

“VALUE ADD” MEZZANINE FINANCING

Floating rate mezzanine financing for commercial real estate properties and portfolios. This product fills the gap between traditional first mortgage financing and sponsor equity for transactions with value creation opportunities. Experienced sponsors will maintain a majority of the profits via this “cheaper than equity” product.

Eligible Property Type:	Commercial properties of portfolios with “value add” opportunities including multifamily, anchored retail, multi-tenant industrial, multi-tenant office, and manufactured housing. Acquisition, development or rehabilitation financing for transitional assets with upside potential. Emphasis on existing properties. No nursing homes, golf courses, casinos, campgrounds, or other special purpose properties.
Loan Amount:	\$3 million – \$30 million.
Maximum LTC:	90%.
Minimum DSCR:	Below 1.0x with interest reserve.
Interest Rate:	Variable rate based on 1-month LIBOR, ranging from 10% to 16%. Subject to floor rate. Interest rate will depend on property type, property cash flow, and leverage, which may be adjusted depending on fees. May be structured with pay/accrual feature, if necessary.
Loan Term:	24 to 72 months. (Generally co-terminus with the first mortgage.)
Amortization:	Interest only available.
Prepayment:	Open to prepayment, subject to applicable exit fees and yield maintenance.
Security:	Assignment of ownership interest. Borrowing Entity should be a single purpose entity.
Recourse:	Non-recourse except for standard commercial carve-outs.
Sponsor Equity:	Minimum sponsor equity of 10%.
Reserves & Escrow:	Required for real estate taxes, insurance and replacement reserves, if senior lender has not established appropriate reserves. Leasing and capital expenditures may also be required at loan closing.
Senior Debt:	Must be fixed rate or variable rate with cap and arranged separately with an acceptable intercreditor agreement.
Lender Fees:	Determined at time of quote.
Loan Costs & Deposits:	Borrower is responsible for all transaction expenses including, without limitation, third party reports, inspection fees, credit report fees, insurance review, title insurance fees, surveyor’s fees, legal fees and disbursements, travel expenses, and all other out-of-pocket expenses.
Additional Information:	<i>The terms and conditions of the program are subject to periodic change. Please contact:</i>

	Phone	Fax	E-Mail	Region
Brian Buchhagen:	(310) 234-2103	(310) 234-2150	bcbuchhagen@lmrei.com	Head of Originations
Matt Kardos:	(310) 234-2110	(310) 234-2150	mkardos@lmrei.com	Southeast & Texas
Craig Oram	(310) 234-2107	(310) 234-2150	coram@lmrei.com	Southeast & Texas
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Josh Westerberg:	(310) 234-2104	(310) 234-2150	jwesterberg@lmrei.com	Mid-Atlantic, Midwest & Northeast
Kevin Wieland:	(310) 234-2106	(310) 234-2150	kwieland@lmrei.com	Florida, Pacific & Southwest



STABILIZED MEZZANINE FINANCING

Floating rate mezzanine financing for stabilized commercial real estate properties and portfolios. This product allows a sponsor to unlock equity that would otherwise be illiquid due to a non-prepayable, low leverage first mortgage, or pay off more expensive capital sources on stabilized assets.

Table with 2 columns: Property Type/Feature and Description. Includes details on Loan Amount, Minimum DSCR, Interest Rate, Loan Term, Amortization, Prepayment, Security, Sponsor Equity, Recourse, Reserves & Escrow, Senior Debt, Lender Fees, Loan Costs & Deposits, and Additional Information.

Table with 2 columns: Property Type and Spread Over LIBOR. Rows include Multifamily (500+ bps) and All Other Property Types (600+ bps).

Table with 4 columns: Name, Phone, Fax, E-Mail, and Region. Lists contact information for Brian Buchhagen, Matt Kardos, Craig Oram, Brandon Smith, Josh Westerberg, and Kevin Wieland.

HIGH LTV BRIDGE LOANS

High leverage, floating rate first mortgage bridge financing for commercial real estate properties and portfolios with value creation opportunities. This product provides “one stop” shopping for debt capital up to 90% of project cost. Perfect for transitional assets with experienced sponsors where one financing execution is desired.

Eligible Property Type:	Commercial properties (typically with “value add” opportunities) including multifamily, anchored retail, multi-tenant industrial, multi-tenant office, hotel, and manufactured housing. Acquisition, development or rehabilitation financing for transitional assets with upside potential. Emphasis on existing properties. No nursing homes, golf courses, casinos, campgrounds, or other special purpose properties.						
Loan Amount:	\$7 million – \$75 million.						
Maximum LTC:	Generally, 90% of cost; may be funded in one or more advances.						
Minimum DSCR:	Can be below 1.0 provided Borrower has funded adequate interest reserves.						
Interest Rate:	Variable based on 1-month LIBOR. Subject to a floor rate. Spreads determined based on LTC, existing cash flow, opportunity and sponsor.						
	<table border="1"> <thead> <tr> <th>Property Type</th> <th>Spread Over LIBOR</th> </tr> </thead> <tbody> <tr> <td>Multifamily</td> <td>225+ bps</td> </tr> <tr> <td>All Other Property Types</td> <td>250+ bps</td> </tr> </tbody> </table>	Property Type	Spread Over LIBOR	Multifamily	225+ bps	All Other Property Types	250+ bps
Property Type	Spread Over LIBOR						
Multifamily	225+ bps						
All Other Property Types	250+ bps						
Loan Term:	24 to 60 months.						
Amortization:	Interest only available.						
Prepayment:	Open prepayment, subject to applicable exit fees and yield maintenance.						
Security:	First Mortgage on the property.						
Secondary Financing:	Prohibited. Although may consider on a case by case basis.						
Recourse:	Non-recourse except for standard commercial carve-outs.						
Springing Lockbox:	Lender will require a Springing Lockbox at closing which will “spring” upon default.						
Reserves & Escrow:	Borrower is required to escrow real estate taxes, insurance and replacement reserves on a monthly basis. Deferred maintenance, renovation and/or leasing rollover reserve may be required at loan closing.						
Borrowing Entity:	Single purpose bankruptcy remote entity required.						
Lender Fees:	Determined at time of quote.						
Loan Costs & Deposits:	Borrower is responsible for all transaction expenses including, without limitation, third party reports, inspection fees, credit report fees, insurance review, title insurance fees, surveyor’s fees, legal fees and disbursements, travel expenses, and all other out-of-pocket expenses.						
Additional Information:	<i>The terms and conditions of the program are subject to periodic change. Please contact:</i>						

	<u>Phone</u>	<u>Fax</u>	<u>E-Mail</u>	<u>Region</u>
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PREFERRED EQUITY

Preferred equity financing that is senior to sponsor equity, for commercial real estate properties and portfolios with value creation opportunities. This product resembles a mezzanine loan and can be useful when secondary financing is prohibited, or when a principal requires an equity partner due to risk profile or deal structure.

Table with 2 columns: Property/Feature and Description. Rows include Eligible Property Type, Investment Amount, Maximum LTV, Pay Rate, Participation, Loan Term, Amortization, Control Rights, Recourse, Reserves & Escrow, Borrowing Entity, Fees, Loan Costs & Deposits, and Additional Information.

Table with 5 columns: Name, Phone, Fax, E-Mail, and Region. Lists contact information for Brian Buchhagen, Matt Kardos, Craig Oram, Brandon Smith, Josh Westerberg, and Kevin Wieland.