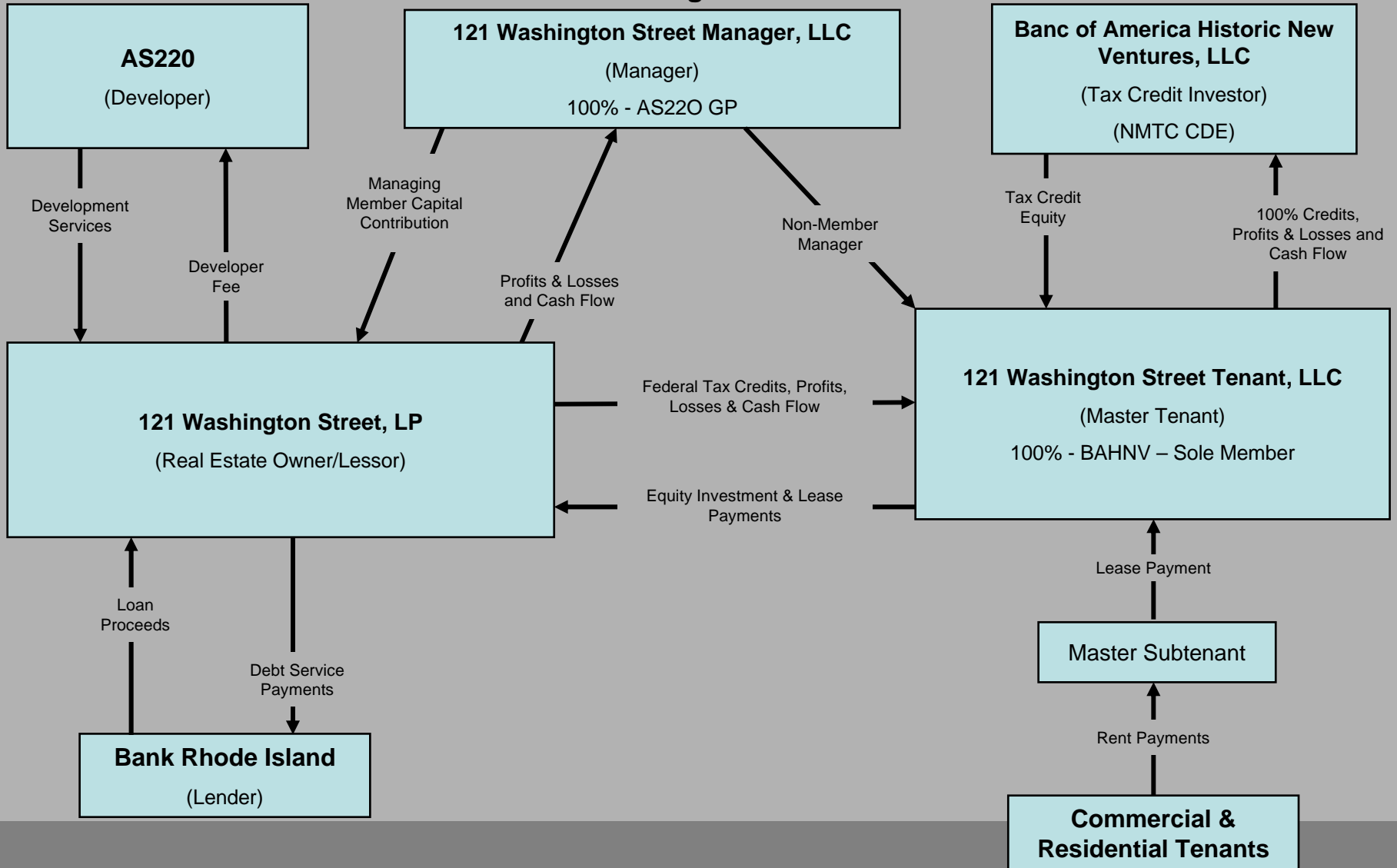


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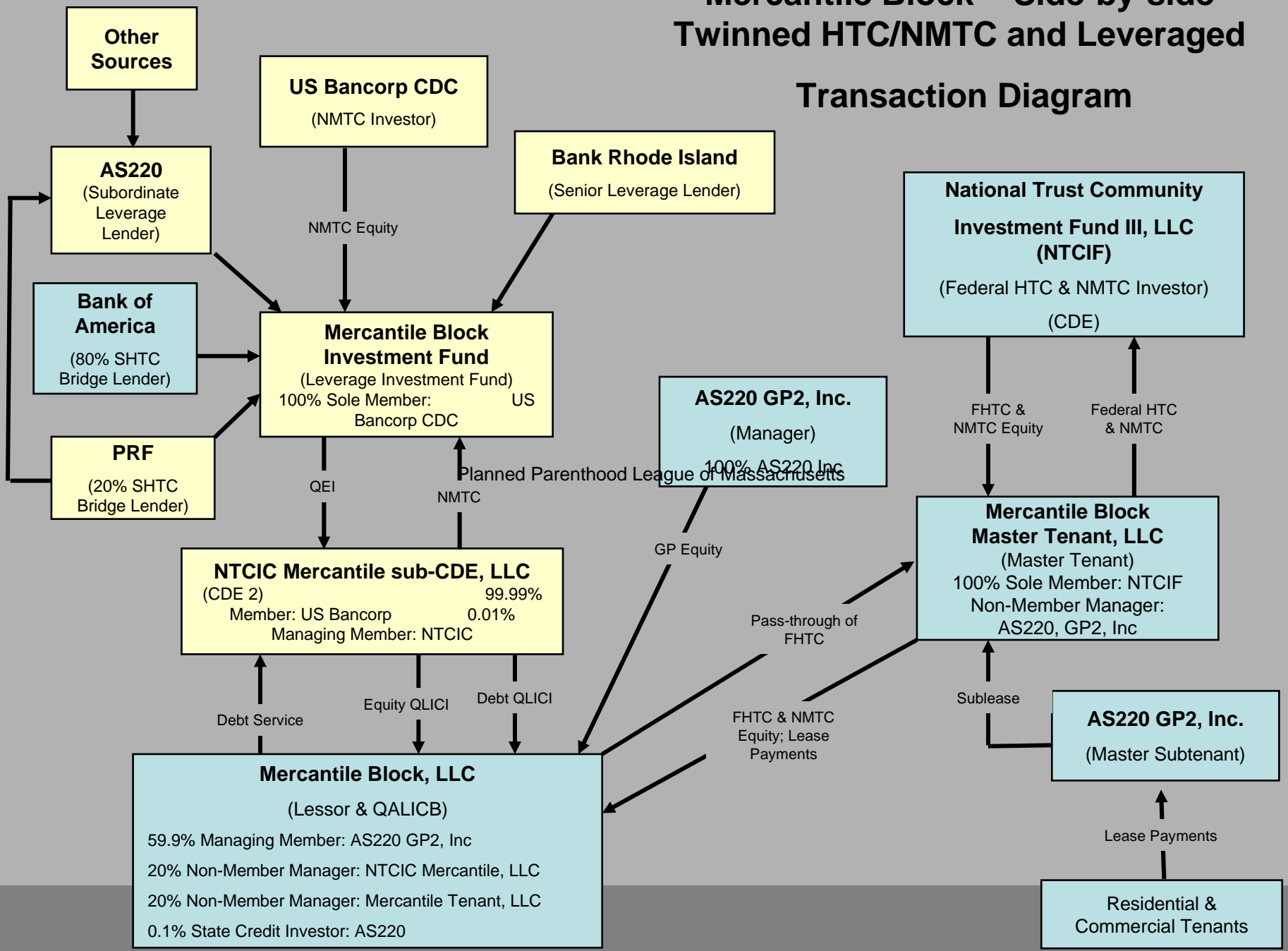
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Dreyfus Project

HTC Master Tenant Transaction Diagram



Mercantile Block - Side-by-side Twinned HTC/NMTC and Leveraged Transaction Diagram



Mercantile Block – USBCDC Side

OVERVIEW

- Leveraged Structure
- What do you want to leverage?
Everything? Less?
- Two Loans:
 - Senior Loan from Bank Rhode Island
 - Subordinate Loan from Project Affiliate*

*Seems simple

Mercantile Block – Senior Loan

FHLB VIA BANK RHODE ISLAND

Standard Conflicts:

- Amortization, Collateral, Forbearance, Redeployment

New Issues:

- FHLB Covenants
- Bifurcated Direct Loan fixes everything! No?
 - Can track covenants more directly
 - Sized to meet amortization req's for 7 years
 - If covenant violated, rate increases. Not enough.
 - Collateral outside of NMTC structure

Mercantile Block – Subordinate Loan

SPONSOR AFFILIATE (The easy one)

All the “Other Sources”:

- All six of them
- Each has their own requirements
- How do they impose covenants?

Avoid the Trap:

- Start the conversation early
- Our counsel will need to review their docs
- Their counsel will want to review our docs