

**MORGAN STANLEY****MEMORANDUM**

**TO:** Walter Lembi  
(via fax: 415-241-1427)

**DATE:** December 16, 1997

**FROM:** Spencer Young  
Meridith Schwartz  
Christian Curry

**CC:** John Westerfield  
Russell Rahbany  
Steven Stern  
Shirish Godbole  
George Kok

Tom Kimball - Mellon  
Michael Murphy - Mellon  
Phillip Clock - Mellon  
John Busillo - Cadwalader

**SUBJECT:** Proposed Timetable for Refinancing

We are pleased you have selected Morgan Stanley Mortgage Capital Inc. to refinance twenty-five multifamily, retail, office and hotel properties located in San Francisco and Burlingame, CA. Although we have put an outside date of February 27, 1997 to close the transaction, we have developed a timetable to do so by January 30, as you requested. To this end, we have prepared the below timetable for your review and comments.

Task	Responsibility	Target Date	Done?
Remit application fee	Lembi	--	Y
Order third party reports (appraisal; environmental; engineering; & seismic)	Mellon	--	Y
Order surveys and title work	Lembi	Wed. 12/17	
Execute <u>Revised</u> Funding Commitment	Lembi / MSMC	Wed. 12/17	
Submit application for financing (refer to application checklist in Funding Commitment)	Lembi	Fri. 12/19	
Select servicer	MSMC	Fri. 12/19	
Submit organizational documents to MSMC and CWT for review	Lembi	Fri. 12/19	
Request tenant estoppels and subordination and non-disturbance agreements from all commercial tenants	Lembi	Mon. 12/22	
Deliver copies of commercial leases and form of multifamily leases used. to CWT and Mellon	Lembi	Mon. 12/22	
Complete site visits	Mellon	Wed. 12/31	
Issue initial draft of master loan agreements and loan documents for <u>senior debt</u> (Loan Groups A, B, C & D)	CWT	Wed. 12/31	

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Task	Responsibility	Target Date	Done?
Issue initial draft of loan agreements for <u>secondary debt</u> on Loan Group C & D	Imperial	Wed. 12/31	
Deliver copies of management agreements to CWT and Mellon	Lembi	Wed. 12/31	
Comment on <u>senior debt</u> master loan agreements and mortgage loan documents for Loan Groups A, B, C & D	Lembi	Wed. 1/7	
Comment on <u>secondary debt</u> loan agreements for Loan Group C & D	MSMC / CWT	Wed. 1/7	
Deliver executed tenant estoppels and subordination and non-disturbance agreements for all commercial space to CWT and Mellon	Lembi	Wed. 1/7	
Distribute initial draft of non-consolidation opinion to CWT	Morris	Wed. 1/7	
Distribute initial draft of Intercreditor Agreement	CWT	Wed. 1/7	
Third party reports completed	Mellon	Thu. 1/15	
Review of third party reports finished	Mellon	Tue. 1/20	
Assemble property level information (photos, standard lease forms, rent rolls, maps, site plans, operating statements, etc.), and prepare asset summaries	Mellon	Wed.. 1/21	
Prepare credit approval / securitization packages in Morgan Stanley AMOS software.	Mellon	Thu. 1/22	
Review final borrowing entities organizational documents, surveys, zoning, etc.	CWT / MSMC	Fri. 1/23	
Securitization committee review	MSMC	Mon. 1/26	
Approve loans	MSMC	Wed. 1/28	
Issue closing letter	MSMC	Thu. 1/29	
Execute all agreements and documents; finalize opinions	Lembi / MSMC	Fri. 1/30	
Close transaction	MSMC	Fri. 1/30	

**Key:** Lembi = The Lembi Group and/or its affiliates and/or BSchoenberg (Counsel to Lembi)  
Morris = Mike Morris (Bankruptcy Counsel to Lembi)  
MSMC = Morgan Stanley Mortgage Capital Inc.  
CWT = Cadwalader, Wickersham & Taft  
Mellon = Mellon Mortgage Company  
Imperial = Imperial Thrift & Savings

**The Lembi Group  
Multifamily & Commercial Property Refinancing  
Working Party List**

Company	Contact / Role	Business Phone / Fax	Home Address/Phone/Fax
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	→ <b>Spencer Young</b> MSMC Credit Committee Team Leader	Tel. (212) 761-4512 Fax (212) 761-0512	74 Eakins Road Manhasset, NY 11030 Tel. (516) 365-2487 or 8 Fax (516) 365-4110
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