



Key takeaway themes:

- 1 Preferred equity structures lie on a spectrum from classic mezzanine financing to traditional equity.
- 2 Watch out! There is a risk of re-characterization of equity to debt when form takes over substance.
- 3 What are YOUR concerns? There are pros and cons of mezzanine debt vs. preferred equity.
- 4 Mortgage lender may be the 800-pound gorilla.
- 5 Tax concerns (both setting up and exiting) may influence structure.

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