



IBS INSTITUTIONAL CAPITAL

Financing For Real Estate Investors by Real Estate Investors

www.myinstitutionalbanking.com
www.ibsinvestmentbank.com
www.IBSREICO.com
www.PillarInvestmentBanking.com

IBS INSTITUTIONAL CAPITAL

Financing Challenges For Emerging Real Estate Investors



"IBS offers asset-centric real estate capital which opportunistically focuses on the real estate's potential.

Small and regional depository banks often face challenges in extending credit for operators of true investment properties with financing requests between \$2MM and \$10MM. This is where IBS steps in and excels. Investment real estate owners and asset managers have an equity partner, lender, and potential buyer, all under one umbrella, IBS."

- J. Jackson, Chief Investment Officer

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Section: I

Getting to Know IBS

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IBS INSTITUTIONAL CAPITAL

Corporate Lines Overview

Our family of companies (IBS Family) has been recognized for revolutionizing the trajectory of hundreds of small to middle-market-sized companies and real estate operators since 2011. In addition to their numerous internal divisions, the closely held companies strategically deploy across six ancillary sectors:

Institutional Banking Services, N.A. CORP (IBS, N.A.) Founded in 2011, IBS, N.A. is a private equity servicer provider delivering transaction management, fund administration, and human capital solutions to its sister companies (IBS Companies) and select institutional clients. Through IBS Institutional Capital, the IBS Companies provide commercial bank financing alternatives by placing direct investments in small to middle-market companies and real estate operators.

IBS Institutional Capital (IBS): National balance sheet lender specializing in placing direct investments into small to middle-market businesses and real estate companies with annual revenue of \$5 million to \$300 million. The company serves as the manager of its closely held funds, wholesale lines, and institutional investor syndications.

IBS Investment Bank: Privately held investment bank dedicated to performing the capital markets and risk management functions of its sister companies and select institutional investors. In 2014, the firm launched its fintech-based IBS Banker Portal™, which serves as a capital markets exchange between IBS Institutional Capital and over 150 FDIC depository banks.

Capital Funding Solutions (CFS): IBS, N.A. affiliate and direct lender of accounts receivable financing. As an ancillary function, CFS provides state-of-the-art commercial loan monitoring and reporting services to financial institutions.

IBS Real Estate Investment Co., LLC (IBS REICO): Institutionally backed real estate investment and asset management firm providing passive and active equity investments in value-added and opportunistic strategies throughout the Southeastern United States.

Pillar Capital Advisors, LLC (Pillar): Private investment banking firm providing institutional capital advisory, transaction opinions, and dispute resolution advisory to small and lower middle-market companies. The firm also provides creditor advisory support to a select group of financial institutions and international investors. In 2012, Pillar was founded to source and structure debt investment and acquisition opportunities for its sister companies.

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IBS Fueling American Real Estate

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IBS INSTITUTIONAL CAPITAL

The Proven Choice for Real Estate Investors

Bridging the Gap for CRE Owners & Asset Managers

Whether you are considering selling, repositioning, or refinancing your property, we will help move you from where you are to where you want to be. Receive expedited proceeds by selling directly to IBS or partner with us to receive the equity or financing needed to overcome barriers such as:

- Limited cash/equity available to purchase additional assets;
- Limited cash/equity to complete value-added improvements;
- Problems accessing credit through traditional lending channels; and
- Elongated sales cycles due to purchaser financing limitations.

One Umbrella, Three Ways to Partner

IBS provides you with the flexibility and reliability needed to fuel your real estate investment. Talk to us when considering your go-to-market strategy to discover three distinct opportunities that will give you a competitive edge:

- **Sell to IBS Real Estate Investment Company, LLC:** Once your CRE asset information has been received, rest easy knowing that closing can occur within 2-3 weeks with a cash offer from our real estate division IBS Real Estate Co. (www.ibsreico.com).
- **Borrower from IBS Institutional Capital:** As one of the nation's leading Commercial Real Estate Lenders, you can count on IBS to provide you with industry-leading financing without the need for tax returns and other rigorous depository banking requirements.
- **Partner with IBS Investment Bank:** As a leader in providing passive and active investments, IBS can provide you with the equity capital needed to reposition your asset and bypass the loan underwriting process

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The Leader in Delivering Reliable Capital

IBS Provides Cash-Out Refinance for \$4MM Office Building in Boca Raton, FL

IBS provided a recapitalization loan to Maarif Properties LLC (Company), a Boca Raton-based investment group. The Class "B" singlet-tenant building containing over +16,000 square feet is located at 2200 N.W. 2nd Ave in Boca Raton, Florida. Considering the asset's location and low leverage, the owner optimistically sought financing from depository banks prior to engaging with IBS due to the request for recapitalization (drawing out equity) of the building and other mitigating factors; the borrower did not receive support from their local banks. However, before declining the request, a local banker contacted IBS, triggering the Company to receive a commitment letter within five business days of contact. Through its Small Balance Fund, IBS provided the company with a credit facility comprising a 3-year fixed-rate, 30-year term, and a 30-year amortization, allowing it to extract equity for upcoming ventures.



IBS Provides Cash-Out Refinance on \$4.3MM Retail Building in Plainfield, CT

IBS provided a loan to J.M. Holdings (Company), a Connecticut-based investment group. The Class 'B' multi-tenant retail building containing over +32,000 square feet is located at 20 Excalibur Boulevard, Plainfield, CT. Despite the asset's low leverage, its tertiary market location and loan amount did not encourage support from local banks. In an effort to assist the Company, Bridge Loan Network presented the transaction to IBS, which allowed the borrower to receive approval within days of submitting the application. Through its Small Balance Fund, IBS provided the Company with a credit facility comprising of a 3-year fixed-rate, 30-year term, and a 30-year amortization, allowing the company to take advantage of a substantial reduction in monthly debt service and a discounted payoff from their lender.



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IBS INSTITUTIONAL CAPITAL

The Leader in Delivering Reliable Capital



Acquisition Financing
Distressed Purchase for Hear 4Kidz, Inc.



3-Year Bridge Financing
Recapitalization on \$4.5MM Located 4012 13th Ave Brooklyn, NY



Acquisition Financing
\$1.5MM Purchase for AAPA, Properties, LLC



Refinancing
Refinance of Ballooned Note for Federal Millwork, Inc.

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IBS INSTITUTIONAL CAPITAL

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IBS Real Estate Finance Program

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IBS INSTITUTIONAL CAPITAL

Program Snapshot



Depending on the size and need of your business, our corporate finance division has the proven ability to provide you with the rate and terms you need so that you can fuel your ideas. A true corporate finance lender, IBS is an asset and cash-flow-focused versus credit-driven. Program highlights include

- **IBS Small Balance Real Estate Lending:** from \$250k to \$7MM, with rates priced over WSJ Prime, secured through underwriting based primarily on the property's value and net operating income based on operating statements and rent roll. Tax returns are not required.
- **IBS Bridge & Mezzanine Financing:** from \$2MM to \$50MM, with rates starting at SOFR plus 5%, secured through underwriting solely based on the property's value.
- **IBS Conventional Commercial:** from \$5MM to \$50MM, rates starting at SOFR plus 3%, secured based on the property's value, net operating income, geographical location, and sponsor strength.

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IBS Small Balance Real Estate Lending Program

IBS has made the financing of Small Balance Real Estate a focal part of our business. Since our inception, we have proven to be a true capital partner for emerging real estate investors. In 2014, IBS launched its \$225MM SBIR Fund IV to become a national leader in financing investment real estate transactions up to \$10MM. General parameters include:

Loan Amounts: \$250,000 to \$7,000,000; \$10MM

LTV: 75% Max LTV (based upon asset and location)

Rates: 7.25%-12.5%

Fixed Period: 2,3,5,7,10 and 30-year

Amortization: up to 30 Year Fully Amortizing (other amortization options available)

Points: Par-1.00%

Transaction Type: Purchase, Refinance, & Cash-Out Refinance

Index: WSJ Prime Based

Rate Caps: 2% for the First Year, Then 1%periodically

Prepayment Penalty: 5% declining

Rate Buy-down: Available with additional origination costs.

Property Types: All property types (except land and special purpose)

Additional Considerations:

Minimum Credit Score: 620

Expense Deposit Required for Third Party Reports

Rate lock when loan documents drawn

Impounds for property taxes and insurance required

IBS must order third-party reports;

Foreign nationals welcome (Florida, Texas, North Carolina, New York, and Georgia only)

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IBS INSTITUTIONAL CAPITAL

IBS Bridge & Mezzanine Finance Program

IBS offers bridge and mezzanine financing to experienced sponsors requiring more time to execute their exit strategy or attain permanent financing. Our program is designed to provide the elasticity of a structured loan while offering the option to secure the most favorable permanent financing available based on investment objectives. The IBS Bridge & Mezzanine Finance Program offers commercial real estate investors the opportunity to leverage short-term financing benefits without compromising equity or long-term ROI. General parameters include:

Loan Term: 1 to 3 years (longer terms considered on an exception basis)

Loan Amount: \$5MM to \$50MM

Property Types: All property types considered depending upon Sponsorship

Geographical Focus: Continental U.S. (Excluding: N.D., SD, AK, RI, and I.A.), including Canada, Puerto Rico, and the U.S. Virgin Islands

Interest Rate: Starting at 10.99% Interest Only

Amortization: Interest-only

Loan-to-Value: Up to 70% LTV

Prepayment: No prepayment penalty, although typically a six-month minimum term

Borrower: Single Purpose Entity Ownership Structure preferred

Typical Scenarios: Chapter 11 Reorganization, Partner Buyout, Recapitalization, IRS Payoff, Discounted Payoff, Pre-Stabilization Financing, LI/TC, Vacant Building Acquisitions, Real Estate Tax Lien Payoff

Closing: 20-Day closing available

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IBS INSTITUTIONAL CAPITAL

IBS Balance Sheet Conventional Lending Program

As a principal real estate owner-operator, IBS understands the challenge of financing investment real estate at terms that promote healthy cash-on-cash returns. We have adjusted our Balance Sheet Lending Program to help you tap into your equity while improving returns. Under this program, IBS is focused on financing well-located investment properties controlled by experienced real estate operators with sound business plans. General parameters include:

GEOGRAPHY

Nationwide with a focus on Tier 1 and Tier 2 Markets

LOAN AMOUNT

\$5 million to \$35 million

ELIGIBLE PROPERTIES/ MAXIMUM LTV

Multifamily -75% LTV
Single Family Portfolios- 75%LTV (up to80%LTC)
Retail- 70% LTV
Industrial- 75%LTV
Office- 65%LTV
Hospitality-65 %LTV

RATES/AMORTIZATION

Rates are spread over the 30-Day SOFR index with 5, 10-, 20-, 25- & 30-Year Amortization options

LOAN OPTIONS

3, 5 & 7-year ARMS with 10-Year
Terms 10-Year fixed

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IBS REAL ESTATE INVESTMENT CO.

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IBS Real Estate Investment Co. LLC

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IBS REAL ESTATE INVESTMENT CO.

IBS Real Estate Investment Company, LLC Overview

Taking advantage of IBS's proprietary access to potential transactions, the IBS REICO acquires investments using a process consisting of due diligence, structuring an appropriate investment transaction, repositioning underlying assets, and establishing a net tangible value in the investment.

Transaction Size:

- \$1 – \$50 million per real estate asset/ real estate-backed loan
- \$10 – \$100 million per real estate portfolio/ real estate-backed loan portfolio

Real Estate Target:

- Mixed-Use (Multifamily with retail component)
- Multi-tenant office industrial business parks/Flex Space
- Self-Storage Light Industrial (multi-unit distribution centers, sub-institutional single-tenant, and cold storage)
- Multifamily (150+ units)

Sub-Performing Loan Target:

- \$1-\$10mm on individual mortgage notes in South Florida (whole loans, mezzanine loans, participations, and "stalking horse" B.K. bids.)
- \$10mm+ mortgage portfolios with a concentration on the East U.S. Coast

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IBS REAL ESTATE INVESTMENT CO.

IBS Real Estate Investment Company, LLC Funds

IBS Real Estate Investment Company, LLC (IBS REICO), a sister company of IBS Investment Bank, serves as the Manager for all IBS real estate investment funds. The IBS name is synonymous with providing investors access to well-qualified institutional-grade alternative investments.

Powerful Investment Capital

IBS Real Estate Investment Co. LLC managed funds were designed to provide high net-worth individuals, corporations, small pension funds, ultra-high-net-worth self-directed IRA investors, and endowments access to professionally managed real estate investments. The funds achieve higher than average income by offering investors senior secured bonds of the Fund's portfolio. As a secondary initiative, the funds attain moderate capital growth.

Investment Strategy

IBS REICO acquires multifamily, industrial, mixed-use, and sub-performing note opportunities in the Southeastern United States. The Fund's strategy will be to invest in niche opportunities in the investment territory in:

- Underperforming assets with compelling value-added opportunities;
- Unique assets with strong upside potential;
- Properties in proven sub-markets with existing cash flow; and
- Real estate-related operating and service companies.

IBS REICO takes a balanced approach to maximize risk-adjusted returns and long-term capital appreciation. Real estate assets and securities are expected to be held for three to five years. The company invests primarily in properties with a target investment requirement or acquisition price of between \$1 million and \$20 million. IBS REICO seeks high-barrier, moderately complex situations requiring significant asset management experience where operating results and cash flow can be improved.

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IBS REAL ESTATE INVESTMENT CO.

Acquisitions Criteria

"We are opportunistic in approach, fundamental by design, conservative with assumptions, focused on location, diverse in product, and accommodative to sellers."

- J. Jackson, Chairman IBS REICO

FL Opportunistic Real Estate Funds Target :

Acquisition Type:

- Moderate Leverage
- All Cash
- Closing in 30-60 days
- Joint Ventures

Hold Period: Typically, 2 to 6 years

Market Focused:

- FL, GA, NC, SC, and TN
- Additional Tiers 2 Markets considered
- Well-located properties close to amenities

- Any class asset or portfolio in Tier 2 or better location
- Potential to incorporate extensive capital improvements
- Liquidity event required by owner (partner buyout, balloon, recapitalization, technical default, etc.)
- Potential to incorporate operational efficiencies
- Opportunistic purchases of a majority interest in over-leveraged real estate holdings
- Opportunistic purchases of minority/majority interest in real estate holding companies requiring asset reposition or development

Fixed Income Real Estate Funds Target:

- Class B- or better
- Ability to reset below-market rents
- Multi-tenant preferred, with the largest tenant occupying no more than 50%
- Potential to incorporate minor strategic improvements

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