

Loan Term Sheet

Loan Amount:	A loan amount of \$17,200,000 subject to the constraints set forth herein.
Term:	The Loan will have a term of two years. The term may be extended by three, one-year extension options that may be exercised by the Borrower as set forth in the Loan Agreement.
Prepayment:	The loan will be locked out for 18 months from Loan closing. After the 18th month, the Loan is fully prepayable without penalty.
Amortization Period:	Interest only
Index for Pricing:	One month LIBOR plus not less than 250 basis points. Borrower will be obligated to purchase an interest rate cap at a LIBOR strike rate of 5.32% and maintain such cap during the term of the loan (including during any extension period an interest rate cap to maintain a minimum 1.05x DSCR on current cash flow).
Origination Fee:	1.5%
Interest Calculation:	Actual/360
Exit Fee	Borrower shall pay Lender an Exit Fee equal to 1.00% of the Loan Amount at maturity or in connection with a payoff of the Loan if Borrower does not close a permanent refinancing loan ("Refinancing Loan") with Lender for any reason including, without limitation, Lender's failure to offer Borrower a Refinancing Loan. If Borrower closes a Refinancing Loan with Lender, the Exit Fee payable to Lender in connection with the payoff of this Loan shall be 0.00% of the Loan Amount. Borrower acknowledges that Lender is under no obligation to offer Borrower a Refinancing Loan.
Extension Fee:	0.00% / 0.25% / 0.50%
Minimum "As-Is" DSCR:	0.30x
Maximum "As Is" LTV:	85%
"As Is" Cash Flow Used for Preliminary U/W:	\$434,359
Minimum "As Stabilized" DSCR on a 9.66% Constant:	0.70x
Maximum "As Stabilized" LTV:	85%
"As Stabilized" Cash Flow Used for Preliminary	\$1,039,501

Note: This term sheet is for discussion purposes only and does not constitute a binding commitment to provide financing on the above referenced transaction. A commitment may be issued upon satisfactory site inspection, due diligence, underwriting and credit committee approval.

U/W:	
Reserves:	<p>Reserves will be funded monthly for the payment of real estate taxes and insurance.</p> <p>An annual replacement reserve equal to the higher of \$250/unit/year or the engineer's recommendation will be funded monthly throughout the Loan term. This reserve will be available to the Borrower for capital expenditures at the Properties.</p> <p>Lender will reserve at closing funds equal to 125% of any immediate repairs and/or the cost of any environmental remediation required in the Property Condition Report and Phase I Environmental Report, respectively.</p>
Cash Management Provision:	Soft Lockbox
Recourse:	Loan is non-recourse with the exception of standard recourse carve-outs to key principals or an entity with a going concern and a net worth acceptable to Lender.
Subordinate Financing:	Lender will have the right to bifurcate the Loan (before and/or after closing) into two or more notes including but not limited to, senior and junior notes, participations and/or mezzanine financing and to negotiate a satisfactory inter-creditor agreement. Such modifications shall not affect the overall economics to the Borrower.
Borrower:	Shall be a single purpose two-tier bankruptcy remote entity with a non-consolidation opinion.
Application Deposit:	\$25,000 deposit for legal and third party expenses (includes a \$1,500 due diligence fee)

Items Required Prior to Application:

- Receipt and review and approval of Borrower experience and financials.
- Receipt and review and approval of historical and year-to-date operating statements and rent roll.

Miscellaneous Loan Provisions:

- At closing, trailing three months net rental collections and EGI shall be at least \$1,146,131, and \$1,222,223, respectively on an annualized basis.
- At closing, a twenty-four month Debt Service Reserve shall be established with Lender (currently estimated at \$1,955,866), in order to achieve a 1.05x DSCR. This reserve can be released based upon attaining a 1.20x:1.00 DSCR based on Lender's underwritten "Net Operating Income", which is defined as income less operating expenses. Income is defined as rental income adjusted for the greater of market or actual vacancy, reimbursement of utility expenses, and Other Income from ordinary and recurring items such as Application Fees, Late Fees, etc. for the preceding six months. Operating expenses are considered to be the higher of underwritten expenses or the normal expenses incurred in property operations for the previous twelve months, adjusted for a minimum four percent management fee, actual current property taxes and property insurance expenses and \$250 per unit for replacement reserves, but excluding capital expenditure, non-recurring expenses and ownership expenses. In order to obtain a release of the Reserve, Borrower should submit a request for the release along with operating statements, rent rolls, bank statements and other supporting documentation which Lender may reasonably request. Sponsors shall guaranty to replenish this reserve upon 75% utilization.

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