
From: Jaeger, Bruce [REDACTED]>
Sent: Monday, August 14, 2017 3:45 PM
To: jeffrey E.
Subject: Private Bank Lending on REIT Operating Units

Hi Jeffrey-

Thanks for reviewing with me on a no-names basis the=potential opportunity to underwrite a Reg. U bank loan collateralized by p=ivate REIT Operating units. My understanding is that they are convertible =nto freely tradable, publicly-held REIT securities and that the REIT has a market cap in excess of \$5 billion= The low cost basis units once converted, may also be subject to certain v=lume limitations, restrictions and disclosure requirements given the size =f the client's holdings. When you provide me with more details regarding the client and REIT, we'd=be happy to take a closer look and share our ideas. In the meantime, below=are some deal points from the two loans we closed for one of our billionai=e real estate clients.

I cannot make any promises about providing a redacte= copy of a tri-party agreement, and it may have terms that are very differ=nt than what this particular GP will provide. That said, as soon as we kno= who the REIT is, I can reach out to our Head of Private Lending who will work with our outside counsel and =auge his experience working with this particular GP. Let me know how you w=sh to proceed. Thank you

Borrower: &nb=p; Individual and private REIT

Facility: &n=sp; Up to \$70=million and up to \$25 million

Collateral: = (i) First Priority pledge on Private RE=T Operating Units; if default and
&nbs=; &nbs=; =pon Lender request to GP, convertible within 10 days to freely tradable
&nbs=; &nbs=; =securities of REIT with \$50 billion market capitalization

(ii) Tr=party agreement executed by REIT GP, Borrower and Bank

Advance Rate: &nb=p; Up=to 40% and 45%

Interest Rate: Und=r 1-month Libor + 2.00%

Upfront Fee: &nb=p; &nbs; 0.50%

Unused Fee: &nbs=; 0.25%

Term Commitment: 2 years

Purpose: &n=sp; = General "non= purpose"

Repayment: =nbsp; &nb=p; Interest-only; principal due by maturity

Legal / Closing Expense: &nbs=; All out-of-pocket =ender expenses reimbursed at Closing

Covenants: = &n=sp; Yes</=>

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