

## MEZZANINE LOAN PROGRAM

### *Wall Street Conduit*

<i>Loan Type:</i>	Mezzanine loan to be used only in conjunction with the Wall Street Conduit First Mortgage Permanent Loan, described herein.
<i>Amount:</i>	\$1 to \$20 million.
<i>Loan-to-Value:</i>	Mezzanine loans will typically be capped at 50% to 60% of total cash funds invested in the property by Borrower. Underlying First Mortgage Loan-to-Value ceilings are 80% for office, retail, and industrial properties, 80% for apartments, and 75% for hospitality and healthcare properties.
<i>Debt Coverage:</i>	Target DSC levels for Mezzanine Loans will be established at 1.05x (1.10x for hospitality and healthcare), although some loans may be underwritten to lower DSC levels based on superior property characteristics, credit quality of tenants, and for other extenuating factors. DSC on the underlying First Mortgages have minimum floors of 1.15x for office, retail, and industrial properties, 1.10x for multi-family projects, and 1.20x for hospitality and healthcare properties.
<i>Interest Rate:</i>	Varies, minimum of 12%.
<i>Yield Requirement:</i>	Dependent upon risk parameters of transaction; minimum IRR of 12-14%.
<i>Term:</i>	Equal to or less than the loan term of the underlying First Mortgage.
<i>Amortization:</i>	Self-amortizing over the term of the loan in most cases. Loans may be interest only for loans with terms of three (3) years or less.
<i>Application Fee:</i>	\$5,000, payable at application.
<i>Loan Fee:</i>	Typically 1.0%, additional front-end and/or back-end fees may be required to achieve desired yield.
<i>Placement Fee:</i>	1.0% to 2.0%, payable to PC Financial Corporation at closing.

*Security:*

Pledge of partnership interests in a bankruptcy-remote single asset SPE; second mortgage lien if available.

*Recourse:*

Loans may be non-recourse, partial recourse, or full recourse depending upon risk profile of transaction.

*Prepayment:*

Typically closed for 18 months, open to prepayment thereafter with make-whole provision to achieve target yield.

*Borrowing Entity:*

SPE is preferred.

*Ground Leases:*

Considered on a case-by-case basis.

*Third Party Reports:*

Lender will agree to accept Third Party Reports prepared for First Mortgage Lender whenever possible.

*Legal:*

Lender legal will be performed by lender appointed counsel.

*Financial Reporting:*

Annual and quarterly financial statements are required.

*Documentation & Closing:*

Standard documents will be utilized. The closing process of the Mezzanine Loan is intended to run on parallel track with the First Mortgage Loan's.