

From: Eileen Alexanderson <[REDACTED]>

To: Melanie Spinella <[REDACTED]>, jeffrey E. <jeevacation@gmail.com>

Subject: timber

Date: Wed, 03 Sep 2014 17:33:06 +0000

Attachments: DRAFT_Secondary_Sell_Side_Engagement_Letter_-_Black_Family_Partners.doc

Eaton Partners, placement agent, worked with Molpus Woodlands recently to raise the Molpus Fund IV. They seem best positioned to connect us with investors if we would like to proceed to try to sell the Molpus Woodlands Fund II interest owned in Black Family Partners. There are a couple of groups who invested in Fund IV and indicated a potential interest in filling in with other Molpus fund vintages. Eaton currently characterizes the secondary market as a bit overcapitalized driven by several players in this space who raised funds in the past 12-18 months and are working to get invested. I believe this to be true, having heard the same via one of the investment committees I sit on where we have investments in a secondary fund. While I have heard managers in this space brag about the 15-30% discount to par they pay for the interests they buy, Eaton said the strong demand for interests has driven the discounts to as low as single digit levels in the recent past. They indicated we could potentially see a discount as low as something in the 0-5% range applied to the 6/30 value of our interest (\$19mil) based on the fundamental backdrop currently, ie. improving housing starts, and better lumber pricing. Eaton's fee, if successful, is 100bp. I have attached the engagement letter they require, which I believe is acceptable.