



TRECAP PARTNERS

Parameters for Preferred Equity Investments

Property Types	<ul style="list-style-type: none">• Stabilized grocery anchored retail or shopping centers anchored by national credit rated tenants• Stabilized multi-tenanted office buildings with manageable rollover• Stabilized hotels• Stabilized medical office buildings• NNN industrial buildings
Holding Period:	24 to 60 months
Investment Size:	Target investment size will range between \$5 million and \$20 million
Investment Structure:	6% - 8 % current cash return; 12% - 14% total return
Senior Loan LTV:	65% or less
Preferred Equity LTV:	Up to 85%; subordinate to senior loan position
Debt Service Coverage:	1.10xs on total financing – senior loan and preferred equity position
Geography:	First and second tier metropolitan areas
Transaction Types:	Acquisition, rescue equity to pay down debt, partner recapitalizations
Covenants:	These covenants will be negotiated on a case-by-case basis but TRECAP Partners will require approval rights over major decisions.

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