

GENERAL PROJECT LOAN TERMS SHEET - PRESERVATION

The following Terms Sheet is provided for convenience only and does not constitute a commitment to lend or borrow or an agreement to issue or accept a commitment on these or any other terms or to arrange any financing and shall not create a binding or legally enforceable obligation on the New York City Acquisition Fund LLC (the "Fund") or any other party in any way.

The terms contained herein are of a summary nature and are not all-inclusive. The activities and policies of the Fund will be governed by the legal documents to be executed by parties to the Fund and reference is made to such documents for definitive descriptions of the Fund and its activities.

General Project Loan Terms*

Borrower Entity:	Special purpose single asset entity created by a for-profit or non-profit company.
Loan Amount:	Maximum loan commitment amount of \$15,000,000.
Loan to Value:	Non-Profit Borrowers: up to 100% of the lesser of the as-is appraised value or the sales price. An additional 10% may be available for capitalized interest and certain predevelopment costs, for a total of 110% LTV. For-Profit Borrowers: up to 75% of the lesser of the as-is appraised value or the sale price.
Loan Proceeds:	Loan proceeds may be used for costs associated with the acquisition and predevelopment of occupied buildings.
Equity Requirement:	Non-Profit Borrowers must contribute 5% of the total acquisition and predevelopment project costs in equity at closing. 20% of their total equity requirement may be contributed in the form of an in-kind contribution. The total equity contribution may be paid in the form of cash, grants, or subordinate debt. For-Profit Borrowers must contribute 25% of the total acquisition costs at closing.
Recourse:	Non-Profit Borrowers - 25% limited recourse to the Parent Company. For-Profit Borrowers - 25%-50% limited recourse to Key Principals and/or the Parent Corporation with evidence of sufficient liquidity and net worth. Recourse levels in excess of 50% may be required on certain preservation projects.
Project Loan Rate:	PRIME with a floor of 4.00% plus approximately 110 basis points.
Interest Payments:	Interest is payable at the end of each month. For-Profit Borrowers are required to pay the first month's interest upfront at closing.
Fees:	The Fund's Upfront Guarantee Fee of 50 basis points, calculated based on the total loan commitment amount, is payable to the Fund at closing. Each Originating Lender has an Origination Fee as well, typically about 2% of the total loan commitment amount.
Project Loan Term:	The maximum Project Loan term is two years with the option for two six-month extensions.
Project Financial Statements:	A copy of the Project's most recent financial statements for the prior two years from the current owner, along with a current rent roll.
Third Party Reports:	An appraisal must be ordered by the Fund. A Phase I Environmental Site Assessment Report can be ordered by either the Borrower or the Originating Lender, but must be completed by a pre-approved environmental consultant. Please contact an Originating Lender regarding appraisals and for copies of the approved environmental consultant list and the Phase I ESA Report requirements.
Financial Statements:	For-Profit Borrowers must provide the most recent two years of the principal's accountant reviewed or compiled financial statements. Non-Profit Borrowers must provide the most recent two years of the parent organization's accountant reviewed financial statements.
Takeout Financing:	If applicable, Project Loans require a soft commitment letter to provide construction or permanent financing from either: (a) the Department of Housing Preservation and Development, (b) the Housing Development Corporation, (c) the Department of Housing and Community Renewal, (d) the Office of Mental Health, or (e) other Governmental Agency approved by the Fund.

*The Fund can provide exceptions to some of the above underwriting criteria, subject to approval by the Fund Manager or the Fund's Credit Committee. Please discuss the Fund's exceptions with an Originating Lender.