

\$1.0 Million
GP LOAN SECURED BY GP'S
EQUITY INTEREST

44 HUDSON ST.

NEW YORK, NEW YORK 10013



CHESTERFIELD FARING LTD





CHESTERFIELD FARING LTD

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Overview. Chesterfield Faring, Ltd. (“CFL”) is syndicating a \$1.0 million GP Loan (“GP Loan”). The GP Loan is secured by the \$3.6 million equity interest (“GP Equity”) held by the general partner known as Prime Manhattan Development LLC (the “Sponsor”) in the property known as 44 Hudson St, New York, NY 10013 (the “Property”). The GP Loan is full recourse for principal and interest by the principals of the Sponsor. The principals have a net worth in excess of \$40.00 million.

The Investment. CFL is offering (you) participants (the “Participants”) the right to co-invest in the GP Loan in ten (10) one hundred thousand dollar (\$100,000) units (the “Unit(s)”). Half Units for \$50,000 are available. Each Unit provides a twelve percent (12.0%) annual return plus a two percent (2.0%) equity profit participation (“GP Profits”) in the GP Equity. It is anticipated that the value of the GP Profits per Unit range from \$15,000 to \$20,000 after Year 1 increasing the yield substantially to the Participants. For clarity, there is an \$11.5 million first mortgage outstanding, a \$1.5 million preferred equity investment (“PE”) made and invested by CFL (and its investors) in November 2019, and now this GP Loan for \$1.0 million for a total of \$14.0 million of senior financings secured by the Property. The Property is valued at \$17.6 million currently for net equity of \$3.6 million. Upon lease-up, the Property should be worth \$19.1 million.

The Property. The Property is a 5-story commercial classic loft building with the elevator opening directly into the center of each floor. Located in the heart of Tribeca, tenants are naturally attracted to this fully gentrified neighborhood; especially tech companies and other boutique firms. Built in 1890/1903, the Property contains 10,015 gross SF above grade plus a 2,003 SF basement. The PE is building out a model unit on the third floor, common area upgrades, and pay other expenses. Floors 3-5 have been gutted. The plan is to rent to a single retail tenant on the first floor and basement, plus lease the 2nd through 5th floors to office tenants. It’s possible the entire building could be leased to a single tenant.

Ascertaining Value. The Sponsor acquired the Property on Oct. 9, 2018 for \$14.0 million or a total of \$16.05 million including all acquisition costs. For valuation purposes, the Sponsor provided a breakout of the net rentable for each floor utilized for the proposed rent roll on page 5. The leasing broker believes the upper floors will generate \$80+/- PSF rents based on 3,000 RSF floor plates, and \$150 PSF rent for 2,100 SF first floor (plus the 1,500 RSF basement). The projected Year 1 annual net operating income at full occupancy (assuming a 5.0% general vacancy) is \$906,378. At a 4.75% cap rate, the value is approximately **\$19.1 million** or \$1,905 PSF (based on gross SF) for a fully renovated building with new tenants. This is supported by comparable sales (see page 7). To lease up the Property, the Sponsor is projecting tenant improvement costs of \$70.0 PSF, 30% of first year base rent (assuming 5 year leases) for broker commissions (assumes co-broke), plus carrying costs, which totals approximately \$1.5 million. Therefore, an “as is” current value of approximately **\$17.6 million** can be supported. There are air rights that could be used to add to the top floor, but have not been considered in this valuation. The air rights may be utilized in the future if the Property is ever converted to residential use.

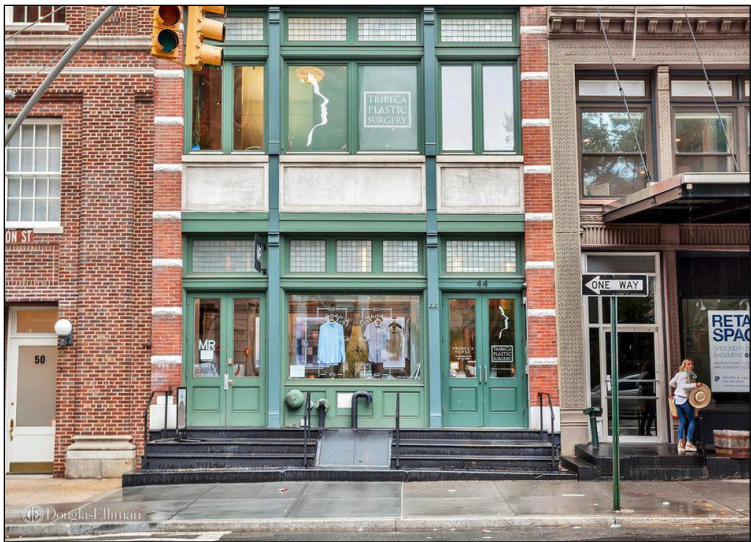
Market. There are very few boutique modern loft office buildings in Tribeca, especially with floor plates less than 3,000 SF, which is highly desirable to small businesses for this location. Tribeca is one of the most sought-after residential neighborhoods in Manhattan, and one of the most affluent in the U.S. The Property is located facing Duane Park, a historic center in the heart of Tribeca with high pedestrian traffic, great visibility, and a highly desirable neighborhood to live and work. Subway access is centrally located to the Property within two to three blocks away for the 4, 5, 6, NR, and the A, C, & E trains, with main stops in Tribeca at Canal/Church Street, Franklin Street, and at Canal/Broadway. Rents in Tribeca range from \$70 PSF to \$85 PSF for office space and \$120 to \$155 PSF for retail space, depending on the buildout, exposure, street traffic, sub market attractions, and exact location.



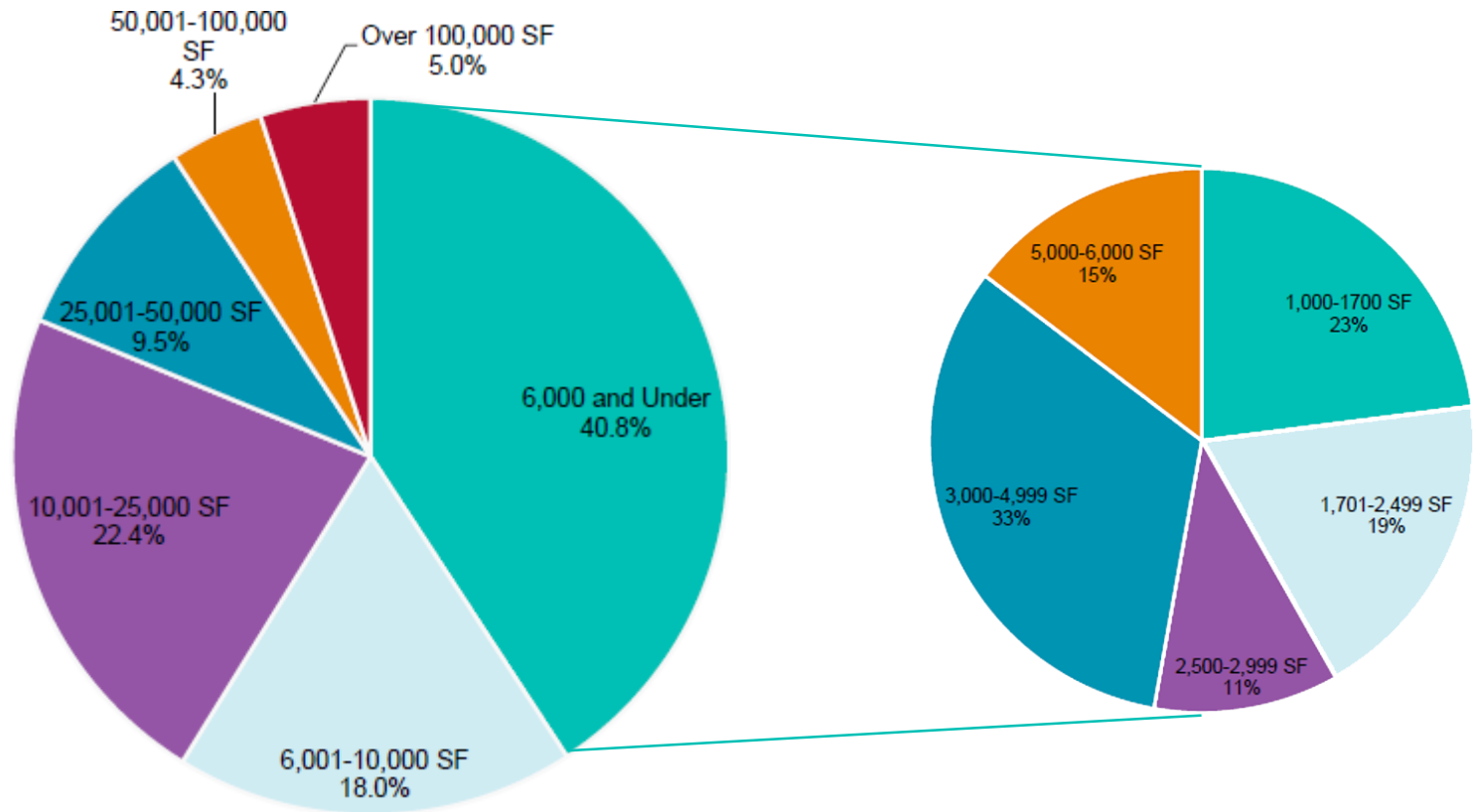
Source of Funds		LTC
First Mortgage Loan	\$11,150,000	69.5%
Preferred Equity	\$1,500,000	78.8%
GP Loan	\$1,000,000	85.0%
Total Sources	\$13,650,000	
		% of Value
Cost	\$16,050,000	85.0%
Current Value	\$17,600,000	77.6%
Stabilized Value	\$19,100,000	71.5%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue:										
Potential Gross Income	\$1,197,450	\$1,233,374	\$1,270,375	\$1,308,486	\$1,347,741	\$1,388,173	\$1,429,818	\$1,472,712	\$1,516,894	\$1,562,401
Vacancy Loss	-\$59,873	-\$61,669	-\$63,519	-\$65,424	-\$67,387	-\$69,409	-\$71,491	-\$73,636	-\$75,845	-\$78,120
Effective Rental Income	\$1,137,578	\$1,171,705	\$1,206,856	\$1,243,062	\$1,280,353	\$1,318,764	\$1,358,327	\$1,399,077	\$1,441,049	\$1,484,281
RE Tax Reimbursements	\$0	\$5,430	\$11,023	\$16,784	\$22,717	\$28,829	\$35,123	\$41,607	\$48,285	\$55,164
Other Income	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305
Effective Gross Income	\$1,138,578	\$1,178,165	\$1,218,940	\$1,260,938	\$1,304,196	\$1,348,752	\$1,394,645	\$1,441,914	\$1,490,601	\$1,540,749
Expenses:										
Real Estate Taxes	\$181,000	\$186,430	\$192,023	\$197,784	\$203,717	\$209,829	\$216,123	\$222,607	\$229,285	\$236,164
Insurance	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486
Utilities	\$16,000	\$16,480	\$16,974	\$17,484	\$18,008	\$18,548	\$19,105	\$19,678	\$20,268	\$20,876
Management Fee	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048
Repairs and Maintenance	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	\$7,164	\$7,379	\$7,601	\$7,829
Reserve For Replacement	\$1,200	\$1,224	\$1,248	\$1,273	\$1,299	\$1,325	\$1,351	\$1,378	\$1,406	\$1,434
Total Expenses	\$232,200	\$239,154	\$246,316	\$253,693	\$261,291	\$269,117	\$277,177	\$285,479	\$294,030	\$302,837
Net Operating Income	\$906,378	\$939,011	\$972,623	\$1,007,245	\$1,042,905	\$1,079,635	\$1,117,467	\$1,156,435	\$1,196,571	\$1,237,913
Valuation	\$19,081,632	\$19,768,649	\$20,476,282	\$21,205,149	\$21,955,887	\$22,729,153	\$23,525,623	\$24,345,991	\$25,190,977	\$26,061,318
Price/SF	\$1,905	\$1,974	\$2,045	\$2,117	\$2,192	\$2,270	\$2,349	\$2,431	\$2,515	\$2,602

The Sponsor’s original business plan was to redevelop the property as for-sale residential condominiums with ground floor retail. As the residential market softened, the strategy changed to office leasing for the upper floors and ground floor retail (including the basement). The leasing agent for the building (Newmark Knight Frank) indicated that 3,000 SF floor plans and below are the most desirable in New York City (see page 6). And the class A+ location of 44 Hudson will produce premium rents. Recent leases at nearby buildings are shown on Page 7, and were provided by NKF. NKF is currently listing the upper floors at 3,000 RSF, 2,100 SF for the first floor, and 1,500 RSF for the basement. NKF believes leases will be consummated at \$80/RSF+ for office space, and \$150/RSF for retail space (including the basement). These rents also consider offering \$70 TI for new office tenants (\$0 for retail tenant). Also, the Sponsor is currently building out a model floor at the request of NKF to support the highest rents possible and fastest lease-up. The RSF for each floor above are more conservative based on the same rents, and produce a potential gross income of \$1,197,450 which is shown in the Proforma on page four (4).



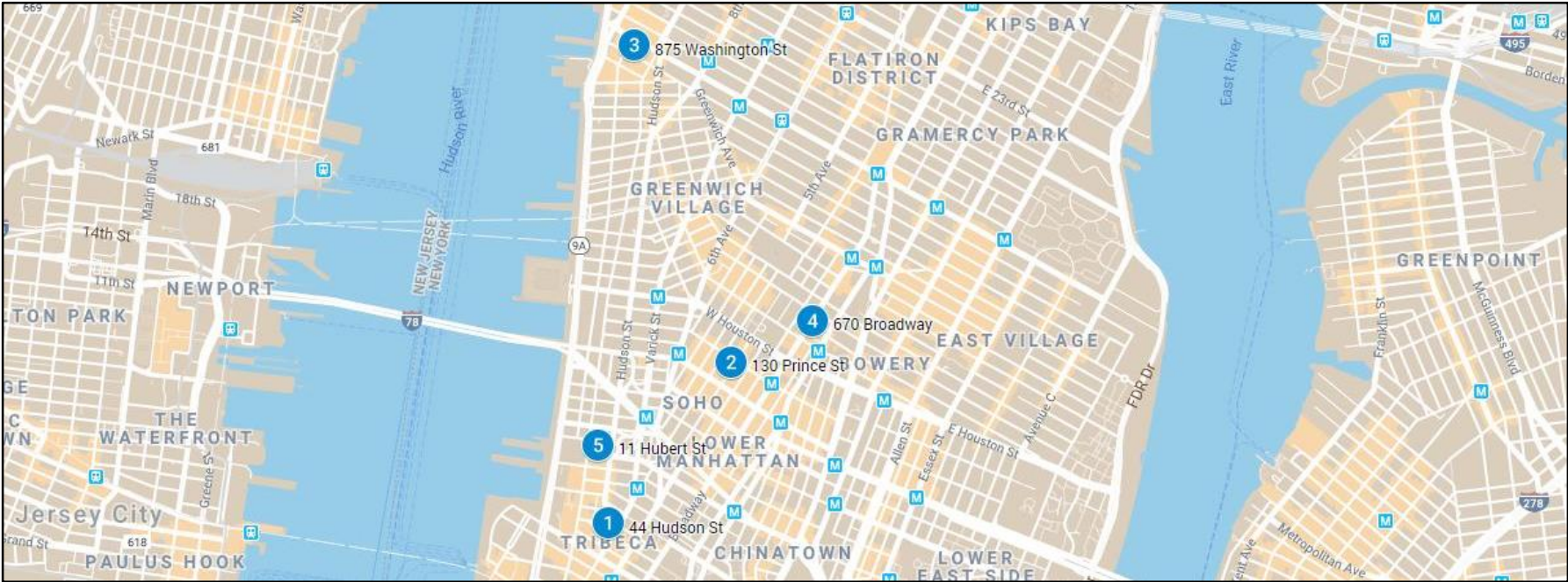
Proposed Rent Roll	Rent	NRSF	\$/SF
5th Floor	\$ 246,500	2,900	\$ 85
4th Floor	\$ 232,000	2,900	\$ 80
3rd Floor	\$ 217,500	2,900	\$ 75
2nd Floor	\$ 217,500	2,900	\$ 75
1st Floor (Ground + Basement)	\$ 283,950	1,893	\$ 150
Potential Rent Income	\$ 1,197,450	13,493	\$ 89



*Information Provide Courtesy of Newmark Knight Frank 



Property	Submarket	Asking \$/SF	SF	Total Rent	Notes	
1	Subject					
2	50 Hudson St	TriBeCa	\$85	5,150 SF	\$437,750	2nd Fl
3	99 Hudson St	TriBeCa	\$82	12,159 SF	\$997,038	14th Fl
4	60 Hudson St	TriBeCa	\$75	9,000 SF	\$675,000	2nd Fl Suite

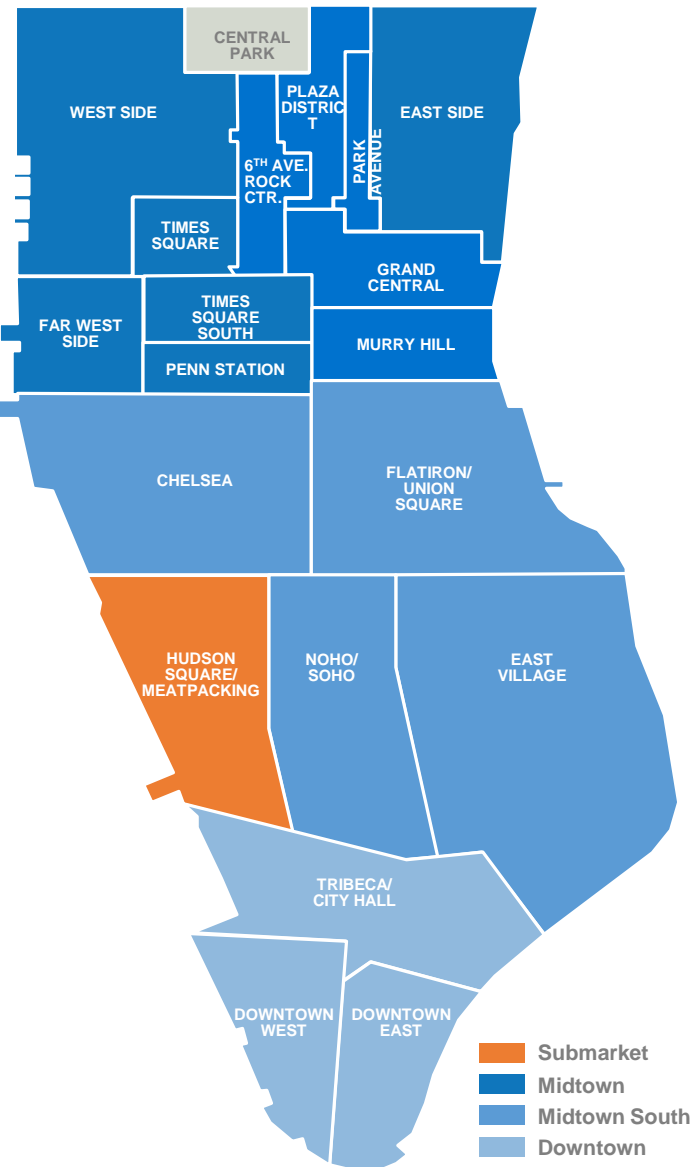


Address	Date of Sale	Submarket	Floors	Sales Price	SF	\$/SF
1 Subject	-	TriBeCa	5	\$ 19,081,632	10,015	\$1,905
2 130 Prince St	July-19	SoHo/NoHo	6	\$ 206,300,000	77,500	\$2,662
3 875 Washington St	September-18	Meatpacking	5	\$ 133,000,000	70,263	\$1,893
4 670 Broadway	February-19	NoHo	5	\$ 130,500,000	71,929	\$1,814
5 11 Hubert St	October-18	TriBeCa	3	\$ 19,995,000	10,218	\$1,957



Location Overview

44 HUDSON ST.
NEW YORK, NEW YORK 10013



MARKET SUMMARY

	Current Quarter	Prior Quarter	Prior Year
Total Inventory (MSF)	8.6	8.6	8.6
Availability Rate	6.8%	7.2%	10.8%
Vacancy Rate	5.0%	4.6%	6.1%
Quarterly Net Absorption (SF)	1,857	-24,280	-69,193
Average Asking Rent (\$/SF)	\$66.53	\$66.57	\$71.38
Under Construction (SF)	115,000	115,000	0
Deliveries (SF)	0	0	0

CURRENT MARKET TRENDS

The subject property is in the TriBeca/City Hall submarket of Manhattan, defined by NKF Valuation & Advisory, as Chambers Street to Canal Street, Hudson River to East River. Frankfort Street to Canal Street, and Hudson River to East River.

This submarket is home to 8.6 million square feet of commercial real estate space.

The TriBeca/City Hall submarket is located to the north of the Downtown East and Downtown West office markets and south of the Hudson Square/Meatpacking, NoHo/SoHo, and East Village office markets.

Availability in the TriBeca/City Hall submarket decreased 40 basis points to 6.8% quarter-over-quarter. Year-over-year, availability dropped 400 basis points.

Vacancy increased 40 basis points to 5.0% quarter-over-quarter. Vacancy decreased 110 basis points year-over-year.

Asking rents remained generally stable, decreasing by \$0.04 quarter-over-quarter to \$66.53 per square foot.

*Information Provide Courtesy of Newmark Knight Frank

The 10,015 gross square foot building is located on the west side of Hudson Street, directly across the street from Duane Street. The Property is a 5-story masonry brick, class C, mixed use office and retail building. Measuring 25' x 97', each floor of the building measures 2,003 gross square feet for each floor. The original building (floors 1-3) were built in 1890, with an additional two floors added in 1903. Small office buildings, with small floor plates in Tribeca are limited and highly desirable. The ground floor and basement will likely be leased to a retail tenant or restaurant, while the remaining four floors will be leased to office tenants. The buildout of each floor's common area will consist of exposed brick (floors 1-3) and concrete block (floors 4-5), hardwood floors, hung LED lighting, modern fixtures, etc. (see "Common Area Renderings" on page 11-13). Current photos of the Property are shown on page 9 and 10. Most of the demolition has occurred except for the basement and 1st floor. The remaining 4 floors are gutted to the bricks/concrete and is ready to be improved.



44 Hudson Street	
Address	44 Hudson St., NY, NY
Corner Streets	Hudson St / Duane St
Neighborhood	TriBeCa
Class	C
Year Built (Floors 1-3)	1880
Year Built (Floors 4-5)	1910
Basic Construction	Brick Floors 1-3 / Cinder Floors 4-5
Ceiling Height	10 Ft. - 12 Ft.
Elevators	One (1) Multi-passenger elevator
# of Floors	5 + Basement
Building Area (SF)	10,015 SF + 2003 SF Basement
Average Market Rent PSF	\$88.75
Year of Renovation	2019
Type of Renovation	Exposed brick, hung LED lighting, modern fixtures
Zoning	C6-2A
APN/Parcel ID	0144-0020

Prime Manhattan Development

PMD focuses on prime New York City mixed-use, luxury residential, and commercial developments in a manner that helps create and enhance the built environment through innovative design and superior construction. Prime Manhattan development has owned, developed and managed real estate across various asset classes.



GRANT SHAPOLSKY– Founder & Managing Principal

Mr. Shapolsky is a third-generation investor/developer. He has been developing Manhattan property for 23 years and his family has been developing for 85.

Mr. Shapolsky has spearheaded the acquisition and development of over two million square feet in Prime Manhattan consisting of mostly downtown loft property with a focus on IMD buildings, class B & C office parcels, and the purchase of defaulted loans / spoiled partnership interests.

PRIME MANHATTAN DEVELOPMENT is supported by Grant Shapolsky who has assembled a team of veterans providing knowledge from every corner of the industry to complete an array of services rarely found under one roof.

Prime Manhattan's builder partner, **OTL ENTERPRISES**, has 30 years of experience in building and developing in New York City with an intelligent respect for the unique needs and characters of each project. OTL has dedicated in-house Project Managers and Site Supervisors who provide clear, regular communication and guidance through the multitude of choices and decisions involved in the construction process, enabling them to deliver on budget and on time.

Through decades in the local industry, OTL has amassed an invaluable roster of the city's foremost craftsmen and specialized tradesmen, from carpenters, masons and tile workers, to decorative finishers, mechanical experts and painters. These loyal relationships combined with their ability and instinct for assembling the perfect team, there is no task, craft or job they can't expertly facilitate – even if it's never been done before.

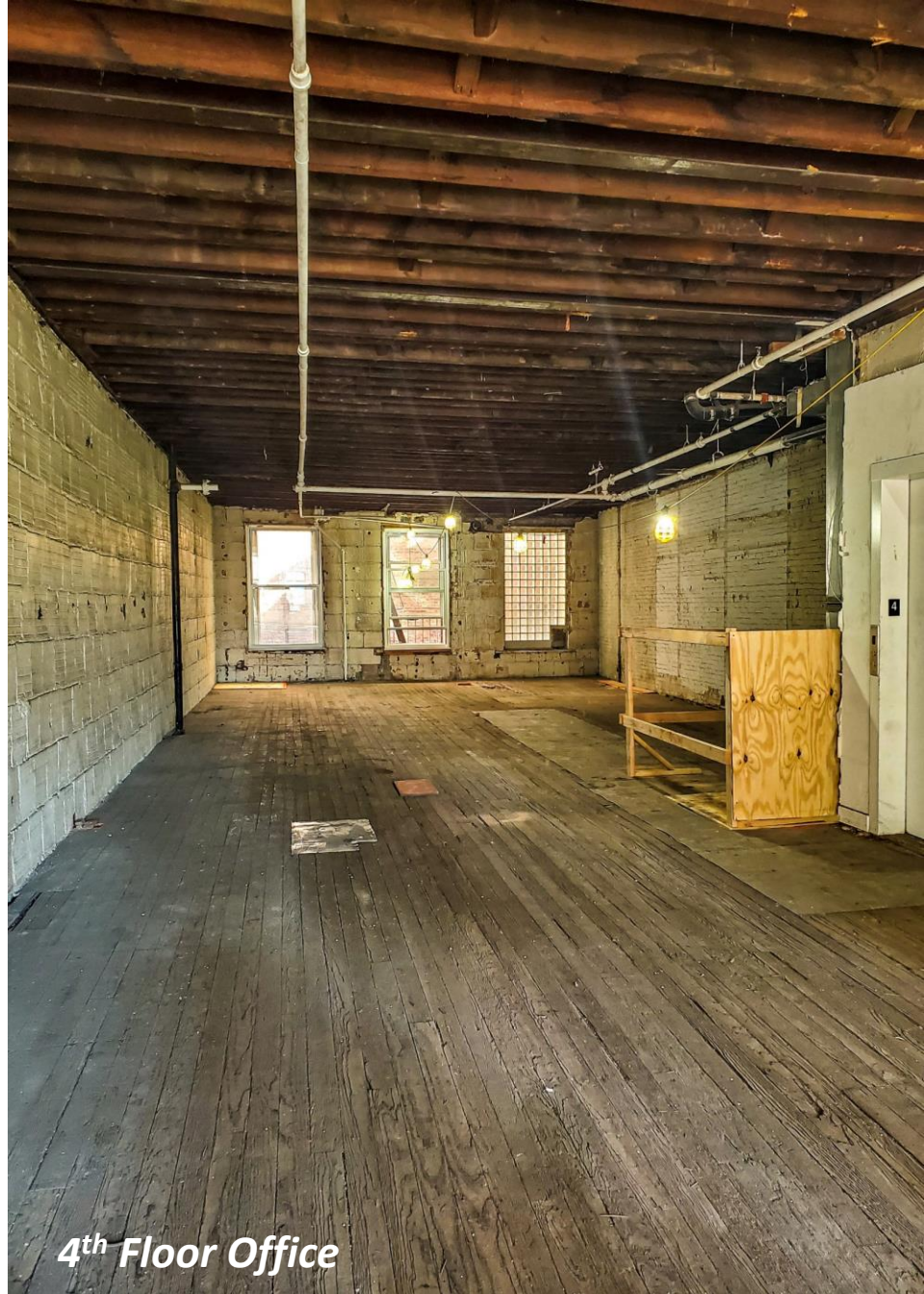
Architect of record, **KUTNICKI BERNSTEIN ARCHITECTS** demonstrates commitment to excellence in architecture, planning and interior design through innovation and ingenuity. Established in 1986 by Dan Bernstein, KBA continues to set precedents for New York City architecture through an active practice in commercial, corporate and residential design. The firm integrates creativity and vision with practical knowledge in development and construction.

PMD's marketing team led by **FRANCES KATEN** has made Douglas Elliman's prestigious "Top 10 List" of most productive agents in New York City for almost a decade running. The Team also ranks in the top 1% of all agents nationwide.

Comprised of an elite, professional, and dynamic group of brokers who specialize in domestic and international real estate, The Katzen Team serves a sophisticated clientele with an expertise in creative marketing, positioning, and keen negotiating tactics. While we apply a customized approach to our business, in all cases we understand the importance of discretion, efficiency, and premium service.



3rd Floor Office

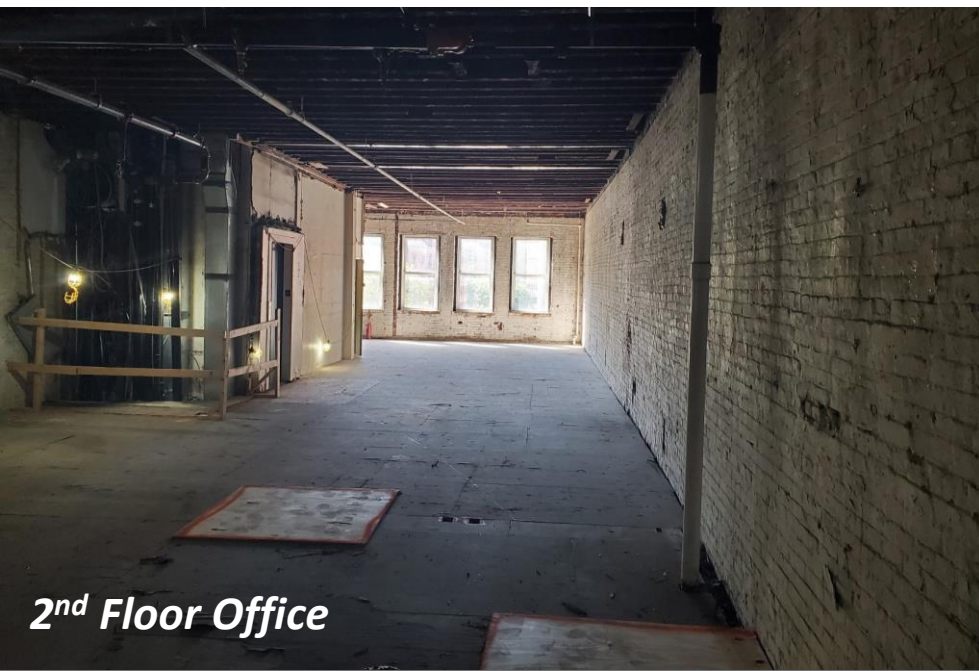


4th Floor Office





Duane Park



2nd Floor Office



Street Side View





Stairwell Render



Common Area Design



Hallway Concept



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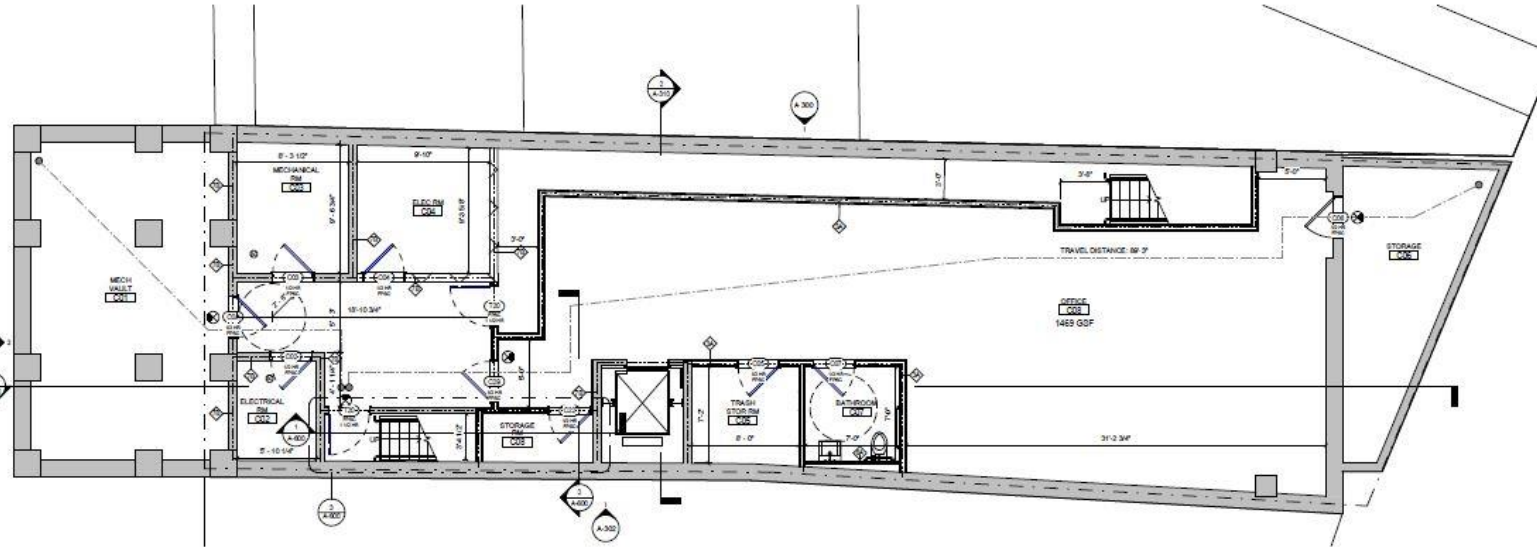
Architect: KBA
Project No.: 2018-037
Date: 08/07/14

LEGEND

SYMBOL	DESCRIPTION
⊙	SMOKE DETECTOR
⊕	CARBON MONOXIDE SMOKE DETECTOR
⊗	EMERGENCY EXIT NOT TO EXCEED 5 WATTS PER SIDE

FIRE PARTITION RATINGS

3 HR RATING: - - - - -
2 HR RATING:



1 CELLAR PLAN
1/4" = 1'-0"

BUILDING CODE ANALYSIS:
OCCUPANCY GROUP: E

EXIT CAPACITY PER TABLE 8.1

EXIT TYPE	WIDTH	CAPACITY (OCC. PER UNIT)	UNIT SIZE	MAX CAPACITY
STAR A & B	36"	80	3600 ± 1.5	1.5 X 80 = 120 OCC.
STAR DOORS	36"	80	3600 ± 1.5	1.5 X 80 = 120 OCC.

NOTE: 2 EXITS PROVIDED AT GRADE FOR LESS THAN 500 OCCUPANTS PER BC 1016

TABLE 8.1

	REQUIRED	PROVIDED	COMPLETES
Minimum travel distance:	300' max.	SEE PLAN	COMPLETES
Min. corridor width:	50" min.	SEE PLAN	COMPLETES
Minimum Door and corridor:	30" min.	SEE PLAN	COMPLETES
Common path of egress:	70' max.	SEE PLAN	COMPLETES

27-2712(b) DOORS
Doors opening into interior stair enclosures shall not be locked from either side.

OCCUPANCY LOADS PER TABLE 8.2

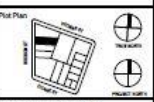
OCCUPANCY	sq. FEET OCCUPANT
BUSINESS	100 (NET)

Revision Schedule

No.	Date	Description
03/04/15		ALTY PERMITS

Revision Schedule

No.	Date	Description



For Department of Buildings Use

CELLAR PLAN

Sign & Seal

Drawing No.: A-100.00

Date: 08/07/14	Drawn by: KBA	Job No.: 2018-037
Drawn scale: As Indicated	Checked by: KBA	POSS. DRAW: 14 of 34
JOB NUMBER		

Project: **44 HUDSON ST
NEW YORK, NY 10013**

LEGEND	SYMBOL	DESCRIPTION
	⊙	SMOKE DETECTOR
	⊕	CARBON MONOXIDE SMOKE DETECTOR
	⊛	EMERGENCY EXIT NOT TO EXCEED 5 INCHES PER SIDE
FIRE PARTITION RATINGS		
	---	1/2 HR RATING
	----	1 HR RATING

KUTNICKI BERNSTEIN ARCHITECTS
277 BROADWAY NEW YORK CITY 10007 P: 212-481-8882 F: 212-481-9883

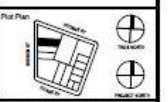
K b a
KUTNICKI BERNSTEIN ARCHITECTS
277 BROADWAY NEW YORK CITY 10007 P: 212-481-8882 F: 212-481-9883

Issuance Schedule

No.	Date	Description
03/04/15		ALTY FILING

Revision Schedule

No.	Date	Description



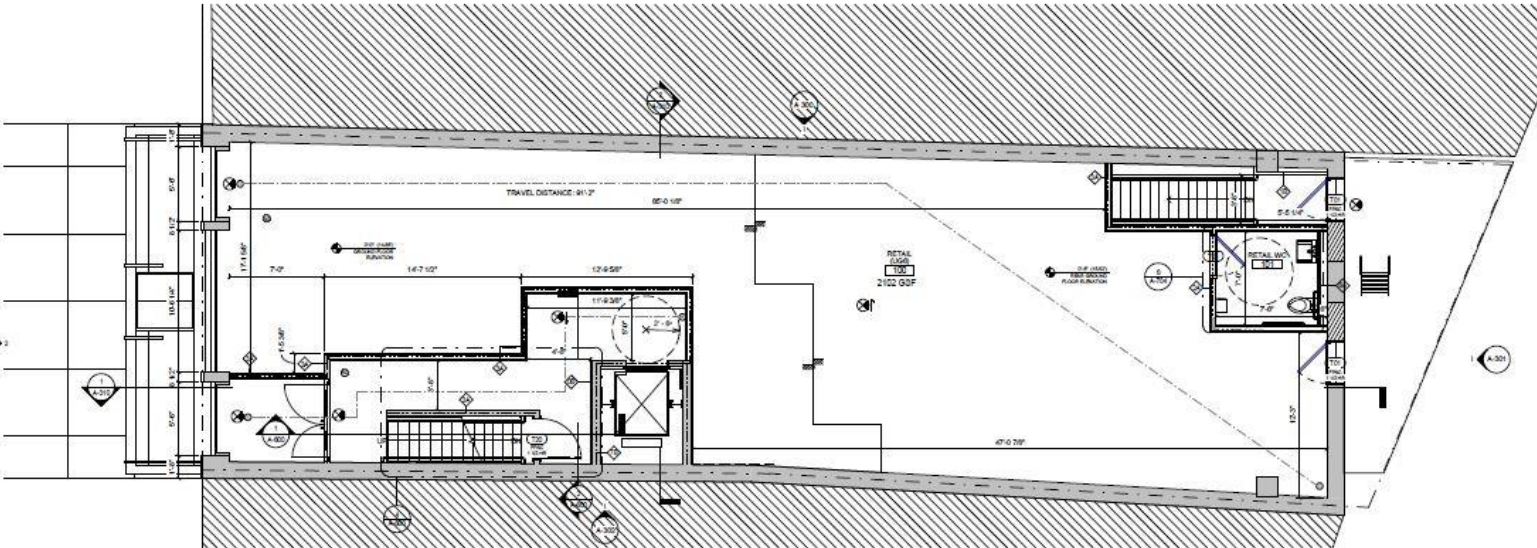
For Department of Buildings Use

GROUND FLOOR PLAN

Page & Sheet: **A-101.00**

Drawn by: **KBA**

Date: 08/07/14	Drawn by: KBA	Job No.: 2018-037
Sheet scale: As Indicated	Checked by: KBA	DOF Sheet: 15 of 34
DOB NUMBER:		



1 1ST FLOOR
1/4" = 1'-0"

BUILDING CODE ANALYSIS
OCCUPANCY GROUP: C

EXIT CAPACITY PER TABLE 6.1:

EXIT TYPE	WIDTH	CAPACITY	UNIT SIZE	MAX CAPACITY
STAIRS & R.S.	36"	80	3622 ± 1.5	1.5 x 80 = 120 OCC
STAR DOORS	36"	80	3622 ± 1.5	1.5 x 80 = 120 OCC
DOOR AT GRADE	72"	160	7222 ± 3	3 x 160 = 360 OCC

NOTE: 2 EXITS PROVIDED AT GRADE FOR LESS THAN 500 OCCUPANTS PER BC 1016

TABLE 6.1	REQUIRED	PROVIDED	COMPLES
Maximum travel distance:	300' max.	SEE PLAN	COMPLES
Min. corridor width:	36" min.	SEE PLAN	COMPLES
Maximum Dead-end corridor:	20' max.	SEE PLAN	COMPLES
Corridor path of egress:	75'-0" max.	SEE PLAN	COMPLES

27-07A(B) DOORS
Doors opening into interior stair enclosures shall not be locked from either side.

(OCCUPANCY LOADS PER TABLE 6.2)

OCCUPANCY	SF PER OCCUPANT
RETAIL	35 (NET)

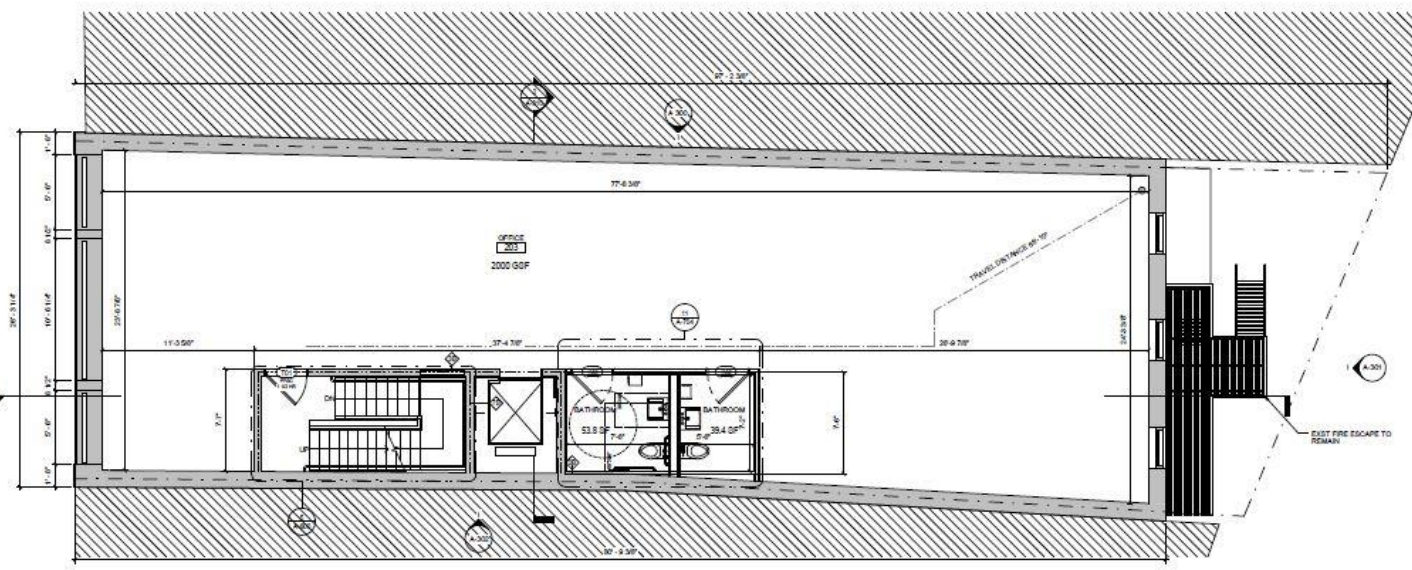
LEGEND	
SYMBOL	DESCRIPTION
⊕	SMOKE DETECTOR
⊙	CARBON MONOXIDE SMOKE DETECTOR
⊕	EMERGENCY EXIT NOT TO EXCEED 5 INCHES PER SIDE
FIRE PARTITION RATINGS	
1HR RATING	-----
2HR RATING	-----

Project: **44 HUDSON ST**
NEW YORK, NY 10013

KUTNICKI BERNSTEIN ARCHITECTS
277 Broadway New York City 10007 P: 212.491.5882 F: 212.491.5982

K a

ARCHITECT: KUTNICKI BERNSTEIN ARCHITECTS
100 NASSAU ST 10TH FL NEW YORK NY 10038
TEL: 212.491.5882 FAX: 212.491.5982
WWW.KUTNICKIARCHITECTS.COM



① 2ND-5TH FLOOR PLAN
1/4" = 1'-0"

BUILDING CODE ANALYSIS
OCCUPANCY GROUP: E

EXIT CAPACITY PER TABLE 1.1			
EXIT TYPE	WIDTH	CAPACITY (OCC PER UNIT)	UNIT SIZE
STAIR A & B	30"	80	3600 ± 1.5
STAIR DOORS	30"	80	3600 ± 1.5

NOTE: 2 EXITS PROVIDED AT GRADE FOR LESS THAN 500 OCCUPANTS PER BC 1016

TABLE 1.1		PROVIDED		COMPLETED	
Maximum travel distance	300'-0" max.	SEE PLAN	SEE PLAN	COMPLETE	COMPLETE
Min. corridor width	5'-0" min.	SEE PLAN	SEE PLAN	COMPLETE	COMPLETE
Maximum Clear width corridor	7'-0" min.	SEE PLAN	SEE PLAN	COMPLETE	COMPLETE
Corridor path of egress	7'-0" min.	SEE PLAN	SEE PLAN	COMPLETE	COMPLETE

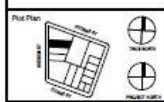
27-37(B)(8) DOORS
Doors opening into interior exit enclosures shall not be locked from either side.

COMPLETED

OCCUPANCY LOADS PER TABLE 6.2	
USE	MAX PER OCCUPANT
OFFICE	100 (A.1)

Revision Schedule		
No.	Date	Description

Revision Schedule	
No.	Description



For Department of Buildings Use

Project Name:
2ND-5TH FLOOR PLAN

Page & Set:
Drawing No:
A-102.00

Date:	Drawn by:	Job No.:
08/07/14	KBA	2018-037
Sheet Size:	Checked by:	DOB Sheet:
A2 Indicated	KBA	16 of 34
DOB NUMBER:		