

-----Original message-----

From: [REDACTED]
Sent: Thursday, October 05, 2006 2:00 PM
To: Verne, B. Michael
Subject: RE: Realty Exemptions

802.2
802.5

Mike.

Thanks again for your help with my questions below. Because no good deed goes unpunished, I have a few follow up questions.

(1) With respect to #3 below, I assume the entity in question would be deemed to underwrite title policies for the REIT if it does so for transactions in which the REIT is selling property to third parties. Do you agree?

(2) If the REIT holds vacant land which it leases to a third party, is this exempt realty or would it only be exempt if the rental payments in the last 36 months were less than \$5 million?

(3) Servicing fee income on servicing mortgage and net lease debt portfolios would be exempt if the debt was generated by originating and servicing realty backed loans. Is this correct? Would it also be exempt if the realty backed loans were originated by third parties?

Thanks again Mike,

[REDACTED]

SEE BRAU -
B. Michael

- 1) Agree
- 2) The latter
- 3) Servicing fee income would only be exempt for the realty-backed loans originated by the REIT