

Middle Market Commercial Real Estate

ReedsBay meets the needs of entrepreneurial sponsors and their business plans by providing **structuring flexibility, execution certainty, and early access to decision-makers.**

	Senior Debt	Mezzanine Debt	Preferred Equity
Property Types	All major property types excluding land		
Situations	Acquisitions Developments & Redevelopments Repositionings Recapitalizations		
Geography	Primary and secondary markets		
Proceeds <i>*Larger deal sizes considered*</i>	\$3-15 million	\$5-25 million	\$5-25 million
Pricing <i>*Fixed-rate pricing available*</i>	SOFR + >600 bps	SOFR + >800 bps	SOFR + >900 bps
Amortization	Interest Only <i>*structure/ sweeps may be required*</i>		
Reserves	Available funding for future value-add improvements		
Leverage	Up to 90% <i>*cash equity required*</i>		
Term	6 months to 3 years <i>*extension options available*</i> <i>*prepayment available, subject to fees and/ or minimum interest requirements*</i>		
Recourse	Non-recourse to Sponsor, subject to typical carveouts for “bad-boy” acts		
Guarantees	Debt service, carry, and completion guarantees		

*C-PACE Friendly

For ReedsBay to consider an investment, the answers to the following must be “yes”

- Is the Sponsor qualified to execute the business plan?
- Can the Sponsor demonstrate its sound character and competency?
- Does or will the Borrower have significant cash equity invested in the deal?
- Is the Sponsor’s cash equity investment greater than 5% of the total equity requirement, excluding fee adjustments?
- Is the initial term, exclusive of extensions, 36 months or less?
- Can the Sponsor articulate and agree to a payoff strategy that is consistent with its business plan?
- Will the Sponsor pledge its equity? *For subordinated investments, ReedsBay will evaluate Senior lender preclusions.*
- Is the asset fully entitled for the business plan’s uses?
- Is there a clear need for the Sponsor to transact?
- If the transaction is brokered, will ReedsBay have a “last look?”

ReedsBay requires a pricing premium to pursue an investment for which the answers to the following are “no”

- Is the asset in one of these regions: mid-Atlantic, Northeast, Southeast?
- Is the asset a core property type (multifamily, mixed-use, industrial, lodging, self-storage, or retail)?
- Is the Sponsor’s reason for partnering with ReedsBay clear and specific?
- Is most of the asset’s NOI generated by rent from contractual leases?

For ReedsBay to consider subordinated transactions, the answers to the following must be “yes”

- Is the requested investment term compatible with that of the senior debt term and other requirements?
 - Has the senior lender expressed willingness & ability to execute an intercreditor or recognition agreement?
 - If the use is development or redevelopment, will the Sponsor accept mezzanine financing?
 - Does the deal support and will the Sponsor accept current payment of interest/preferred return?
 - Will the Sponsor subordinate a portion of its operating fees to service current pay requirements?
 - For preferred equity investments, will the Sponsor accept asset sale, preferred equity investment sale or assignment, and “major decision” terms?
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