

# DEAL TRACKING REPORT

*Rivergate - Mezz / Equity*



THE GREENWICH GROUP  
INTERNATIONAL LLC  
REAL ESTATE INVESTMENT BANKING

## Term Sheets Received:

#	Company / Firm	Comments
1	Artemis Real Estate Partners	After going back and forth on term sheets, IDI decided to go in a different direction. They were teamed with Capital Source, and their pricing was L+14.50% going up to \$75M total capital.

## Executed Confidentiality Agreement Received:

#	Company / Firm	Comments
1	Berkshire Group	12/1/15 - Should hear preliminary feedback on indicative terms within the next week. They have the ability to structure their funds as pure mezzanine financing or preferred equity.
2	Bison One Co.	4/15/16 - Left voicemail to follow-up
3	Brookfield	4/13/16 - Good call with Harris Neuberg, but timing might be an issue. They typically like to commit to the whole loan, sell off the A piece internally, and retain the B note. They are currently investing out of their 4th fund which is a \$1.4 billion fund, and are in the process of raising their 5th fund which is targeted to be north of \$2.2 billion. Their 4th fund's allocation to construction at this point is just about filled, and they are yet to close on their first deals within the 5th fund. They like construction deals, and they prefer to do deals where they can hold a \$20+ million mezzanine piece, and as such target total deal sizes north of \$90 million. He said that on a blended rate, depending where the senior loans come in their pricing is typically in the LIBOR + 500's to low 600's. They tend to be more competitive in deals that involve heavy lift value-add, ground up construction, or bridge loans. He is going to circle up internally regarding the 5th fund status, and will be back to me as he personally likes the deal.
4	Canyon Capital Realty Advisors	4/15/16 - Good conversation with Frank Liu. He said that IDI is basically their ideal sponsor in that they are a really reputable group, are not flashy, and fly a bit below the radar. They are a bit hesitant on multifamily development in an area like Woodbridge unless they understand there is a compelling story behind it. We spoke for a long time, and he is going to dig into the supplemental package. He would like to visit the competitive set, but did mention that this is a tough month for travel for him. He will be checking his schedule, and will be back to us next week.
5	Carmel Partners	4/15/16 - Sent financial analysis, supplemental package, and waterfall distributions.
6	Cross Harbor Capital Partners	2/2/16 - Positive call with Eric Boyd. Their minimum pricing on a transaction like this would be 15% and a minimum multiple of 1.55. They are on their 11th fund which has \$500 million of equity, and they have deployed \$120 million to-date. They have done traditional joint-ventures with developers (3 with Mill Creek, 1 of which is in Laurel MD), but tend to prefer to play in the subordinated debt position for deals that are not in downtown locations.
7	Hudson Realty Capital LLC	02/02/2016 - Perry was traveling late last week through today. He sent me an email saying he will have feedback over to us in the next day or so. ; 02/04/16 - Left voicemail to follow-up
8	Pembroke Capital Management	2/4/16 - Positive conversation. While he does require to see an executed term sheet from the senior lender prior to issuing a term sheet, he is continuing to have his team review the transaction and he likes the deal. He mentioned that a 6.7% untrended return on cost is in the acceptable range, but he is still getting his team comfortable with the rents and the market study. He understands the timing pressure related to the precast concrete production schedule, and will work to expedite this internally. He requested the appraisal as well as a copy of the un-executed term sheet that was issued. He also mentioned that they typically require warm bodies to stand behind the completion and carve out guarantees. He said it wouldn't necessarily be a deal killer to have a substantial entity stand behind those, but he did say it would be much harder to push through their committee.

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## Executed Confidentiality Agreement Received (Cont.):

#	Company / Firm	Comments
9	Tremont Realty Capital	4/12/16 - Passed - Could never get their team comfortable with the comps.
10	UC Funding	01/25/2016 - Conversations continue to progress, and Cedric suggested that their team would be prepared to take a real run at this one, but that their cost of capital would need to be 15% (10% paid current, and 5% accrued), with a 2% fee going in, and a 1% fee on the exit.; 02/03/16 - left follow-up voicemail

## Detailed Discussions:

#	Company / Firm	Comments
1	AIMCO	2/4/16 - Trading voicemails with Joe Achenbach, Director of Development.
2	American Realty Advisors	01/27/2016 - Left voicemail and sent follow-up email to Eric.; 02/02/16 - Left voicemail and sent follow-up email again.
3	Arbor Capital Management	02/02/16 - Left voicemail and sent email.
4	Argosy	02/01/16 - Awaiting feedback
5	Cindat Capital Management	2/3/16 - Received voicemail that William is still traveling. He said he should be back in the office at the end of the week, and would like to touch base upon his return.
6	Clark Realty Capital	02/01/16 - Left Becky Owen a voicemail, and sent follow-up email; 02/04/16 - left voicemail to follow-up
7	Equity Residential Properties Trust	2/3/16 - Left voicemail, and sent follow-up email requesting a meeting
8	Farallon Capital Management	2/3/16 - Left voicemail and sent follow-up email. Awaiting response.
9	Fortress Investment Group	2/3/16 - Left voicemail for Spencer Garfield. Attempting to re-engage their group from a mezzanine standpoint versus the stretch-senior facility we initially discussed.
10	Monogram Residential Trust	02/03/16 - Left voicemail for Rob Hodge, still awaiting feedback
11	Normandy Realty Partners	2/3/16 - Left message and sent follow-up email for Pat Keeley who covers DC from their headquarters.
12	Ohio STRS	1/27/16 - Left voicemail
13	Post Properties, Inc.	02/02/16 - Left voicemail, awaiting feedback.
14	RCG Longview	02/02/16 - left voicemail, awaiting feedback
15	Rockpoint Group	1/27/16 - Left voicemail and sent follow-up email to Kyle Gardner who covers DC for their group. Awaiting feedback.
16	Rockwood Capital Corporation	2/2/16 - left voicemail for Rich Kramer
17	Somera Capital Management, LLC	01/20/16 - awaiting feedback

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## Detailed Discussions (Cont.):

#	Company / Firm	Comments
18	Square Mile Capital	7/18/16 - Eric Cohen now covers DC. Centennial Bank had requested we re-engage Square Mile as they have done business with them in the past. Eric was delayed in getting back to us, and Centennial ended up teaming up with Basis Investment Group.
19	Trammell Crow Residential	02/03/16 - Left voicemail, awaiting feedback
20	UDR	01/20/16 - Awaiting Feedback
21	USAA Real Estate Company	2/3/16 - Left additional voicemail requesting a meeting

## Initial Discussions:

## Groups that have Passed:

#	Company / Firm	Comments
1	AEW Capital Management, L.P.	1/20/16 - Passed - Woodbridge is too suburban for their funds.
2	Angelo Gordon & Co.	1/20/16 - Passed - Do not currently have a bucket for ground-up construction
3	Annaly	12/2/15 - Passed - Not doing construction mezzanine/preferred equity at this time
4	Apollo Commercial Real Estate Finance, Inc.	12/05/2015 - Passed - Unable to get comfortable with the large number of units in Woodbridge.
5	ASB Real Estate Investments	1/27/16 - Passed - They have a core and an opportunistic bucket, but their opportunistic funds are targeting urban locations that are in transition.
6	Avalon Bay	2/2/16 - Good call with Matt Birenbaum the CIO. They have not done many joint-ventures, but what they do sometimes consider are forward purchase agreements which can enable a developer to often secure 100% financing. Attempting to arrange a meeting next week.
7	BayNorth Capital	01/25/16 - Passed - They prefer equity checks less than \$20 million, and ideally projects less than 300 units. They were not able to get comfortable with the number of units.
8	Boston Capital Real Estate Partners, LLC	1/27/16 - Passed - They are not pursuing development or joint-ventures at this time. Their focus at this time is on direct investment value-add apartment transactions.
9	Camden Property Trust	1/27/16 - Passed - They are not pursuing joint-ventures with 3rd party developers at this time
10	Cigna	1/15/16 - Passed - Location was too far from downtown
11	Cornerstone Capital Management Company	1/15/16 - Passed - Targeting more urban locations
12	Federal Capital Partners	12/2/15 - Passed - They could not get comfortable with the large number of units, and they are also not a strong believer in the market down in Woodbridge.

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## Groups that have Passed (Cont.):

#	Company / Firm	Comments
13	Guardian Life Insurance Company of America, The	1/25/16 - Passed - He mentioned that they are getting quite nervous with where we are in the cycle, and with all of the multifamily product coming online in DC, he said it would be difficult for them to get comfortable with sufficient demand in Woodbridge. He had looked at a different development recently in Woodbridge, and as such had gone down and did a tour of the market. They have a prime in-fill location in the DC market that is in lease-up, and they are seeing some softness in the market versus where they thought they would be. As such, if they are seeing that in a more downtown/urban location, he thought it would be felt more pronounced in a more suburban location.
14	Invesco Realty Advisors, Inc.	01/27/16 - Passed - Their construction capital is geared towards urban-infill locations
15	Investcorp	1/27/16 - Passed - They are not currently pursuing development deals at this time
16	Iron Point Partners, LLC	1/19/16 - Passed - Too suburban for their funds. Also they are pulling back from development funding due to their perception as to our position in the cycle.
17	JBG Companies	2/1/16 - Passed - They are comfortable with a land basis of less than \$20,000 per unit, and their mandate is really to invest in more urban infill locations within the beltway. While they acquired the Stonebridge Town Center, they do not really love Woodbridge, and that one was a stabilized asset when they acquired it, not a development deal.
18	JCR Capital	1/15/16 - Passed - They do not currently have a bucket of money for ground up construction.
19	jp morgan investment management	1/20/16 - Passed - Location is too suburban for their funds.
20	KKR	4/11/16 - Left voicemail
21	LEM Capital	1/27/16 - Passed - They currently do not have a bucket for residential development. From an equity side, they would look at value-add for residential.
22	LoanCore Capital, LLC	12/2/15 - Passed - Not offering construction mezzanine at this time
23	LongWharf RE Partners	1/15/16 - Passed as they have limited capital for construction at the moment
24	Mack Real Estate Group	1/15/16 - Passed - Due to the volatility in the market, they are going to pass on this. They did not view Woodbridge as a top tier market with institutional liquidity.
25	Madison Realty Capital	12/2/15 - Passed - not doing construction mezzanine outside of NYC. They target loans greater than \$10 million.
26	Mesa West Capital	12/2/15 - Not doing construction loans at this present time
27	Morrison Street Capital	1/21/16 - Passed - Do not have a bucket for ground-up construction. As well, for their mezzanine bucket, their maximum loan size is \$10 million.
28	National Real Estate Advisors (NEBF)	1/19/16 - Passed - Stick-Built and Northern Virginia are very difficult for them to do considering their union requirements
29	NorthStar Realty Finance	2/3/16 - Passed - While Jason initially liked the story behind the local private/public initiatives underway in Woodbridge, in the end he was unable to gain traction internally for ground up development in that market.
30	Oaktree Capital Management	1/21/16 - Passed - Do not have a bucket for ground-up development at this time.

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## Groups that have Passed (Cont.):

#	Company / Firm	Comments
31	PCCP	1/20/16 - Passed - "It is too ex-urban for where we are focused these days. We tend to be focused on more infill projects for our construction program. For example, we are doing a \$160 mm construction loan in downtown Stamford, CT right now. We also have a \$100 mm construction loan on the main street in Waltham, MA (inside the beltway)
32	Pine River Capital Management	2/4/16 - Passed - This is their first fund and they have not done a construction loan as of yet within it, and was unable to gain traction internally for that reason.
33	Principal Financial Group	2/4/16 - Passed - Unable to get traction internally due to location
34	Prudential Real Estate Investors	02/01/16 - Passed - Focused primarily on urban infill at this time
35	RAIT investment trust	1/18/16 - Passed - Do not have a bucket for ground-up construction at this time
36	Rialto Mortgage Finance, LLC	2/3/16 - Passed - Do not have a bucket of capital for ground-up construction
37	SCS Strategic Capital, LLC	01/20/16 - Passed - Was unable to get comfortable with the large number of units.
38	Structure Tone Equities	2/3/16 - Passed - Targeting more urban locations to deploy their development capital
39	Terra Capital Partners	12/14/15 - Passed - They are running into an allocation issue for multifamily construction projects. They are closing on two deals before the end of the year, and those two projects have eaten into their current allocation. This could change if they receive some prepayment on other deals, but he is unable at this time to commit to a \$13-\$18 million facility to close by February.
40	TH Real Estate	1/15/16 - Passed - Peter met with them in NYC, and Woodbridge is too far outside their preference for urban locations
41	The Carlyle Group	01/15/16 - Passed - Had a 3.5 hour lunch on Wednesday to discuss the project, and it was initially well received by Rishi. Upon circling up internally, it appears that Carlyle had a bad experience in Prince William County with one of their prior funds, and as such he was unable to generate interest. He was not involved in the prior transaction, but said that the county came in when they were applying for their Certificate of Occupancy, and stated that numerous components were either not built to-code, or were not up to the standards that they required. As such, they had to rip out and redo a substantial amount of work which blew their budget and caused a significant delay to the project. Also mentioned that they tend to target between 100 - 250 units for suburban locations like Woodbridge, so it would likely also be tough from that standpoint as well.
42	The Davis Companies	02/01/16 - Good conversation with Jerry Murphy. They have just finished their 2nd fund, and just had their first closing in their 3rd fund a few weeks back. Their fund will be between \$500-\$550 million in equity, and they are actively looking for opportunities. They specialize in heavy value-add or opportunistic deals with a level of complexity. They have done a number of deals with John Moriarty and Associates and are very comfortable with them as a general contractor. He is familiar with Woodbridge as he has looked at a few opportunities back with Bainbridge in that market. Their preference would be for joint-venture equity, and they would likely require a right to continue on to develop the phase II land. Preliminary feedback was positive, and he requested the market study and financial model so that their team can begin to dive in. He is aware of the timing pressures, and will try to get us some additional feedback towards the end of the week.; 02/04/16 - Left voicemail to follow-up
43	Torchlight Investors	1/27/16 - Passed - Do not have a bucket for construction mezzanine at this time. They are focused on income producing assets targeting mid-teens returns.

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## Groups that have Passed (Cont.):

#	Company / Firm	Comments
44	Westport Capital Partners	2/2/16 - Passed - They are nervous about where we are in the cycle, and as such are pretty much net-sellers of all of their holdings in the US.

## Uncategorized:

#	Company / Firm	Comments
1	ACORE Capital, LP	2/2/16 - Re-engaged Jason Miller from ACORE to see if they might have an interest in providing the gap financing rather than the senior note. He said they would likely want their last dollars in the deal around the same levels as where they came up with on the senior, so \$75 million but may be able to stretch up to \$80-81 million with the phase II land collateral. He just needs to circle up internally, and determine if their group has any interest in providing a land loan in Woodbridge, VA. For a mezzanine position going up that high in the stack, their capital would be priced between 12-13% and it would need to be 100% current pay. By my calculations, this would leave a shortfall of approximately \$4,500,000.
2	Ardent	
3	Clarion Partners	01/20/2016 - The deal is gaining some momentum internally. Had a positive call with Ashley regarding the mezzanine position, and answered a number of questions regarding timing, term of ownership, Kettler's involvement, etc. She is circling up internally after our call, and will try to get us some additional feedback soon. She mentioned that they typically structure their funds with about half current pay and half accrual, and did mention that the head of their group was very familiar with the IDI Group Companies, and was interested in diving in a bit deeper. ; 01/27/16 - Their team is still reviewing the materials, and would like to get through them prior to having a call with IDI / Kettler.
4	Dominion Corp	4/12/16 - Sent Keith the initial email
5	Melody Capital Partners	1/18/16 - Passed - Uncomfortable with the leverage levels, and mentioned that from a sizing standpoint, this deal was just too small to get their team excited.
6	Morgan Stanley Merchant Banking	
7	Parse Capital	4/13/16 - Left voicemail
8	Pearlmark	4/13/16 - Left voicemail to re-engage
9	Prime Finance	02/01/2016 - Passed - They were unable to get comfortable with the underwriting. Offers to speak with IDI and Kettler/Noell were offered on multiple occasions to no avail. They were underwriting to an average of \$1.70 psf rents, and were using the trended operating expense budget and a 3% management fee. They were looking to be somewhere in the high 7% range from a debt yield standpoint, and were only comfortable going up to the low-mid \$70 million's in proceeds.
10	Principal Real Estate Investors	
11	Red Capital Group LLC	4/12/16 - Sent Dan the initial email
12	Regional Capital Group	
13	W Financial Fund LP	4/11/16 - left voicemail for David