » Phase 1 Environmental Site Assessment (ESA)
- » American Land and Title Association (ALTA) Survey
- » Title company to close loan
- » Local counsel ensure security documents are state compliant (mortgage or deed, loan security agreement, etc.)
- » Proper insurance to cover replacement costs (flood insurance, etc.)



TERM LOAN (WCL)

Purpose

- » Provide working capital to the dealership

Terms

- » Maximum seven-year term with a matching amortization

Credit Underwriting

- » Positive cash flow along with other standard financial ratios

Collateral

- » Priority security interest in all tangible and intangible assets of the dealership
- » Guaranty of all owners
- » Cross-collateralization, cross-default and cross-guaranty of all indebtedness to Chrysler Capital

Pricing

- » Fixed is based on the corresponding index plus a spread
- » Floating is based on the 30-day LIBOR plus a spread
- » Interest rate swaps are also available

Closing Items

- » Proper insurance to cover replacement costs of the dealership's personal property or the collateral for the loan
- » Loan security agreement



REVOLVING LINES OF CREDIT

Purpose

- » Provide working capital to the dealership

Loan to Value

- » Maximum 75% of the dealership's Tangible Asset Value (TAV), consisting of parts, equipment, furniture/fixtures, vehicle equity

Terms

- » 12 months with annual renewals

Credit Underwriting

- » Positive cash flow along with other standard financial ratios

Collateral

- » Priority security interest in all tangible and intangible assets of the dealership
- » Guaranty of all owners
- » Cross-collateralization, cross-default and cross-guaranty of all indebtedness to Chrysler Capital

Pricing

- » Floating based on the 30-day LIBOR plus a spread

Closing Items

- » Proper insurance to cover replacement costs of the dealership's personal property or the collateral for the loan
- » Loan security agreement

Purpose

- » Partially finance the acquisition of a dealership's assets

Loan to Value (LTV)

- » Assumes substantial franchise value to support the advance (determined by a multiple of EBITA and viability)

Terms

- » Maximum seven-year term with a matching amortization

Credit Underwriting

- » Debt Service Coverage Ratio covenant required

Collateral

- » Priority security interest in all tangible and intangible assets of the dealership
- » Guaranty of all owners
- » Cross-collateralization, cross-default and cross-guaranty of all indebtedness to Chrysler Capital

Pricing

- » Fixed is based on the corresponding index plus a spread
- » Floating is based on the 30-day LIBOR plus a spread

Closing Items

- » Proper insurance to cover replacement costs of the dealership's personal property or the collateral for the loan
- » Loan security agreement



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