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**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