



STRUCTURED FINANCING Preferred Equity

Arbor's preferred equity products give owners access to more capital than is available through conventional financing. Arbor's products can be used in conjunction with new or existing mortgage loan financing.

| | |
|----------------------------|---|
| LOAN AMOUNT | \$4M - \$10M |
| LOAN TERM | Generally, 1 to 3 years |
| AMORTIZATION | Interest only or fixed principal pay downs |
| MINIMUM DSCR | 1.10 |
| MAXIMUM LTV | 85% |
| INTEREST RATE | 12% - 14% |
| ELIGIBLE PROPERTIES | Well-located existing multifamily and new multifamily construction located in strong markets with positive demographic, population, and employment trends |
| ELIGIBLE BORROWER | Single asset entity |
| SPONSORSHIP | Good overall credit with sufficient liquidity and demonstrated experience completing similar transactions |
| SECURITY | Preferred equity position in the borrower's organizational structure; additional credit enhancement (recourse, other collateral, letter of credit or other guarantees) to be determined |
| REQUIRED REPORTS | Appraisal, Property Condition Assessment, Phase I Environmental |
| PREPAYMENT | Generally permitted |
| LENDER FEE | Origination and exit fees to be determined |