

Lone Star Capital

Preferred Equity Platform

Lone Star's preferred equity product gives owners access to greater proceeds than available through conventional financing.

Use of Proceeds:

- Existing partnerships in need of recapitalizations
- Rapid turnaround / rescue financing
- Capital needs not covered by traditional lending institutions
- Increase proceeds / reduce equity raise
- Gap in capital stack

Lone Star targets the underserved preferred equity market of investments less than \$5,000,000, placed in transactions with total size of up to \$50,000,000 depending on the LTV and senior loan proceeds.

Lone Star's preferred equity product allows a multifamily sponsor to retain maximum profits with a cost-effective alternative or supplement to equity capital for acquisition and recapitalization. As an owner-operator, Lone Star understands the needs of sponsors and can better tailor terms based on the deal profile and sponsor goals / business plan.

Eligible Properties:

Multifamily properties located in strong markets with positive demographic, population, and employment trends.

Size:

\$1M – \$5M

Investment Term:

Flexible, depends on business plan

Maximum LTC:

85% of Purchase Price + Capital Expenditures

Minimum DSCR:

Flexible, preferably 1.05x with amortized senior

Pricing:

Flexible, 8% current pay / 6% accrual typical.

About Lone Star Capital:

Lone Star Capital is a real estate investment firm focused on multifamily properties in Texas and surrounding states. Lone Star creates core-plus and value-add opportunities that deliver superior risk-adjusted returns by implementing moderate to extensive renovations, improving management, and designing creative capital solutions. Lone Star owns over 1,500 units worth nearly \$100M.

Lone Star Capital: Preferred Equity Contacts

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