

Message

From: Andy Jent [aj@haymancapital.com]
Sent: 10/23/2015 12:23:46 AM
To: J. Kyle Bass [k@haymancapital.com]
Subject: RE: Blackstone - Hayman

This looks great.

Farley Dakan of Makinac Partners.

Andy Jent
Hayman Capital Management, LP
2101 Cedar Springs Road, Suite 1400
Dallas, Texas 75201
Direct 214.646.8788
aj@haymancapital.com

----- Original message -----

From: "J. Kyle Bass" <k@haymancapital.com>
Date: 10/22/2015 5:54 PM (GMT-06:00)
To: Andy Jent <aj@haymancapital.com>
Subject: Blackstone - Hayman

Andy, what do you think about this? Please fill Farley's name in here.

Greg,

Thank you for engaging with us on the UDF project. Our teams have worked closely together in order to get us to this point. I would like to offer a response to your initial thoughts on the proposed fee structure for this deal.

We will have Andy Jent, Parker Lewis, Dan Babich, Farley XXXXX, and Farley's restructuring firm working full-time on this deal. It is important for us to have a fee structure that looks more like a 1% mgmt. fee (on drawn capital only) with a 8% preferred return. After the preferred return, we have a 20% incentive fee with a catch-up. While I realize this fee structure is substantially different than the one you proposed, this deal is going to take the team 2-3 years with hundreds of man hours in order to execute it properly.

I ask that you seriously consider the complexities and the time devotion in order to make this all happen. We think that we can continue to deliver high teens net returns to you while staying fully aligned along the way.

J. Kyle Bass
Chief Investment Officer
Hayman Capital Management

Message

From: J. Kyle Bass [k@haymancapital.com]
Sent: 10/23/2015 5:42:39 PM
To: Geiling, Greg [Greg.Geiling@Blackstone.com]
Subject: Blackstone - Hayman Deal Terms
Importance: High

Greg,

Thank you for engaging with us on the UDF project. Our teams have worked closely together in order to get us to this point. I would like to offer a response to your initial thoughts on the proposed fee structure for this deal.

We will have Andy Jent, Parker Lewis, Dan Babich, Farley Dakan, and others from Makinac working full-time on this deal. It is important for us to have a fee structure that looks more like a 1% mgmt. fee (on drawn capital only) with a 8% preferred return. After the preferred return, we have a 20% incentive fee with a catch-up. While I realize this fee structure is substantially different than the one you proposed, this deal is going to take the team 2-3 years with several hundreds of man hours in order to execute it properly.

I ask that you seriously consider the complexities and the time devotion in order to make this all happen. We think that we can continue to deliver high teens net returns to you while staying fully aligned along the way.

Please let me know if you are free anytime today or Monday to follow-up via a call.

Best,

Kyle

J. Kyle Bass
Chief Investment Officer
Hayman Capital Management

Message

From: Andy Jent [aj@haymancapital.com]
Sent: 10/23/2015 8:49:17 PM
To: J. Kyle Bass [k@haymancapital.com]
Subject: UDF Fund

Kyle, Parker and I had a good meeting with Crow Holdings today where we previewed the potential UDF opportunity. They have a \$2bn fund they are investing now. While this is a bit outside of their fairway, they like the bite size approach (deal by deal) and think up to \$200mm in "special sits" has some appeal. I will keep you posted as this progresses.

Please let me know when you hear from Blackstone. I have some others in mind if neither of these work out.

Andy Jent
Hayman Capital Management, LP
2101 Cedar Springs Road, Suite 1400
Dallas, Texas 75201
Direct 214.646.8788
aj@haymancapital.com<mailto:aj@haymancapital.com>

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Message

From: Steele Schottenheimer [ss@haymancapital.com]
Sent: 9/24/2015 6:13:00 PM
To: J. Kyle Bass [k@haymancapital.com]
Subject: Blackstone

KB,

Just a reminder, Josh was onsite in March of this year and we thoroughly discussed UDF (he has a copy of the redacted 80 presentation) and he LOVED it.

So, he will know exactly what you are talking about.

Thanks,

Steele Schottenheimer
Managing Director- Investor Relations
Hayman Capital Management, L.P.
2101 Cedar Springs Road, Suite 1400
Dallas, TX 75201
Direct: 214.347.8045
Fax: 214.347.8051
Email: ss@haymancapital.com<mailto:ss@haymancapital.com>

Message

From: Chris Kirkpatrick [CK@haymancapital.com]
Sent: 9/28/2015 4:31:11 PM
To: Pitts, Jack [Jack.Pitts@Blackstone.com]
Subject: NDA Follow Up

Jack:

Below is a list of the names for discussion tomorrow:

United Development Funding L.P.
United Development Funding II L.P.
United Development Funding III L.P.
United Development Funding IV
United Development Funding Income Fund V

As we discussed, we are providing these names to BAAM's legal/compliance team for the purpose running them through your compliance processes in connection with the proposed NDA.

Best,

Chris

Chris Kirkpatrick
General Counsel
Hayman Capital Management, L.P.
2101 Cedar Springs Road, Suite 1400
Dallas, Texas 75201

214-646-8800 Tel
972-372-0336 Fax
ck@haymancapital.com

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Message

From: Chris Kirkpatrick [CK@haymancapital.com]
Sent: 9/28/2015 5:06:50 PM
To: Parker Lewis [PL@haymancapital.com]
Subject: FW: NDA Follow Up

FYI

From: Chris Kirkpatrick
Sent: Monday, September 28, 2015 11:31 AM
To: 'Pitts, Jack' <Jack.Pitts@Blackstone.com>
Subject: NDA Follow Up

Jack:

Below is a list of the names for discussion tomorrow:

United Development Funding L.P.
United Development Funding II L.P.
United Development Funding III L.P.
United Development Funding IV
United Development Funding Income Fund V

As we discussed, we are providing these names to BAAM's legal/compliance team for the purpose running them through your compliance processes in connection with the proposed NDA.

Best,

Chris

Chris Kirkpatrick
General Counsel
Hayman Capital Management, L.P.
2101 Cedar Springs Road, Suite 1400
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Message

From: Pitts, Jack [Jack.Pitts@Blackstone.com]
Sent: 9/28/2015 7:56:09 PM
To: Chris Kirkpatrick [CK@haymancapital.com]
Subject: RE: NDA Follow Up

Chris,

I confirm that the names below have been cleared and each is considered a "Company" under the NDA. Thank you.

Best,
Jack

Jack Pitts
212.390.2596

From: Chris Kirkpatrick [mailto:CK@haymancapital.com]
Sent: Monday, September 28, 2015 12:31 PM
To: Pitts, Jack
Subject: NDA Follow Up

Jack:

Below is a list of the names for discussion tomorrow:

United Development Funding L.P.
United Development Funding II L.P.
United Development Funding III L.P.
United Development Funding IV
United Development Funding Income Fund V

As we discussed, we are providing these names to BAAM's legal/compliance team for the purpose running them through your compliance processes in connection with the proposed NDA.

Best,

Chris

Chris Kirkpatrick
General Counsel
Hayman Capital Management, L.P.
2101 Cedar Springs Road, Suite 1400
Dallas, Texas 75201

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972-372-0336 Fax
ck@haymancapital.com

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