

DEAL TRACKING REPORT

8000 Wisconsin Avenue, Bethesda, MD



THE GREENWICH GROUP
INTERNATIONAL LLC
REAL ESTATE INVESTMENT BANKING

Term Sheets Received:

#	Company / Firm	Comments
1	Artemis Real Estate Partners	4/13/22 - Good meeting on 4/12. Awaiting feedback.
2	Basis Investment Group, LLC	4/13/22 - Awaiting feedback
3	Federal Capital Partners	8/28/21 - FCP has been interested in this project for over a year and a half. They have had two lunches with Ahmet and Lyle trying to endear themselves for a first look. Since they will only play a pref equity or construction mezz role, it hasn't been until recently when some lenders would only consider a first trust structure to the construction loan that there was a potential for structured finance. I talked to Billy Herbert yesterday about the opportunity, the first trust structure considered and sent him the original package as well as the revised spreadsheet for a first trust. Since they know the site and Ahmet well, he hopes to have some indication of interest by the end of next week.
4	Sculptor Capital	4/13/22 - Awaiting feedback

Executed Confidentiality Agreement Received:

Detailed Discussions:

#	Company / Firm	Comments
1	CIBC	4/13/22 - Awaiting terms from a mezz/pref lender before revising term sheet
2	Square Mile Capital	4/13/22 - Trying to stretch proceeds beyond \$153M

Initial Discussions:

#	Company / Firm	Comments
1	AIG INVESTMENTS	8/19/21 - Loan Amount: \$90,500,000 / max 55% LTC / max 45% stabilized LTV Rate: 1 month LIBOR + 4.75% with a 0% LIBOR floor Application Fee: 75 bps GFD: 100 bps Term: 3+1+1 years Amortization: Interest only for first 3 years, then amortizing on 30 year basis during extension option periods Prepayment: Lockout for first 3 years, then open. Recourse: Non-recourse with typical carve-outs and environmental indemnity except for joint and several interest and carry guarantee and lien free completion guarantee. Guarantor will be subject to minimum NW and liquidity covenants that are TBD, but I would expect minimum liquidity to be at a minimum 10% of loan amount.
2	Bank OZK	8/18/21 - found out that Dave Sarner is out this week; contacted Sean Marino who emailed me that they aren't really interested in the deal. I replied that if that is due to the leasehold, it can be structured as a first trust and send Sean the first trust spreadsheet. He will probably discuss it with Dave next Monday.
3	Barings Real Estate Advisors	8/13/21 - Left VM to follow up
4	Centennial Bank	8/18/21 - Zach has said that they don't like the leasehold mortgage structure, so I presented the fee simple structure. He said they would be at 55% loan to cost making their loan \$109 MM, meaning we would need to find \$34MM of mezz. He is open to having a construction mezz lender in the deal

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Initial Discussions (Cont.):

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5	Citizens Bank	9/14/21 - Would look to syndicate a portion - would probably take \$60M Pricing would be in the 250-275 bps range 75-100 bps fee 25% recourse 6M liquidity, \$100M net worth 0% Floor
6	Fifth Third Bank	8/25/21 - spoke to Sam Fister today. He had been given the package from the original person that I had sent it to. We discussed the project and the developer's ability to handle a project of this size. He told me that it may be tough doing business with a new development group that is local as they like to deal with well known national or regional developers. He does like the project, however, and asked for some additional info which I sent him. He will discuss internally and get back to me in a couple of days.
7	First National Bank	8/17/21 - Followed up with revised sources and uses based on a Fee Simple deal
8	Mack Real Estate Group	8/13/21 - Larry is following up with Kevin Cullinan
9	Northwestern Mutual Real Estate Investments, LLC	8/25/21 - as a response to a call that Larry and I had with Eric Ekeroth on Friday Aug 20th, we got most all the additional info that he requested to him. Eric will not consider the deal if there is construction mezz, but will look favorably on pref equity, although his pricing will go up. He is interested as a first trust and gave the following potential terms (if there is no pref equity needed): loan amount \$130MM. rate of T+250 bps (3.7% today), 1/2 point fee, 10 year total term (construction to perm), 3 years I/O
10	Pacific Western Bank	9/2/21 - Are now engaged in underwriting the deal.
11	Trez Capital	8/18/21 - not interested as a leasehold. I sent the first trust spreadsheet to them and they are analyzing this structure.
12	ULLICO	8/18/21 - Need the construction to be full union or a have a project labor agreement (PLA).

Groups that have Passed:

#	Company / Firm	Comments
1	ACORE Capital, LP	8/11/21 - Ideally they would like to see more true borrower cash equity in the deal, despite the senior debt being low LTV. They are being selective on construction at the moment generally, so are a pass on this one.
2	Blackstone Mortgage Trust	7/29/21 - Too small for them. Typical construction loan size is between \$200-\$300M.
3	BMO Harris Bank	7/29/21 - Pass due to size and new client
4	Canyon Partners Real Estate LLC	8/9/21 - Typically when they are reviewing a sponsor's resume for a multifamily development of this scale, they like to see several multifamily projects of increasing or similar size to ensure relevant experience. Given the sponsor's lack of multifamily development experience of comparable scale they are going to be a pass on the opportunity.
5	CIT Commercial Real Estate	8/24/21 - Too big
6	EagleBank	8/20/21 - Are over exposed to multifamily construction in the Bethesda market
7	Guardian Life Insurance Co. of America	8/4/21 - pass as they don't like leasehold mortgages

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Groups that have Passed (Cont.):

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8	Heitman Real Estate Investment Management	8/2/21 - 7/22/21 they don't have a bucket of capital for leasehold deals
9	HSBC	8/4/21 - HSBC have had a very pessimistic view of global real estate. Are now recalibrating to stagger loan maturities. Have a lot of loans maturing in the next few years. This has shut down their ability to do bridge type loans. Are very focused internally with existing loans and are trying to push out these loans with extensions. Once they accomplish their objectives they will be better positioned to do a lot of new business including different asset types. Time horizon is 1st quarter 2022. Challenge with construction loans is that they need \$ funded and income from the funded \$ to help the balance sheet.
10	Invesco	7/29/21 - Pass - finding a lot of good deals on existing product so not really doing construction loans at present
11	John Hancock Life Insurance Co.	7/29/21 - No construction loan program
12	JP Morgan	7/29/21 - Like the location but do not know the client so they are a pass
13	Key Bank	8/2/21 - they passed due to it being a leasehold and the fact that Aksoylu isn't an existing customer
14	Lument	8/13/21 - this is the new parent to ORIX; deal is too large
15	M&T Bank	8/3/21 - Pass - focused on existing portfolio
16	NATIONAL REAL ESTATE ADVISORS	8/18/21 - Not doing too much in construction debt so not for them.
17	Nuveen Real Estate	7/29/21 - No construction loan program
18	Pacific Life Insurance Company	8/9/21 - Still think the home office will view this as over-levered unfortunately. The pref equity slug also complicates things. All told this is a pass as much as they like the location.
19	PCCP	8/23/21 - Reviewed on a Fee Simple basis: Did some more work on this. View in market is that there are too many MPDUs here and the land cost is above market for more typical deals. We shall be a pass on this for this and don't really see the developer doing these types of sites that often so worried they are not the local sharpshooter we typically seek out.
20	Pembroke Capital Management	8/3/21 - Pass - too big as they have a max loan amount of \$50mm max
21	PGIM Real Estate Finance	8/3/21 - Only pursuing more opportunistic construction pieces (mezz, pref, etc.)
22	Potomac Business Services, LLC	8/2/21 - transaction is just too large
23	Principal Real Estate Investors	
24	Quadrant Real Estate Advisors LLC	7/29/21 - No construction loan program
25	Regions Bank	8/3/21 - Pass - Not comfortable with the size of the transaction and new sponsorship for Regions
26	Related Capital	8/12/21 - After analyzing the deal it appears the metrics do not fit. Debt Yield is too low.

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27	Sandy Spring Bank	8/13/21 - The head of real estate said no to the Bethesda project because it is too large and they don't want to have to go find participants.
28	Starwood Capital	8/2/21 - they don't like leasehold mortgages
29	Tremont Realty Capital	7/29/21 - No construction loan program
30	Truist	8/11/21 - Would need the Sponsor to bring in a JV Partner that is experienced in large scale multifamily development in order for them to get comfortable quoting the loan.
31	United Bank	8/13/21 - Would need a minimum of completion guarantee. Institutional quality sponsor required - Elm Street Development, JBG etc. View sponsor as non-institutional developer which is a non-starter. They are not comfortable at all with the sponsorship and the guarantor.
32	US Bank	8/12/21 - Do not have the staff at the moment to administer construction loans for new clients.
33	USAA Real Estate Company	7/29/21 - No construction loan program. They also max out at \$60M
34	Washington Capital Management	8/18/21 - Tup Fisher says that they have to see that the project was always deemed to be union built, he doesn't want to provide a union quote just to see if his structure justifies going union. Also, \$90MM is too large for them solely, they would have to get another fund or two to join them.

Uncategorized:

#	Company / Firm	Comments
1	ACRE Capital LLC	8/3/21 - Followed up
2	Apollo Commercial Real Estate Finance, Inc.	8/18/21 - reached out again 8/13, so response
3	Banco Santander/ Sovereign Bank	8/3/21 - Followed up
4	Bank of america	8/3/21 - Followed up
5	Benefit Street Partners	
6	Capital One Bank	8/3/21 - Followed up
7	CIM Group	
8	Deutsche Bank Commercial Real Estate Group	8/4/21 - followed up on 7/28, no response
9	HELABA BANK	8/3/21 - Followed up
10	Sumitomo Mitsui Banking Corporation	8/4/21 - followed up on 7/28, so response