

# LESMARK

## LesMark Capital, LLC

### GOVERNMENT PUBLIC PRIVATE PARTNERSHIP PROGRAM

<b>Collateral</b>	First mortgage or lien on the property or equipment being financed, assignment of leases and rents and/or guarantee from credit tenant.
<b>Loan Structure</b>	Under the Public Private Partnership (P3) structure, a private sector developer or investor assumes the financial liability for the costs of the construction project or purchases the asset under a sale/leaseback arrangement using a bond and/or capital lease structure. This relieves the government entity needing or owning the asset of any capital outlay and the usual municipal/pubic bond financing process required to budget, construct and own the asset. In this model, the government simply leases the asset from the private developer/investor, and the ownership of the property typically reverts back to the government at the end of the long-term lease.
<b>Property Types</b>	Properties are typically government buildings or infrastructure projects including office buildings, court houses, civic centers, parks, jails, historic buildings, sports arenas, hospitals, school buildings, police/fire facilities, power generations stations, water treatment plants, transportation stations, student housing, convention centers, hotels, marinas and warehouse/storage facilities. Almost any property type can be financed under this program.
<b>Locations Considered</b>	<b>United States:</b> Cities, counties, states, financing authorizes/issuers rated A3/A- or better. The population of the tax base of the underlying government tenant or lease guarantor should be greater than 50,000 and the project's size should not stress the budget or tax revenues. <b>International:</b> Sovereign countries with a foreign currency rating of Baa2/BBB or better. Foreign cities, provinces, import/export agencies, etc on a case by case basis.
<b>Lease Requirements</b>	Bond lease structure only. Lease payment hard lockbox required.
<b>Ownership</b>	Corporations, LLC's, partnerships, individuals; must be a single purpose entity, which in most cases must be bankruptcy remote.
<b>Loan Amounts</b>	\$5,000,000 and up (domestic). \$10,000,000 (international).
<b>DCR / LTV</b>	Down to 1.01x DCR. Up to 97% of appraised value.
<b>Interest Rate</b>	Fixed interest rate for the loan term, locked at commitment.
<b>Expenses</b>	Third party reports (appraisal, environmental, PCR, survey, title, and credit); lender's legal fees; property inspection and underwriting fee of \$2,500 - \$5,000 depending on the size and location of the transaction.
<b>Term/Amortization:</b>	Typically 15-30 years. Other terms available on a case by case basis.
<b>Guaranty</b>	Non-recourse except for standard non-recourse carve-outs (fraud, misrepresentation, environmental)
<b>Reserves</b>	None (bond lease only)
<b>Prepayment</b>	Prepayment is generally open for the loan term with a yield maintenance prepayment premium payable thereafter that is based on U.S. Treasuries + 50 basis points.