



2ND MORTGAGE/MEZZANINE LOAN PROGRAM

Hall Structured Finance's 2nd Mortgage/Mezzanine Loan Program is structured to provide acquisition, bridge, debtor-in-possession, recapitalization and construction financing to borrowers for office, multifamily, retail, industrial, hotel, land and various other real estate projects located throughout the United States and acquiring loans and on notes secured by real estate.

Eligible Locations:	Continental US.
Eligible Collateral:	Commercial real estate properties including apartments, office, hotels, industrial, retail, self-storage, mobile home, assisted living, and some land deals, and note purchases secured by same.
Transaction Sizes:	\$2 million to \$10 million.
LTV-LTC:	Typically 70% to 75% of "as-is" appraised value or actual purchase price, up to 85% in selected instances.
Security:	Second mortgage lien on the subject property(s), assignment of all permits and approvals, assignment of leases, and/or pledge of partnership interests, and personal guarantee of principals, UCC on other collateral, or assignment and security interest in same on note purchases.
Ownership:	Single asset, special purpose entity.
Origination Fee:	2% to 5% of loan amount.
Profit Participation:	5% to 25% depending on LTC/LTV and loan term.
Commitment Deposit:	\$25,000, payable upon acceptance of Loan Term Sheet for site inspection, 3rd party costs, legal and closing costs. Any remainder credited at closing, or refunded in the event the loan application is not approved by HSF.
Prepayment:	6 to 24 months interest guarantee.
Interest Rate:	Libor based floating rates starting at 12 to 15%.
DSC / Debt Service:	1.00x – 1.35x depending on property type, interest only.
Loan Term:	12 to 24 months; with an option for two 12-month extensions.
Reserves:	Real estate taxes, hazard insurance, replacement reserves, and mortgage interest (as may be required).
Underwriting Considerations:	Heavy emphasis on new equity capital to be funded in connection with loan, and concentration on value creation, market analysis, sponsorship, and exit strategy.
Third Party Reports:	MAI Appraisal, Phase I environmental, feasibility and others if required, ordered by Lender at expense of Borrower.
Closing Time:	1 to 6 weeks from application acceptance and deposit remittance.