F&M Bank provided

\$9 MILLION

Commercial Real Estate Loan

FEATURED TRANSACTION













1031 Exchange • Southern California

A 1031 exchange is one of the most often used methods in commercial real estate for purchasing and selling property in a tax efficient way. On paper, the process is simple...sell a property and acquire another property while deferring the taxable gains according to 1031 exchange rules. While that is true in principle, in the competitive world of Southern California real estate, it rarely works out quite that easily.

One F&M Bank client with the goal of purchasing multiple retail storefront, multi-family, and industrial properties while still maintaining compliance with 1031 exchange rules, needed flexibility beyond individualized loans that could slow the acquisition process. To help ensure our client could acquire the properties they identified, F&M structured a line of credit that would align with 1031 exchange rules. The line of credit allowed our borrower to make purchases that were limited to 50% of the collateral where the subject properties would meet specific loan covenants, debt service coverage ratios, and property types.

A Custom-Tailored Solution

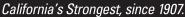
F&M Bank's Regional Relationship Manager created a structured line of credit for \$9,000,000 that met the 1031 exchange rules. To provide flexibility to the borrower during the transition, the transaction was designed as interest-only for one year and then converted to a fully amortizing loan.

All loans are subject to credit approval. Terms and conditions subject to change. NMLS#537388. Farmers & Merchants does not provide legal, tax, or accounting advice.

Commercial Real Estate



Farmers & Merchants Bank®









THE SERVICES

F&M Bank offers a wide array of commercial products and can create a tailored solution to help with your commercial lending needs.



Commercial Property Purchase and Refinance



Non-Profit and Houses of Worship



Construction Loans



No Prepayment Penalties



Owner-occupied and Investment



No-Point Options Available



Retail, Industrial, and Mixed-Use



Competitive Rates and Terms



On-Site Decision Making for Fast Answers

ABOUT F&M

C.J. Walker founded Farmers & Merchants Bank more than 113 years ago based on the principles of Honesty, Integrity, The Home, The Church, and Service Above Self. Today, Fourth Generation Chairman of the Board and CEO Daniel K. Walker, his brother President W. Henry Walker and their father Kenneth Walker, President of the Main Office, manage the Bank.

Founded in Long Beach in 1907 by C.J. Walker, Farmers & Merchants Bank has \$9.4 Billion in assets, and 25 branches across Orange County, Long Beach, the South Bay and Santa Barbara. The Bank specializes in commercial and small business banking, business loan programs, home loans, and a robust offering of consumer retail banking products, including checking, savings and youth accounts.

Following the Walker tradition of giving back to the community, the Bank continues to donate over \$2 million each year to charities, non-profit organizations, and religious entities.

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Commercial Real Estate









