

JACQUELINE V. BRADY
Senior Vice President
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Ms. Brady has over twelve years' experience in structured finance, with a focus on capital markets and real estate investments. Currently, she manages three portfolios of high yield, leveraged loan investments for GMAC Institutional Advisors (GIA) in the US and Canada. GIA is a Securities and Exchange Commission registered investment adviser providing fund management in the public and private debt and real estate equity markets. Previously, Ms. Brady was a Senior Investment Banker in the Principal Finance Group at Nomura Securities International, Inc. in New York, where she managed over \$7 billion in commercial mortgage backed securities (CMBS) transactions. Ms. Brady served as the lead banker and member of the project team that developed and marketed the first widely offered FASIT transaction, using this tax-efficient vehicle to issue over \$2 billion of CMBS. This transaction was hailed by the CMSA as the 1998 Deal of the Year.

Ms. Brady began her career as a member of the Real Estate Group of J.P. Morgan Securities, Inc. She participated in the issuance of several mortgage backed securities transactions and other real estate investments. Ms. Brady's client roster included several prominent domestic and international firms such as Home Savings of America in California, Japan Air Lines in Tokyo, and Banco Continental in San Jose, Costa Rica. For the latter, Ms. Brady developed the standards and requirements that enabled the bank to originate mortgage loans in Costa Rica that could eventually be sold as mortgage backed securities in the US capital markets.

As a member of the Council on Foreign Relations in New York, Ms. Brady recently participated in a series of roundtables on the International Financial Architecture. The group explored the inter-relationship among key players in the global financial system, including governments, financial investors, and international financial institutions, and made recommendations regarding potential reforms.

Ms. Brady was appointed by Mayor Rudolph Guiliani to serve on the Mayor's Advisory Task Force on the City University of New York, a group charged with reviewing remediation, resource allocation, and other issues to improve the performance of the university. In addition, Ms. Brady has successfully sponsored and mentored three students through the Student/Sponsor Partnership, a New York City education initiative which provides private vouchers for high school students to attend private or parochial schools.

Born in the Caribbean, Ms. Brady migrated to the USA with her family in 1983. She holds a B.A. in Political Science from Haverford College, and an M.A. in International Economics and International Relations from the Johns Hopkins University School of Advanced International Studies (SAIS). Ms. Brady has endowed the W. Arthur Lewis Scholarship at SAIS to provide financial assistance to minority students studying International Economics. Ms. Brady lives with her husband and two children in Villanova, PA.

SECURITIZATION DEAL MANAGER

Business Plan Outline

Overview: The Transaction Management Division (“TMD”) will have primary responsibility for the execution of all the Group’s transactions – CMBS, CDOs and whole loan sales. TMD will be the gatekeeper of all loan information flow from the Group and will be the focal point for the Group’s interaction with the rating agencies. TMD will manage access and information delivery to the rating agencies and will also work closely with the various divisions in the Group to keep them abreast of rating agency parameters. TMD’s rating agency knowledge will be indispensable to the sizing and pricing of large loans and B-notes. TMD will also be highly familiar with comparable transactions in the market, their subordination levels, rating agency concerns and large loan structural features. Together with the Trading/Structuring team, TMD will update and refine the Group’s conduit and large loan sizing models.

Deal Management: TMD will manage and coordinate all the specific activities required for transaction execution including: (i) preparation of asset summaries and loan data tapes; (ii) site visits with rating agencies to selected assets; (iii) distribution of asset information to rating agencies and B-note buyers; (iv) coordination of responses to investor and rating agency questions; (v) preparation of the red and black prospectuses and transaction term sheets; (vi) management of third party vendors involved in the transactions (e.g., accountants, printers, lawyers); (vii) management of partner relationships in CMBS transactions; and (viii) management of re-securitization transactions (e.g., CDOs, re-REMICs, etc.)

Marketing: TMD will market the Group and its activities to three key audiences: (i) the rating agencies; (ii) large institutional investors; and (iii) investment banks with whom we would partner for CMBS and/or CDO transactions. Much of this marketing effort will be collaborative and will rely on senior members of various divisions within the Group.

Initially, it will be important that TMD, together with other divisions in the Group, present a cohesive story about our business plans and activities to the rating agencies. The rating agencies will need to gauge our capabilities as a new entrant into the business, and TMD will coordinate the marketing process to get the rating agencies comfortable with our origination and underwriting program and standards. In addition to individual meetings with the agencies, this will include attendance at industry and rating agency conferences and sponsorship of certain events.

It is important to acknowledge that each rating agency must be treated as a client of the Group, with the same level of care and management as a borrower client. As such, there must be extensive communication among the various divisions regarding rating agency issues, and all interactions with the agencies should be centralized through TMD.

Similarly, it will be important to familiarize the main institutional investors in the market about the quality of our program and our comparative and competitive advantages relative to other real estate finance groups. Institutional investors will want to hear the story to gain greater comfort with our CMBS platform, but it is also important to note that these same investors are active buyers of whole loans and B-notes. Later in the Group's life, it will also be important to market our capabilities and platform to European investors who are large buyers of CDO securities.

TMD will spearhead the effort to market the Group to other investment banks with which we may want to partner for CMBS transactions. This will include, in conjunction with other Group divisions, selection of the best partners in terms of collateral mix, distribution capability, secondary market support and a variety of other factors. TMD will negotiate fees, profit and expense splits and other elements necessary to initiate and maintain CMBS partnerships. TMD will also work with the Group's opportunity fund and trading divisions to select appropriate CDO partners by focusing on collateral mix and rating agency diversity analysis of joint pools.

Group Interactions: TMD will work in collaboration with many other divisions in the Group. Here are some examples of interactions which will facilitate the overall business plan:

Large Loans – TMD will be actively involved with this division to size investment grade large loans and to structure any resulting B-notes or mezzanine tranches. There should not be a large loan originated that has not been reviewed by TMD.

Trading/Structuring – TMD will work very closely with this division on transaction modeling, large loan structure, platform and deal marketing to investors, transaction timing and road show coordination.

Conduit Loans – TMD will work closely with this division to ensure that the rating agency sizing/pricing model used for loan originations is kept accurate and up to date.

Real Estate Opportunity Fund – TMD will work with this division to plan, structure and manage re-securitizations. Also, to the extent this division acquires third party portfolios of whole loans, B-notes or

subordinate CMBS, TMD will coordinate the rating agency evaluation of those assets and their expected execution in a CDO or other vehicle.

Contract Finance – During any transaction execution phase, TMD will be working closely with this division to ensure that rating agency and B-note buyer concerns are addressed and do not have significant negative implications for the marketing of the senior A notes.

Resources:

TMD will be staffed with three to five persons in the following positions:

Managing Director – Jacqueline Brady (see attached bio). This position would oversee all of TMD’s activities and manage its staff and work flow.

Vice President – 1 person; may increase to 2 depending on volume. This person would have two to three years’ prior experience in a CMBS transaction management role. This person would be knowledgeable about the process and sufficiently capable to handle rating agency calls and investor queries independently.

Associates/Analysts – 2 to 3 persons depending on volume. These resources would be responsible for the data preparation and would work with the loan originators in preparing asset summaries and responses to investor questions.

Please note that this resource estimate does not include third party vendors who would be used in the transaction process and whose costs would be netted from securitization profits or split with other securitization partners.

TMD would work with the rest of the Group to select an appropriate technology package that streamlines the process of loan origination through securitization. This resource will be integral to the division’s performance (reduction of redundancy, increased accuracy, etc).

TMD’s office space needs will not differ substantially from those of the rest of the Group (i.e., private office for senior management of TMD; appropriate office/cubicle space for the rest of the division). Although much of TMD’s data will be prepared and maintained electronically, TMD will still require a loan file storage area for use during the execution phase of a transaction (i.e., an area available to be set up as a war room).

Overhead:

TMD's estimated costs would be as follows:

Base Salaries:

Managing Director	\$200,000
Vice President	\$125,000
Associate	\$75,000
Analyst (2 at \$45k each)	\$90,000
Travel and Entertainment	\$150,000
Benefits	TBD – same as rest of the Group

TMD's Bonus:

TMD would expect to receive a discretionary bonus pool based on the success of the CDO and CMBS transactions it manages. Subject to a minimum division bonus of \$1 million, TMD's direct bonus would equal 15% of the net earnings of the division based on the following earning streams:

CMBS Transaction Fees	30 bps on par amount
CDO Transaction Fees	90 bps on par amount
CMBS Incentive Fees	2% of deal profits, excl. carry

In addition, TMD would earn 10% of the Group's incentive compensation which is 35% of the Group's earnings net of direct bonuses. TMD would put back 35% of this amount into the opportunity fund. Some of the bonus allocations for the more junior staff in the division would be grossed up and a portion contributed to the fund.

Challenges:

It will be extremely important for the Group to work together as a cohesive unit. TMD will need to develop very close ties to the members of other divisions. It will be important for large loan originators to feel that they can get a timely "feel" on an asset from the rating agencies and that TMD is a helpful participant and not a road block in that process. Similarly, it will be important for the trading/structuring team to share their knowledge on current developments with respect to capital markets structures and/or investor preferences. It will not simply suffice to hire talented individuals with the promise of entrepreneurial rewards. For this venture, and particularly TMD's place within it, to be successful, emphasis must be placed on creating a team mentality.

Second, the Group will need to develop independent relationships with institutional investors. Although the business plan for the Group does not envisage significant CMBS secondary trading, investor relationships are a vital source of market information and these

investors are often active purchasers of whole loan portfolios, B-notes, and mezzanine interests that may not otherwise fit our opportunity fund. It would be a mistake for the Group to relinquish control over these investor relationships to the parties with whom we partner on CMBS transactions.

The logo consists of a vertical black line intersecting a horizontal black line. To the left of the intersection, there are three overlapping squares: a blue one at the top, a red one to the left, and a yellow one at the bottom. The text "Project Atlas" is written in a blue serif font to the right of the vertical line.

Project Atlas

Transaction Management Group



Introduction

- This presentation will outline the role of the Transaction Management Group (“TMG”) and how it will interact with other Atlas groups.



Key Responsibilities of the Transaction Management Group

- Manage rating agency relationships.
- Participate actively in loan structuring (especially for larger loans).
- Coordinate all aspects of deal management for CMBS and CDO transactions.



Rating Agency Relationships

- TMG will serve as the primary Atlas liaison with the rating agencies
 - Manage access and information delivery to the agencies
 - Keep the various Atlas divisions abreast of rating agency parameters
 - Ensure accuracy of loan sizing models based on rating agency criteria



Rating Agency Relationships

- Build rapport with agencies to facilitate structural discussion of larger loans prior to origination.
- Manage rating agency pipelines and timing for floating rate and conduit/fusion deals
- Present the comprehensive Atlas story to the agencies so they can gauge our capabilities as a “new entrant” to the market:
 - CMBS: focus on our underwriting/origination practices
 - CDO: focus on our asset management/surveillance expertise



Loan Structuring

- Large loans drive transaction results. The top 10 loans are now approximately 42% of CMBS pools, and the quality of those loans impacts subordination levels.
- TMG will collaborate with the Large Loan group on structuring issues when originating larger loans:
 - Pari passu notes
 - B-notes or mezzanine tranches; where to cut the A-note
 - Estimate of shadow ratings on large loans and the impact on overall subordination levels
 - Intercreditor agreement issues and their impact on rating agency sizing



Transaction Execution

- TMG will manage and coordinate all the specific activities required for deal execution including:
 - Preparation of asset summaries and loan tapes
 - Site visits of selected assets
 - All contract finance activities (PSA, Offering Memorandum, Transaction Term Sheet)
 - Management of Third Party Vendors (lawyers, printers, accountants)
 - Master Servicing bids



Transaction Execution

- TMG will work closely with the Trading Desk on the following:
 - Investor Marketing: telling the comprehensive Atlas story; establishing our “brand identity” in the market
 - Partner Selection: determining our best partners for both CMBS and CDO transactions based on collateral mix, distribution capabilities, ancillary business opportunities offered, etc.



How will we do all this?

- Teamwork
- Technology



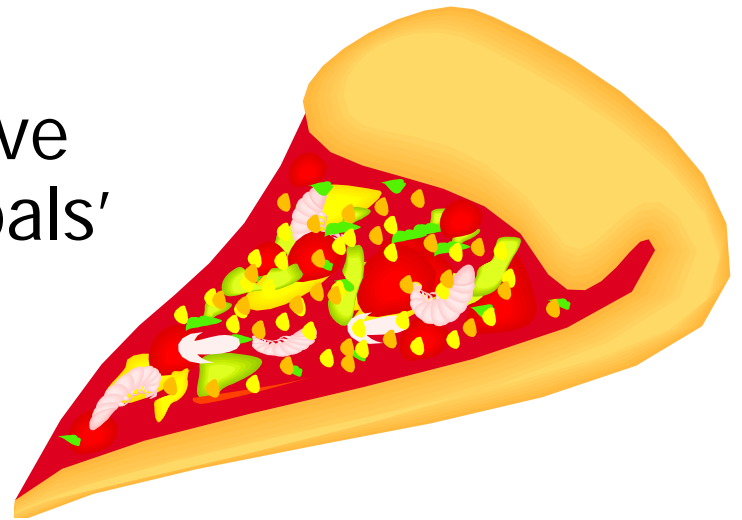
Teamwork

TMG will regularly interact with several other Atlas divisions:

- ***Conduit Program*** – maintenance of conduit model and integration of rating agency updates/changes
- ***Large Loan Program*** – structural features pertaining to larger loans; estimates of shadow ratings
- ***High Yield Fund*** – placement of B-notes or mezzanine interests from large loans; contract finance/special servicing negotiations; CDO execution/collaboration when collateral is ready
- ***Trading Desk*** – selection of transaction partners; investor marketing; transaction modeling

Teamwork

- While I am not a fan of routine meetings, I believe we should have a Principals' Catch-Up session periodically.
- I will initiate Friday Pizza Lunch for the whole Atlas team, and I encourage others to think of similar team/morale building activities for our new group!!!





Technology

- TMG will collaborate with other Atlas divisions to select an appropriate technology package.
- Key components will include:
 - Single data entry
 - Pipeline management including management of bifurcated loans (no double counting, etc)
 - Ability to generate asset summaries and management reports
 - Accommodates Excel underwriting and can feed data to spreadsheets as well as databases
- MortgageRamp's Deal Central technology is one good alternative.



Resources

- TMG will be staffed with four to five professionals and an Executive Assistant
 - Managing Director
 - 1 or 2 VPs (oversee rating agency models; oversee contract finance negotiations)
 - 1 or 2 Associates/Analysts (oversee data collection and preparation)
- TMG will make use of third party vendors (e.g., accountants, etc) in preparing collateral for transactions.
- TMG also estimates a sizable (approx. \$150,000) annual T&E budget for conference sponsorship and attendance and other similar activities.



Critical Path/Initial Steps

- Work with relevant Atlas team members on conduit and large loan sizing models
- Develop introductory presentation for rating agencies and other key market participants – who we are, why we are unique, what we offer, etc.
- Collaborate with Atlas team to select technology package
- Work with Trading Desk to target initial transaction partners (e.g., Bear Stearns)



Open Issues To Be Discussed

- Hold time for loans on balance sheet – how long can we hold loans without incurring a value at risk charge; longer hold times enable us to customize loan pools for best execution
- Loan review/approval process – TMG should be involved for loans above a certain size
- Integration of the Atlas team with other business groups at the Capital Source (minimize any “us” versus “them” tendencies)



Open Issues To Be Discussed

- How can TMG work with the Small Loan Program to add value (Steve – I welcome your guidance here)
- Kickoff Timing for Atlas – will it coincide with any industry events (CMSA, MBA)

**ADDENDUM TO BUSINESS PLAN OUTLINE:
SECURITIZATION DEAL MANAGER**

Interaction with the Small Loan Group, Mezzanine and B-note Fund:

I do not envision significant interaction with the small loan group. I am not extensively familiar with this product, but I will work with the principal of that group to identify areas in which we could leverage and enhance our transaction execution by including some of those loans.

With regard to the Fund, I believe there will be significant interaction. The Fund will acquire B-notes from third parties and we will need to have a clear understanding of how those B-notes will affect a CDO or similar vehicle. Similarly, mezzanine opportunities will need to be evaluated in light of rating agency parameters. I envision that transactions will look similar to those done by iStar Financial, whose term financings for their fund investments include first and second mortgages, B-notes and mezzanine assets. The transaction management elements, particularly rating agency sizing, will need to be coordinated through TMD. It is even more critical when dealing with the Fund's investments since the rating agency standards for these deals are less formulaic than they are for standard conduit or fusion transactions.

Timetable and Calendar:

Based on our prior conversations regarding the incentive compensation timetable here, I would not envision joining the team until second quarter 2004. The timetable for bringing on staff will be as follows:

	2Q 2004	3Q 2004	4Q 2004
Managing Director	\$50,000	\$50,000	\$50,000
Administrative Asst	\$12,500	\$12,500	\$12,500
Associate/Analyst		\$18,750	\$18,750
Travel and Entertainment		\$10,000	\$10,000
Total	\$62,500	\$91,250	\$91,250

The Vice President position will likely be filled either in the fourth quarter or in the first quarter of 2005. I think this initial staffing level should be able to handle two or three deals of approximately \$400 million each (contributed volume). In addition, the Contract Finance position would need to be on board by the start of the first deal to manage the document process. It would be preferable to have the Contract Finance position report in to me as head of TMD so that we could have a coordinated effort with respect to securitization.

Team Building/Cohesiveness:

Eventually we are all going to have to get together and discover who each other is. If people are nervous about this initially, I would suggest each person prepare a “name withheld” bio that can provide insight as to his/her capabilities and prior accomplishments without naming specific persons or firms (e.g., From 1997-2001 managed team of loan originators at a top 5 conduit shop; annual origination volume of \$X; representative clients were_____, _____ and _____). It is crucial for my position that all the other principals are real deal generators, and if specifics are a problem at this stage, then I would prefer neutral bios be shared with the group. Later on, I would suggest we all travel to NYC for a face-to-face “retreat” where we can air views regarding the team structure, share best practices that we have seen, and get to know each other better.

Investor Relationships:

As I mentioned in the business plan, it will be crucial for our group to independently develop relationships with key investors in the industry. They can be an invaluable source of information as well as an outlet for loans which may not work well in a pooled transaction (for concentration reasons, etc.). The trading group should take the lead in establishing independent relationships, first by working with the existing sales team at the Firm. Face to face meetings and attendance and industry and rating agency events will also be important to developing these relationships.

Technology:

GMAC’s Mortgage Ramp division has a technology product called Deal Central which is very effective. We would need to evaluate other products in the market as well, but I am very familiar with this one. It offers a complete package from underwriting and origination through securitization and can streamline the process, produce loan data tapes and rating agency reports, and store and attach all relevant third party reports. I am aware that George Kok’s group at Merrill uses it and has been pleased with it.

Risk Limiters:

Previously, you had asked me to think about what my risk limiters would be in signing on to this venture. As I have stated, a key one is ensuring the production capabilities of the origination teams. Second, I would want to see a guaranteed contract term for the team to keep people on board until we can get fully ramped up (e.g., a two year term). In addition, I would want part of the benefits package to include standard relocation expenses. Third, I would want to clearly understand the Firm’s risk based valuation/pricing methodology (i.e., how they age inventory, etc.) I would not want to be forced to sell loans just to avoid an arbitrary value at risk charge. That would give us more leeway in structuring the best pools and I would not have to clear out all originations but can hold and season certain loans.

TO: Spencer Young
FROM: Jackie Brady
DATE: September 29, 2003
RE: Certain Project Atlas Deliverables

Strategic Partners

The ideal candidates for strategic partners will be those entities who can offer a variety of services to the Project Atlas team (e.g., warehousing for CDO collateral). Large loans have become the focal point of most CMBS deals. The top 10 loans represent an increasingly larger share of the deals and drive subordination levels. Assuming institutional quality/life company caliber originated loans, the Atlas team will be well-positioned to team up with a number of CMBS partners. In addition, the existence of our equity fund will minimize loan kick-out risk for both us and our partners. Finally, we will clearly be able to trade not only league table credit but also underwriting/placement agent roles for our CDOs.

Based on the above, therefore, I think some of the ideal candidates are:

Bear Stearns – they offer a diversity of execution options, have solid distribution both domestically and in Europe, are perceived as a higher tier originator than the average Wall Street conduit shop, and can offer warehousing and other ancillary services as needed. Furthermore, my experience has been that they are easy to work with.

JP Morgan Chase – they also are perceived as a good quality originator.

CIBC – decent collateral; would be very intrigued by having the equity fund buying the resulting B-pieces as they are not set up to handle kick-outs.

Wachovia – less reputable collateral; good CDO infrastructure; could also trade servicing rights since they are aggressively trying to build this business; very high transaction velocity – they come to market extremely often.

Targeted Law Firms

For CMBS transactions: Sidley, Austin (first choice), Cadwalader (second).

For CDOs: Orrick Heffington.

Marketing Strategy

This needs to be fleshed out in more detail after we understand who we have on the team (personnel experience and background) and what kind of loan product we will generate. However, here are some thoughts on things we will need to address. CMBS marketing focuses primarily on the collateral. CDO marketing focuses heavily on the manager – what has our track record been, what is our performance, how do we handle surveillance,

how do we manage workouts, etc. In both cases, marketing will be coordinated with the trading desk.

We will present our CMBS origination and underwriting platform to the rating agencies in several pitches, focusing on our key standards and practice. The quality of our large loans will be a significant determinant of our rating agency results. It will be important to emphasize that as a new entrant, we are winning business because of the caliber of our team and their historical relationships as opposed to cutting corners in underwriting (lack of reserves, interest-only loans, etc.) Frequent interaction with the rating agencies as loans are being originated will go a long way to preparing them for the kind of collateral that we will be generating.

On the CDO side, we will need to address the diligence process of our fund – how it acquires collateral particularly from third parties. We will need to be prepared to respond to questions about whether our fund just takes risky positions that could not be sold into the CMBS market. For B-piece buyers, the kick-out ratio is a key component of marketing their CDOs, as it implies that they exercised discretion over what they took in. Lennar frequently trumpets its 9% kick-out ratio. Teaming up periodically with entities like Wachovia (i.e., a small contribution of loans) and having those deals trade into the B-piece market without kicks will go a long way to highlighting the quality of our loans.

One of the early jobs I will have is to prepare detailed pitches about our business and our origination platform, etc and begin telling that story well in advance of any transactions to investors, rating agencies and other B-piece buyers.