



Real Estate Investment Banking



## Commercial Real Estate Debt & Equity Financing

*Brought to you by Joseph Merrill Capital (JMC)*

Organizational Profile & Capital Markets Approach

*...JMC is committed and focused on fostering long term relationships with its clientele and continuing a tradition of success through comprehensive capital markets execution and performance.*



## About Joseph Merrill Capital (JMC)

Joseph Merrill Capital (JMC) is an investment-banking firm founded in January of 2006 by principals originally from JP Morgan Chase in New York. The firm specializes in structured equity investments, in addition to portfolio and construction debt for commercial real estate assets in excess of \$10 Million USD. In addition, JMC actively seeks to review and value equity ownership interests in stabilized assets on behalf of their institutional and private equity investors to provide existing owners and operators with a cost effective source of liquidity for partnership liquidations.

Extensive relationships with various capital partners, including institutional investors, private high net worth and affluent individuals, separate account family office clients, domestic and international banks, pension funds, and insurance companies, allow for each JMC transaction to be structured with the most attractive and appropriate level of debt and equity capital for any given situation. All transactions are underwritten with the flexibility, speed, and sophistication necessary for tackling complex corporate and individual commercial real estate engagements.

JMC additionally recognizes that in today's dynamic and ever changing environment, strong relationships ultimately drive successful organizations. As such, JMC has formed strategic partnerships to better serve its commercial real estate clientele and extend its reach of resources across traditional industry boundaries. Our various partnership programs ensure the strategic and sustainable competitive edge of JMC's offered advisory services and structuring capabilities that only continue to promote JMC as a best-in-class provider of commercial real estate investment banking services.

Bellevue Galleria, WA



Industrial Portfolio, NC



Walgreens Portfolio, Northeast



Marriott Hotel Portfolio, Midwest



# JMC Capital Markets Integration

Through comprehensive capital markets expertise and correspondent relationships, JMC is able to structure a debt and equity financing options to align sponsors with the most competitive capital structure market has to offer at any given time.



## *JMC Transaction Advisory*

- ❖ Capital Stack Analysis
- ❖ Corporate Real Estate Advisory
- ❖ Strategic Advisory / M&A
- ❖ Equity & Debt Capital Underwriting

## *JMC Capital Programs*

- ❖ FNMA & HUD Correspondent Lending
- ❖ CMBS & Balance Sheet Origination Services
- ❖ Credit Tenant Lease (CTL) Financing

## *JMC Debt Financing & Structuring*

- ❖ Senior Debt Financing
- ❖ Subordinate Debt Financing
- ❖ Unsecured & Secured Revolving Lines of Credit

## *JMC Equity Financing & Structuring*

- ❖ Joint Venture LP Equity
- ❖ Preferred Equity
- ❖ Portfolio & Single Asset Equity Recapitalizations
- ❖ Partnership Buyouts

Walgreens Portfolio, Pacific Northwest



Southwestern Energy Headquarters, AR

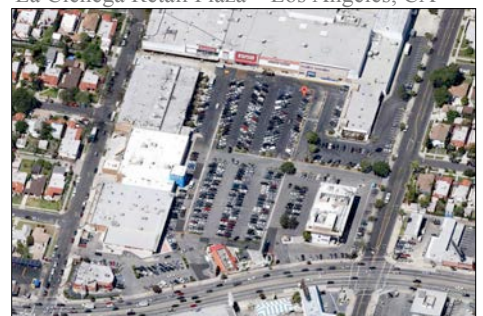


*...Strong relationships ultimately drive successful organizations. As such, strategic partnerships have been formed to better serve JMC's clientele and to extend the firms organizational reach of resources across traditional boundaries.*

Hilton Hotel – Ocala, FL



La Cienega Retail Plaza – Los Angeles, CA



# JMC Capital Markets Integration *(continued)*

## Passive Joint Venture LP Equity Investments

JMC arranges passive joint venture equity capital for owners and operators of commercial real estate assets \$10M+, appropriate for asset acquisitions, development, or recapitalizations. JMC's strategy focuses on arranging passive limited partnership interests from sophisticated LP institutional investors, while providing strong financial incentive to existing operating partners through attractive promote structures. Most JMC capital arrangements provide for a 70% LP Equity co-investment structure up to a 95% LP equity co-investment structure depending on the quality of the asset and sophistication of the operating partner. Preferred Equity can be arranged to provide up to 92% leverage on specific assets with a fixed cost of capital.

## Partnership & Partial Asset Liquidations

JMC arranges secondary passive equity investments collateralized by existing stabilized assets, thereby liquidating or monetizing a portion of the existing joint venture limited partner or co-investor's interest in the asset without forcing an outright sale of the entire asset. This customized equity solution focuses on acquiring a partial equity interests in existing assets and is a useful tool for all types of real estate properties or portfolios of major asset classes.

- (i) Provides existing partnerships with an immediate and defined exit strategy,
- (ii) A useful tool in recapitalizing existing investments,
- (iii) Effective in restructuring corporate balance sheets,
- (iv) Provides access to capital for redeployment,
- (v) Effective remedy for partnership resolutions or specific limited partner divestments due to existing limited partner investment durations.

## General Partner Co-Investment Capital

JMC structures passive general partner co-investment capital through a variety of institutional fund managers and family office investors that maintain a specific strategy and focus on GP level co-investment opportunities.

Mabley Place - Cincinnati, OH



The Whitman – 21 East 26<sup>th</sup> St., NYC



*...JMC has been structuring equity and debt financings for institutional fund managers and real estate family offices since 2006 with over \$1Billion in valued financings since inception.*

Glen Gardens - 175 West 87<sup>th</sup> St., NYC



Ellis Preserve - West Chester Pike, PA



# JMC Capital Markets Integration *(continued)*

Cascade Industrial Portfolio - Allentown, PA



## Senior Debt Financing

JMC structures non-recourse portfolio and CMBS senior debt solutions at competitive pricing for all types of commercial real estate transactions \$10M+. The JMC Capital Markets Team acts as a conduit to more than 300 life insurance, pension fund, credit union, commercial and regional lenders allowing the organization to pull the most competitively priced capital in the market for any given situation. Nonrecourse construction financing options are available

Peoples United Bank – 127 7<sup>th</sup> Ave., NYC



## Subordinated Debt Financing

JMC structures mezzanine, participating, and B-note debt solutions in junior position to senior loans, to provide additional leverage for owners and operators of commercial real estate assets as needed. Subordinated debt programs utilize JMC's institutional capital markets reach to increase a sponsor's leverage with debt-like structures.

*...JMC's innovative strategy acts as the bridge between sophisticated capital market execution, dedicated service, and the consistent drive to exceed expectations.*

## Fannie Mae (FNMA) & HUD Financing

In 2015, JMC has entered into a preferred correspondent relationship with Regions Bank (RECM) with a specific focus to help Regions Bank originate HUD and Fannie Mae (FNMA) commercial real estate lending opportunities for JMC clientele. All loans are provided by and through Regions Bank (RECM), utilizing the Bank's internal processes, team, and agency licenses to execute on all types of HUD and Fannie Mae (FNMA) loan programs. Through this new venture, JMC is able to more efficiently capitalize on HUD and FNMA business by removing the need to layer in an additional advisory fee cost to JMC clientele for HUD and FannieMae (FNMA) loan originations; a sponsor's HUD or FNMA execution through this venture with Regions Bank (RECM) will be as competitively priced to a client as if the client went directly to a competing HUD or FNMA direct lender. Regions Bank (RECM) takes on the responsibilities consistent with all traditional agency loan executions; including but not limited to loan servicing, loan approvals, and loan underwriting criteria. Regions Bank competitively competes with all major HUD & FNMA lenders nationwide with a track record of success.

The Shoppes at Nagawaukee, WI



Madison Avenue Portfolio, NYC



# JMC Capital Markets Integration *(continued)*



## Capital Markets Value Proposition

JMC's value proposition has remained consistent since its founding in 2006: To provide sophisticated transaction handling and best in class capital markets solutions on a non-exclusive basis for owners and operators of commercial real estate assets. The JMC Capital Markets Team looks to add value through each step of the process within the value chain of a commercial real estate capital markets execution, where the focus on (i) transaction fundamentals, (ii) transparency, (iii) sponsor collaboration, (iv) capital diversification, and (v) the goal to exceed expectations as demonstrated through execution and performance, act as the firms underlying guiding principles on each JMC engagement.

## Capital Markets Transaction Model

### Step 1: Transaction Analysis

- ❖ Transaction information is received and reviewed by the JMC Capital Markets Team.
- ❖ Proposed transaction capital stack reviewed and suggestions made on potential structure and pricing.

### Step 2: Sponsor Collaboration & Capital Approach

- ❖ JMC capital markets relationships are identified to the Sponsor for approach per structure and pricing guidance discussed.
- ❖ Sponsor approves capital approach.

### Step 3: Capital Markets Price Discovery

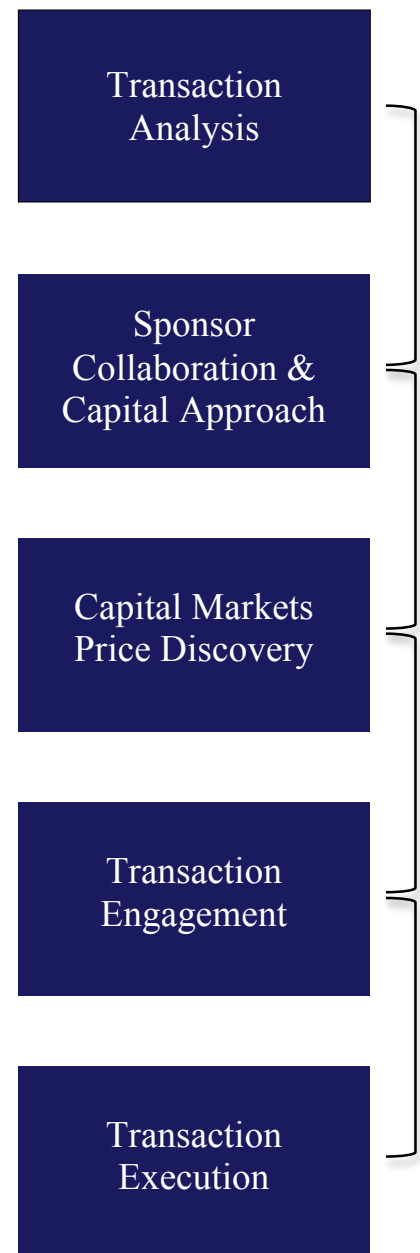
- ❖ JMC receives capital markets feedback and collaborates with the Sponsor to structure the most competitively priced capital that best fits the business plan for the asset.

### Step 4: Transaction Engagement

- ❖ Capital provider is engaged by the Sponsor and the JMC Capital Markets Team assists in bringing the transaction to a successful conclusion.

















### Step 5: Transaction Execution

- ❖ Through lender diversification, price discovery, and transaction performance, the Sponsor concludes the execution with a competitively priced market rate financing while also achieving a new depth of capital reach for any upcoming transactions.



# JMC Selected Sample Transactions

The below grouping of JMC tombstones describe certain characteristics of various successfully closed commercial mortgages, mezzanine loans, equity transactions, and advisory assignments:

<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed a Secondary Equity Co-Investment Transaction valued at <b>\$286,000,000</b> into a Hospitality Portfolio on behalf of a Fortune 500 Life Insurance Company</p>  <p>The portfolio comprises seven high-quality, full-service hotels located in strong markets in the Midwestern, Southern and Eastern United States.</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has advised on a Permanent Loan Execution of <b>\$50,000,000</b> Secured by an Asset Located at 275 West 47<sup>th</sup> Street, New York, NY</p>  <p>The Transaction Allowed for the Sponsor to Refinance a Property of an Attractive Low Cost Interest Rate</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed A Mezzanine and Senior Loan Recapitalization valued at <b>\$26,000,000</b> Secured by New York City Property by a JMC Alternative Asset Investor</p>  <p>The New Loan Provided Substantial Renovation Funds for the Owner to Rehab the Property</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has structured A Fixed Rate Senior Loan Financing in the amount of <b>\$54,000,000</b> for the Recapitalization of a 700 Unit Multi-Family Portfolio</p>  <p>The Portfolio Consisted of Multi-Family Units Throughout the Arizona Region</p>
<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed A Senior Portfolio Loan Recapitalization of <b>\$20,100,000</b> Secured by a Pacific Northwest Portfolio of Walgreens Assets</p>  <p>The New Loan Provided Substantial New Funds for the Owner at an Attractive Low Cost Rate</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has advised On the Acquisition of Two New Construction NWN Leased Walgreens Properties for a Combined Purchase Price of <b>\$10,933,161</b> for Joseph Merrill Capital's Own Account</p>  <p>A Single Tenant NWN Investment Issued to Walgreens</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has structured Permanent Financing in the amount of <b>\$34,000,000</b> for Equus Capital Partners LLC, EEO Preserve Office Asset</p>  <p>The Office Asset is Located in West Chester, PA</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed An Asset Recapitalization of <b>\$17,800,000</b> Secured by an Asset Located at 385 Madison Avenue, New York NY</p>  <p>The Transaction Provided for a More Efficient Asset Structure for the Existing Owner Prior to Sale</p>
<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed Permanent Debt Financing in the amount of <b>\$55,000,000</b> for The Bellevue Galleria</p>  <p>Mixed Use Office &amp; Retail consisting of 205,000 sq ft 550 105<sup>th</sup> Ave NE Bellevue, WA</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed a Non-Recourse Fixed Rate SR Loan Financing valued at <b>\$16,500,000</b> for a JMC Separate Account Client on a Class A Office Building Acquisition</p>  <p>A Single Tenant NWN Investment Lended to a National Mortgage Wholesaler</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed A Mezzanine and Senior Loan Recapitalization valued at <b>\$25,000,000</b> Secured by New York City Property by a JMC Alternative Asset Investor</p>  <p>The New Loan Provided Substantial Renovation Funds for the Owner to Rehab the Property</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has structured Permanent Debt Financing in the amount of <b>\$61,100,000</b> for RP Realty Partner's Le Centre Retail Place</p>  <p>The Retail Asset Consisted of 205,000 square feet Located in Los Angeles, CA</p>
<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has structured Permanent Financing in the amount of <b>\$14,500,000</b> for Dreher Capital Partners LLC, Cascade Park Office Portfolio</p>  <p>The Industrial Portfolio Asset is Located in Aberdeen, PA</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has structured Senior Debt Financing in the amount of <b>\$7,670,000</b> for Meyer Johnson's Hilton Hotel</p>  <p>Meyer Johnson's Hilton Hotel is Located in the heart of Omaha, NE</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed a Non-Recourse Fixed Rate SR Loan Financing for an industrial portfolio of <b>\$13,000,000</b> on behalf of an Institutional Sponsor and Private Equity Real Estate Fund Manager</p>  <p>The portfolio comprised of (5) Industrial Buildings located in Raleigh, NC. The loan was closed with a JMC Credit Union Client.</p>	<p>JOSEPH MERRILL   CAPITAL It pleased to announce it has closed An Acquisition Bridge Loan of <b>\$15,600,000</b> Secured by an Asset Located on Madison Square Park, New York NY</p>  <p>The Transaction Allowed for the Sponsor to Acquire a Property that will be Recapitalized into for Sale Consider</p>

## Joseph Merrill Capital (JMC) Contact

*...JMC recognizes that industry reputation is derived not only from successful capital market execution, but also from transaction handling and sophisticated capital market expertise...*

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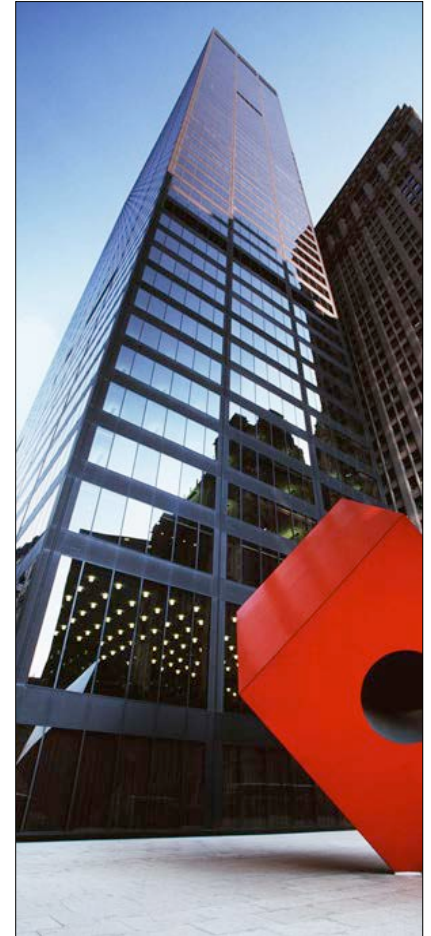
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