LesMark Capital, LLC

TAX-EXEMPT BOND FINANCING PROGRAM

Collateral	First deed of trust (mortgage) on the property being financed, pledge of leases and rents and/or guarantee from investment-grade government credit tenant.
Loan Types	**Immediate funding** including funded project **construction financing**. Interest earned by the bondholders is exempt from federal income tax, as well as state income tax in many cases. This typically means a lower interest rate to the borrower.
Property Types	Generally, proceeds from government bonds are used to finance facilities owned, operated or used by a state or local government, not-for-profit (501(c)(3)) organizations, and other exempt facilities defined by the Internal Revenue Code. This can include airports, schools, fire and transportation stations, rail lines, electricity generation stations, waste disposal facilities, docks and wharves, proprietary assisted living facilities and certain multifamily and manufacturing buildings.
Locations Considered	Nationwide.
Lease Requirements	Bond, net and gross leases (landlord responsibilities will be reserved and/or insured). Leases with periodic appropriations language/restrictions can be financed if the facility is a headquarters, major distribution center, or otherwise critical to the operations of the entity.
Ownership	Corporations, LLC's, partnerships, individuals; must be a single purpose entity, which in some cases must be bankruptcy remote.
Loan Amounts	$20,000,000 and up.
DCR / LTV	1.00x to 1.06x depending on quality of the lease terms and conditions / Up to 100% of cost and qualified expenses.
Interest Rate	Fixed interest rate for the loan term. Rate is locked at execution of bond purchase agreement, typically several weeks before closing.
Expenses and Fees	Advisor fee of .50% to 1.00%; Underwriter's discount of .75% to 1.50%; Bond insurance; Credit rating fee; Third party reports (appraisal, environmental, survey, etc.); Legal fees (bond, underwriter's and borrower's counsel); Trustee fee.
Term	Term of financing is coterminous with initial lease term, typically 15-30 years.
Amortization	Typically fully amortizing on a 30/360 basis.
Guaranty	Non-recourse except for standard non-recourse carve-outs (fraud, misrepresentation, environmental)
Reserves	Tax, insurance, and/or structural/maintenance reserves may be required depending on the lease.
Prepayment	Locked out 10 years (non-callable). Prepayment penalty beginning thereafter, burning off at a rate of .5% to 1.0% a year for 2 to 4 years. Callable thereafter.