



“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>

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