

SUMMARY OF KEY TERMS

The following information is presented as a summary of principal terms only and is qualified in its entirety by reference to, and does not purport to be a complete description of all material terms of, the Investor agreements governing the entities comprising the Partnership, the subscription agreements relating thereto and one or more investment management agreements (collectively, the “Operative Agreements”). Prior to making any investment in the Partnership, the Operative Agreements should be reviewed carefully. If the terms described in this Summary of Key Terms are inconsistent with or contrary to the terms of the Operative Agreements, the Operative Agreements will control.

Background

Through its servicing platform, C-III has unique access to a proprietary pipeline of approximately \$170B of loans that are scheduled to mature over the next several years. The maturing loan pipeline over the next 3 years approximates \$70 billion of mortgage loans. A substantial majority of these loans were originated in more aggressive financing and real estate markets and will be in need of floating rate bridge financing to assist in the recapitalization of the assets. C-III has traditionally provided floating rate refinancing to borrowers seeking (i) short term bridge loans to Agency (Fannie Mae, Freddie Mac, or FHA) refinancing, (ii) longer term floating rate financing to allow for property stabilization; and (iii) interim financing as a bridge to a property sale.

Typical loan structures generally include: (a) loan terms of 6 months to 5 years; (b) leverage on average of 70-75% of cost and appraised value, not to exceed 80%; (c) interest rates of Libor +350 to 650 basis points; (d) minimum debt service coverage ratios of 1.2x on stabilized Net Operating Income.

The Venture

C-III and _____ (the “Investor”) seek to form a venture to participate in the right of first opportunity to purchase the flow of C-III originated floating rate mortgage product arising from (i) C-III’s existing \$170B portfolio of mortgage assets under management; (ii) opportunities sourced by C-III’s Centerline affiliate; and (iii) other proprietary C-III origination sources (collectively, the “C-III’s Proprietary Mortgage Flow”). The venture will utilize rate third party leverage of approximately 70% with the goal of creating targeted gross returns of approximately 10%.

C-III and its affiliates will service the mortgage assets consistent with its superior Primary and Special Servicing ratings. C-III will manage the assets with a hold to maturity orientation but will consider opportunistic sales of assets into the capital markets or otherwise as appropriate.

The Partnership

C-III Commercial Mortgage Debt Fund I L.P., a Delaware Limited Partnership (the “**Partnership**”). The Fund may utilize one or more private real estate investment trusts (each, a “**REIT**”) in its investment program.

General Partner

The general partner of the Partnership will be C-III Commercial Directives I LLC, a Delaware limited liability company (the “**General Partner**”), which will be controlled by an affiliate of the Investment Manager (as defined below).

Investment Manager	The Investment Manager of the Partnership will be C-III Investment Management LLC, a Delaware limited liability company (the “ Investment Manager ”), which is registered as an investment adviser with the Securities and Exchange Commission.
Investment Objectives	The Partnership is being established to invest in the C-III Proprietary Mortgage Flow. The Partnership will seek to create unlevered gross returns in the 5%-6% range through the investment in low-volatility reasonably levered first mortgage assets deriving from the C-III Proprietary Mortgage Flow. The Partnership may utilize reasonable leverage to create targeted gross returns of approximately 10%. Each such mortgage transaction or series of related transactions in single or multiple assets constitutes an “ Investment ”.
Committed Capital	The General Partner is seeking a capital commitment (the “ Commitment ”) for the Partnership of up to \$2 Billion from the Investor (the “ Investor ”) (the Investor together with the General Partner, the “ Partners ”). The General Partner reserves the right to establish the Partnership with Commitments less than or in excess of this amount as it determines in its sole and absolute discretion.
General Partner's Commitment	The General Partner, together with its affiliates and professionals of the Investment Manager, will make aggregate Commitments to the Partnership on or before the Final Closing (as defined below) of at least 1% of the aggregate Commitment of the Investor (the “ Aggregate Commitment ”). The General Partner and its affiliates may invest their Commitments through one or more Limited Partners or, in the sole discretion of the General Partner with respect to any particular investment, directly into the investment or through a separate co-investment vehicle on substantially the same terms and conditions as the Fund, including the sharing of applicable expenses. Any such alternative arrangement will not affect the total amount invested by the General Partner and its affiliates in any particular investment.
Minimum Commitment	The minimum Commitment by the Investor to the Partnership will be \$500 million.
Closings	The Partnership intends to hold the initial closing as promptly as practicable (the “ Initial Closing ”). Thereafter, the Partnership will hold additional closings (“ Subsequent Closings ”) for subsequent Commitments, <i>provided</i> that the final such Subsequent Closing (the “ Final Closing ”) may occur no later than the first anniversary of the Initial Closing.
Term	The Partnership expects to dissolve on or before the seventh anniversary of the Initial Closing, but its existence may be extended for three additional one-year periods by the General Partner, each with the consent of the, to allow for the orderly liquidation of Investments.
Commitment Period	Commitments available for drawdown may be drawn upon for any reason at any time up to the third anniversary of the Initial Closing (the “ Commitment Period ”), unless the Commitment Period is terminated earlier as set forth herein. Upon the expiration of the Commitment Period, all Partners will be



released from any further obligation with respect to their unfunded Commitments, except to the extent necessary to: (a) pay the Management Fee (as defined below) and other expenses; (b) establish or increase reserves; (c) fund investment capital needs and expenses or protective advances to preserve the value of any underlying investment; (d) make follow-on investments in, or relating to, existing investments (“**Follow-On Investments**”), which Follow-On Investments will not, exceed 20% of the aggregate Commitments; (e) complete investments that were in progress prior to the expiration of the Commitment Period; and (f) repay permitted borrowings. The General Partner will have the right to terminate the Commitment Period in certain limited circumstances.

Drawdowns

The General Partner may draw down Commitments *pro rata* based on unfunded Commitments with a minimum of ten business days' notice to the Investor.

Reinvestment of Capital

The General Partner may elect to add to each Partner's unfunded Commitment the amount of capital contributed by such Partner to any Investment that is disposed of during the Commitment Period and returned by the third anniversary of the date on which the Investment to which such capital amount relates was acquired.

Investment Limitations

Without the consent of the Investor, the General Partner will not invest more than 15% of the Aggregate Commitments in any single Investment.

**Incurrence of
Indebtedness; Guarantees**

The General Partner may, at any time, cause the Partnership to incur or assume indebtedness from any person (including the Investment Manager or its affiliates) for any Partnership purpose, including, without limitation, to cover any Partnership Expenses (as defined below), make Investments (including Follow-On Investments), provide permanent financing or provide interim financing to the extent necessary to consummate the purchase of Investments or for any other purpose whatsoever. Any such financing may be provided by an affiliate of the Investment Manager at rates equivalent to those rates generally available in arm's length negotiations from third party providers.

The General Partner will target a debt ratio for the Partnership on a portfolio basis as of the expected end of the Commitment Period of no more than 3:1. After such date, the Partnership will not incur any debt secured by Investments or guarantees if, immediately after such incurrence, the debt ratio would exceed 3:1.

The General Partner may cause the Partnership to enter into a credit facility secured by the Commitments. In connection therewith, the Investor may be required to confirm the terms of its Commitment, to provide financial information, to grant a pledge of their interests in the Partnership (each, an “**Interest**” and collectively, the “**Interests**”) and to execute and/or provide other documents as may be required by credit providers to the Partnership.

The Partnership, or a subsidiary of the Partnership, may guarantee loans or provide interim financing in order to facilitate Investments.

Distributions

The amount of distributable cash flow apportioned to each Investor shall be divided between and distributed to such Investor, on the one hand, and the General Partner, on the other hand, as follows:

- (i) to the Investor and the General Partner pro-rata, until the Investor has received cumulative distributions pursuant to this section equal to a current return of 7% on any funded Commitment (the "Base Return");
- (ii) to the General Partner in an amount equal to 15% of any monthly distribution in excess of 1/12 of the amount necessary to yield the Investor 7% on a current basis on its then outstanding Commitments (the "GP Entitlement"). One half of the GP entitlement shall be payable a current basis. The balance of the GP entitlement shall be payable upon liquidation only to the extent the Investor has received the Base Return; and
- (iii) the balance to the Investor and the General Partner pro-rata.

Net proceeds from dispositions of Investments generally will be distributed no later than 90 days after receipt by the Partnership. Distributions prior to the dissolution of the Partnership will be made in cash or marketable securities. Upon dissolution of the Partnership, distributions may also include restricted securities or other assets of the Partnership.

The General Partner will be entitled to withhold, from any distributions, amounts necessary to create, in its sole discretion, appropriate reserves for expenses and liabilities of the Partnership, as well as for any required tax withholdings. Tax credits and tax payments made by, or allocated to, the Partnership (or any entity in which the Partnership invests that is treated as a flow-through entity for U.S. federal income tax purposes) will be deemed to have been distributed to the Investors.

Management Fee

The Partnership will pay an annual management fee (the "**Management Fee**") to the Investment Manager, payable quarterly in arrears, equal to the product of (x).75% multiplied by (y) the daily weighted average book value (determined in accordance with GAAP) of the Partnership's Investments during the applicable Fiscal Quarter.

Organizational and Offering Expenses

The Partnership will bear all of the legal and other organizational expenses incurred in the formation of the Partnership and related entities (such as the General Partner and any feeder vehicle established by the General Partner).

Operating Expenses

The Partnership will pay all costs and expenses relating to its operations, including, but not limited to: (a) legal, auditing, consulting, third party administration and accounting fees and expenses (including costs of reports to the Partners, financial statements, tax returns and K-1s); (b) all expenses associated with the acquisition, holding and disposition of its proposed or actual Investments, including, without limitation, any and all costs associated with alternative investment vehicles and any holding vehicles, insurance, indemnification and other unreimbursed expenses; (c) all extraordinary expenses (such as litigation); (d) interest on and fees and expenses arising out of all permitted borrowings made by the Partnership; (e) all third party expenses relating to un consummated transactions; (f) all expenses of liquidating the Partnership; and (g) any taxes, fees or other governmental charges levied against the Partnership and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Partnership ("**Operating Expenses**" and, together with Organizational Expenses and the Management Fee, "**Partnership Expenses**"). The Investment Manager will be responsible for its own operations, including rent, salaries, furniture and fixtures and all other office equipment.

Affiliated Transactions

The Partnership may retain third parties or affiliates of the General Partner or the Investment Manager for necessary services and transactions relating to the Investments.

To the extent the General Partner, the Investment Manager or any of their respective affiliates provide services to, or perform transactions on behalf of, the Partnership that would otherwise be provided or performed by independent third parties, the General Partner, the Investment Manager or any such affiliates, as applicable, shall receive fees from the Partnership at rates customarily charged for similar services by persons engaged in the same or substantially similar activities and the provisions of any such agreement shall be at least as favorable to the Partnership as the terms reasonably expected by the General Partner to be available in an arm's-length transaction with an independent third party, *provided* that the such persons are generally in the business of providing such services to third parties. For the avoidance of doubt, no such fees will offset any amounts in respect of any drawdowns otherwise payable.

Principal Transactions

The Partnership intends to acquire Investments originated by C-III Commercial Mortgage LLC, an affiliate of the Investment Manager. In addition to any approvals from the Investment Manager and the General Partner, each such “principal transaction” shall comply with the provisions of the Investment Advisers Act of 1940, as amended, and the Investment Manager’s internal policies and procedures. Any borrower paid fees accrued by C-III Commercial Mortgage LLC in conjunction with the origination sourcing, underwriting, closing or extension of any mortgage loan shall be for the account of C-III Commercial Mortgage (collectively, the “Retained Fees”). The Partnership shall have no obligation to pay the G.P., the Investment Manager or C-III Commercial Mortgage any acquisition fee in connection with the sourcing, underwriting, closing or extension of any mortgage loan investment; all such compensation shall derive solely from the Retained Fees.

Removal of the General Partner

The Investor, will have the right to remove the General Partner for any reason after the second anniversary of the Final Closing. The Investor, will have the right to remove the General Partner for Cause at any time. “Cause” means a judgment by any court or similar governmental body that the General Partner or any of its affiliates has committed an act constituting gross negligence, fraud or willful misconduct, in each case, that has a material adverse effect on the Partnership.

In the event of the removal of the General Partner, the General Partner and its affiliates will cease to be Partners and each will be paid the fair market value of its Interest as of the date of its withdrawal from the Partnership.

Reports to Limited Partners

The Investor will receive: (a) audited annual financial reports of the Partnership; (b) unaudited quarterly financial information with respect to the Partnership's individual Investments; (c) annual descriptive investment information for each Investment; and (d) annual tax information for the completion of income tax returns.

The General Partner shall use commercially reasonable efforts to cause items (a), (c) and (d) above to be furnished to the Investor within 90 days after the close of each fiscal year of the Partnership and item (b) above to be furnished to the Investor within 60 days after the close of each fiscal quarter of the Partnership.

Amendments

The Partnership Agreement may be amended from time to time, and any provision may be waived, with the consent of the General Partner and the requisite vote of the Investor, except that the General Partner may amend the Partnership Agreement without Investor consent in limited circumstances, including to correct errors and cure ambiguities.



Investors Transfers or Withdrawals

The Investor may not sell, assign, transfer, pledge or hypothecate any portion of its Interest, except with the prior written consent of the General Partner. Further, the Investor may not withdraw from the Fund, except under certain limited circumstances.

Under certain circumstances, the General Partner may permit or may require withdrawals or transfers of the interests in the Fund of Investors or may take certain other actions, in order to prevent violations of anti-money laundering and similar laws or to prevent the assets of the Fund from being considered “plan assets” for purposes of ERISA and the Plan Asset Regulation.

Independent Auditors

Dixon Hughes Goodman, LLP, or another nationally recognized firm as selected by the General Partner in its sole discretion.

Placement Agent for the Partnership

Anubis Securities LLC (member FINRA, SIPC), an affiliate of the General Partner and Investment Manager, serves as the exclusive placement agent for the offering of interests in the Partnership.

