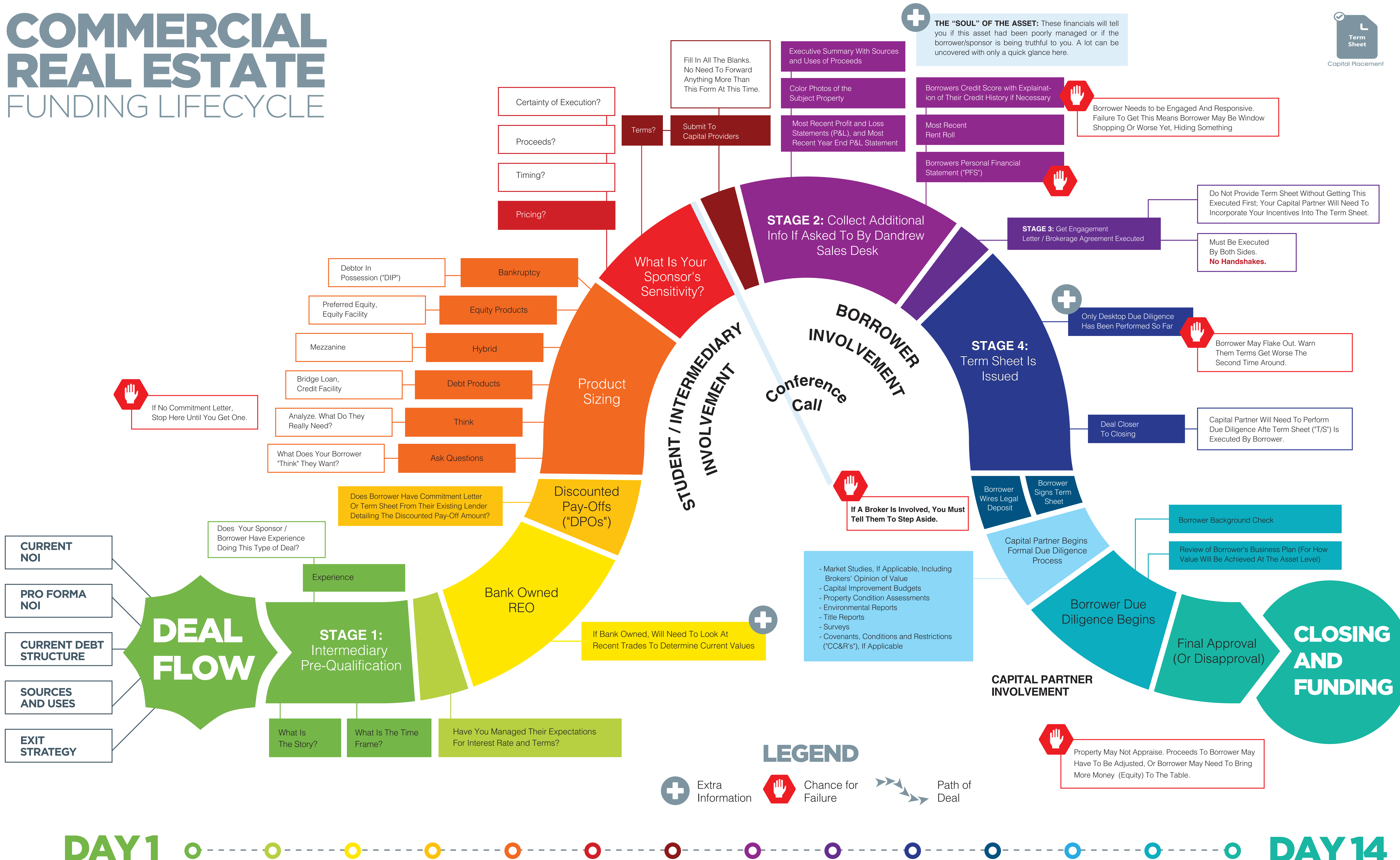


# COMMERCIAL REAL ESTATE FUNDING LIFECYCLE



Capital Placement



If No Commitment Letter, Stop Here Until You Get One.

Fill In All The Blanks. No Need To Forward Anything More Than This Form At This Time.

**THE "SOUL" OF THE ASSET:** These financials will tell you if this asset had been poorly managed or if the borrower/sponsor is being truthful to you. A lot can be uncovered with only a quick glance here.

Borrower Needs to be Engaged And Responsive. Failure To Get This Means Borrower May Be Window Shopping Or Worse Yet, Hiding Something

Do Not Provide Term Sheet Without Getting This Executed First; Your Capital Partner Will Need To Incorporate Your Incentives Into The Term Sheet.

Must Be Executed By Both Sides. **No Handshakes.**

Borrower May Flake Out. Warn Them Terms Get Worse The Second Time Around.

Capital Partner Will Need To Perform Due Diligence After Term Sheet ("TS") Is Executed By Borrower.

If A Broker Is Involved, You Must Tell Them To Step Aside.

- Market Studies, If Applicable, Including Brokers' Opinion of Value
- Capital Improvement Budgets
- Property Condition Assessments
- Environmental Reports
- Title Reports
- Surveys
- Covenants, Conditions and Restrictions ("CC&R's"), If Applicable

Property May Not Appraise. Proceeds To Borrower May Have To Be Adjusted, Or Borrower May Need To Bring More Money (Equity) To The Table.