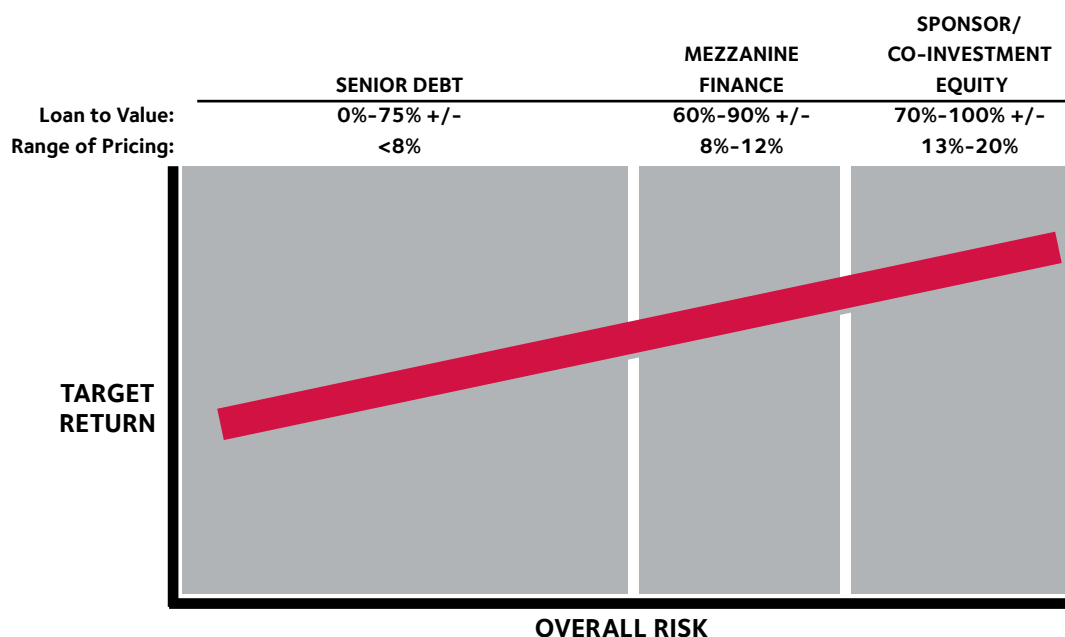


Sample Transactions

INVESTMENT TYPE	SCENARIO
PROPERTY ACQUISITION	<ul style="list-style-type: none"> ◆ Objective: Minimize the amount of equity required at the acquisition of an existing project in order to enhance overall investment returns. ◆ Solution: The Fund provides preferred equity and/or mezzanine debt to the sponsor, increasing the overall loan-to-value from 65%+/- to 90%+/-.
EQUITY GAP AT REFINANCING	<ul style="list-style-type: none"> ◆ Objective: Bridge the gap between the sponsor's existing expiring loan and a new, lower loan-to-value loan. ◆ Solution: The Fund provides preferred equity and/or mezzanine debt in order to match or exceed the total proceeds of an existing loan.
EQUITY TRAPPED UNDER EXISTING LOAN	<ul style="list-style-type: none"> ◆ Objective: Appreciation and/or amortization have lowered the LTV of an existing loan. Sponsor desires to monetize a portion of the "trapped" equity; however, the existing loan contains an onerous prepayment obligation eliminating any refinancing options. ◆ Solution: The Fund makes a preferred equity and/or mezzanine debt investment which allows the sponsor to access the equity without disturbing the existing loan.
REPOSITION AND LEASING COST CONTRIBUTION	<ul style="list-style-type: none"> ◆ Objective: Complete capital improvements and leasing programs in order to stabilize project cash flow. ◆ Solution: The Fund provides preferred equity and/or mezzanine debt to pay for tenant improvements, commissions and other capital expenditures associated with repositioning and stabilizing the asset.
PORTFOLIO LINE OF CREDIT	<ul style="list-style-type: none"> ◆ Objective: Portfolio owner seeks a flexible source of secondary portfolio financing above individual property loans while maintaining release rights on individual properties upon sale or refinancing events. ◆ Solution: The Fund provides a credit facility in the form of preferred equity and/or mezzanine debt which allows the portfolio owner to redeploy proceeds either for portfolio improvements or into additional investment opportunities.
USER PURCHASE	<ul style="list-style-type: none"> ◆ Objective: A user seeks to increase the amount of acquisition loan proceeds in order to facilitate the purchase and build-out of a project they intend to lease. ◆ Solution: The Fund provides preferred equity and/or mezzanine debt to the transaction, preserving the user's borrowing capacity for ongoing operations with their business lender.
PARTNERSHIP INTEREST ACQUISITION	<ul style="list-style-type: none"> ◆ Objective: Conflicting hold periods or investor motivations necessitate capitalizing some portion of the partnership interests. ◆ Solution: The Fund provides preferred equity and/or mezzanine debt to execute an exit strategy for one or more of the partners.
LOAN ACQUISITION	<ul style="list-style-type: none"> ◆ Objective: Traditional or non-traditional (i.e. purchase money) lender desires to dispose of an existing loan. ◆ Solution: The Fund provides preferred equity and/or mezzanine debt to acquire the existing loan.
DEVELOPMENT / REDEVELOPMENT	<ul style="list-style-type: none"> ◆ Objective: Pay for pre-development costs, fund land acquisition, contribute necessary equity to close on construction loan. ◆ Solution: The Fund provides bridge and/or preferred equity in order to efficiently execute the development / redevelopment. Upon stabilization the Fund's investment is taken out with a permanent loan or outright sale of the project.

Capital Structures

L.T.V. %	CHARACTERISTICS
SPONSOR/JOINT VENTURE EQUITY 70%-100% +/-	<ul style="list-style-type: none"> ◆ First Loss Position - True Joint Venture ◆ Preferred Return: Negotiable ◆ Total IRR: 15% - 20% + via Lookback and/or Profit Participation
MEZZANINE L.T.V. 70%-90% +/-	<ul style="list-style-type: none"> ◆ Jr. Deed of Trust and/or Pledge of Ownership Interests ◆ Pay Rate: 8% - 12% ◆ Total Return: may include Lookback, Fees and Profit Participation
MEZZANINE L.T.V. 60%-75% +/-	<ul style="list-style-type: none"> ◆ Jr. Deed of Trust and/or Pledge of Ownership Interests ◆ Pay Rate: 6% - 10% ◆ Total Return: may include Lookback, Fees and Profit Participation
SENIOR DEBT 0%-75% +/-	<ul style="list-style-type: none"> ◆ First Deed of Trust ◆ Lowest Risk / Return Profile ◆ Priced off Spread to U.S.T. ◆ NBS Real Estate Capital does not provide senior loans.



**This chart is intended as a guideline only. Pricing will be tailored to the varying risk/return profiles of individual transactions.*