

Preferred Equity Program

D2's Preferred Equity Program targets assets nationwide with full discretionary balance sheet capability. D2's leadership has a demonstrated track record of providing certainty of execution across all geographies and varying economic environments.

Investment Parameters

Investment Amount	<ul style="list-style-type: none">• \$3 million and above
Investment Purposes	<ul style="list-style-type: none">• Acquisition, recapitalization and refinance with the ability to accommodate a wide range of business plans, including light value add, new construction lease-up and timing needs
Eligible Property Types	<ul style="list-style-type: none">• Conventional and age-restricted multifamily properties in addition to 3- to 5-star MHCs
Eligible Markets	<ul style="list-style-type: none">• Primary, secondary and strong tertiary markets nationwide• Selective in markets with high exposure to any one specific industry
Term	<ul style="list-style-type: none">• Generally, less than 5-years and usually co-terminus with the maturity date of the first mortgage loan
Pay Type	<ul style="list-style-type: none">• Combination of Hard and Soft pay Agency-compliant structures• Upfront reserves may be required to cover hard pay portion
Origination Fee	<ul style="list-style-type: none">• Target of 1.0%
Sizing Constraints	<ul style="list-style-type: none">• LTV and LTC ratios up to 90%• Stabilized DY target between 6.5% and 7.0%
Recourse Requirements	<ul style="list-style-type: none">• Non-recourse subject to customary carve-outs for bad-boy acts
Prepayment	<ul style="list-style-type: none">• Flexible subject to minimum equity multiple
Rights and Remedies	<ul style="list-style-type: none">• Primarily a Forced Marketing and Sale of the asset• May also consider:<ul style="list-style-type: none">• Change of Control• Change of Property Manager

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