

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

RAIT FUNDING, LLC,
a Delaware limited liability company, *et al.*¹

Debtors.

Chapter 11

Case No. 19-11915 (BLS)
(Jointly Administered)

NOTICE OF FILING OF RESTRUCTURING AND PLAN SUPPORT AGREEMENTS

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession have today filed the attached (a) *Restructuring and Plan Support Agreement By and Among (i) RAIT Financial Trust and its indirect wholly-owned subsidiary RAIT Funding, LLC f/k/a Taberna Funding LLC and (ii) Kodiak CDO I, Ltd. as Exhibit A* and (b) *Restructuring and Plan Support Agreement By and Among (i) RAIT Financial Trust and its wholly-owned subsidiary Taberna Finance Trust and (ii) TP Management LLC as Exhibit B* with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number (if applicable), are as follows: RAIT Funding, LLC, a Delaware limited liability company (9983); RAIT Financial Trust, a Maryland real estate investment trust (9819); RAIT General, Inc., a Maryland corporation (9987); RAIT Limited, Inc., a Maryland corporation (9773); Taberna Realty Finance Trust, a Maryland real estate investment trust (3577); RAIT JV TRS, LLC, a Delaware limited liability company (3190); and RAIT JV TRS Sub, LLC, a Delaware limited liability company (4870). The mailing address for all Debtors is Two Logan Square, 100 N. 18th Street, 23rd Floor, Philadelphia, Pennsylvania 19103 (Attn: Jamie Reyle).

Dated: September 9, 2019
Wilmington, Delaware

DRINKER BIDDLE & REATH LLP

/s/ Patrick A. Jackson

Patrick A. Jackson (Del. Bar No. 4976)
Joseph N. Argentina, Jr. (Del. Bar No. 5453)
222 Delaware Avenue, Suite 1410
Wilmington, DE 19801
Tel: (302) 467-4200
Fax: (302) 467-4201
Patrick.Jackson@dbr.com
Joseph.Argentina@dbr.com

-and-

Michael P. Pompeo (admitted *pro hac vice*)
Brian P. Morgan (admitted *pro hac vice*)
1177 Avenue of the Americas, 41st Floor
New York, NY 10036-2714
Tel: (212) 248-3140
Fax: (212) 248-3141
Michael.Pompeo@dbr.com
Brian.Morgan@dbr.com

*Proposed Counsel to the Debtors
and Debtors in Possession*

EXHIBIT A

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**RESTRUCTURING AND PLAN SUPPORT AGREEMENT
(Amortized Cost Junior Subordinated Note)**

This RESTRUCTURING AND PLAN SUPPORT AGREEMENT (this “**Agreement**”) is made and entered into as of August 31, 2019 (the “**Execution Date**”) by and among (i) RAIT Financial Trust (“**RAIT**”) and its indirect wholly-owned subsidiary RAIT Funding, LLC f/k/a Taberna Funding LLC (“**Funding**” and together with RAIT collectively, the “**Debtors**”), and (ii) Kodiak CDO I, Ltd., as holder of Preferred Securities (as defined below) (the “**Preferred Owner**”). The Debtors and the Preferred Owner are referred to herein each individually as a “**Party**,” and collectively, as the “**Parties**.”

RECITALS

A. WHEREAS, Funding and The Bank of New York Trust Company, National Association, in its capacity as Trustee (“**Indenture Trustee**”), are party to that certain Junior Subordinated Indenture dated as of February 12, 2007 (the “**Note Indenture**”), pursuant to which Funding issued that certain Junior Subordinated Note due 2037 in the principal sum of twenty-five million one hundred thousand dollars (\$25,100,000) (the “**Note**”) to The Bank of New York Trust Company, National Association, in its capacity as Property Trustee under the Trust Agreement (as defined below) (“**Property Trustee**”). The Note is guaranteed by RAIT on a subordinated basis pursuant to that certain Parent Guarantee Agreement dated as of February 12, 2007 (the “**Parent Guarantee Agreement**”), between RAIT and The Bank of New York Trust Company, National Association, in its capacity as Guarantee Trustee (“**Guarantee Trustee**”);

B. WHEREAS, Funding and Property Trustee, together with The Bank of New York (Delaware), in its capacity as Delaware Trustee, and certain individuals, are parties to that certain Amended and Restated Trust Agreement dated February 12, 2007 (the “**Trust Agreement**”), which provided for the issuance and sale of certain undivided preferred beneficial interests (the “**Preferred Securities**”) by Taberna Funding Capital Trust I, a Delaware statutory trust (the “**Trust**”), the proceeds of which sale were used to acquire the Note;

C. WHEREAS, Preferred Owner is the owner of all of the Preferred Securities issued by the Trust, and EJF CDO Manager LLC, is the designated collateral manager for Preferred Owner (in such capacity, the “**Collateral Manager**”);

D. WHEREAS, Property Trustee is the legal and beneficial holder for the legal or beneficial owner of a claim, as defined in section 101(5) of the Bankruptcy Code (a “**Claim**”), against Funding arising out of or relating to its interests in the Note (the “**Note Claim**”);

E. WHEREAS, Guarantee Trustee is the legal and beneficial holder for the legal or beneficial owner of a Claim against RAIT arising out of or relating to its interests in the Parent Guarantee Agreement (the “**Guarantee Claim**”);

F. WHEREAS, pursuant to the Trust Agreement, Preferred Owner, who is the holder of a Majority in Liquidation Amount (as defined in the Trust Agreement) of the Preferred Securities, has the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Property Trustee or exercising any trust or power conferred upon the Property Trustee in respect of the Trust Agreement.

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G. WHEREAS, pursuant to the Parent Guarantee Agreement, the Guarantee Trustee has the right to enforce the Parent Guarantee Agreement on behalf of the Preferred Owner, and Preferred Owner, who is the holder of a Majority in Liquidation Amount (as defined in the Trust Agreement) of the Preferred Securities, has the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee or exercising any trust or power conferred upon the Guarantee Trustee under the Parent Guarantee Agreement;

H. WHEREAS, the Collateral Manager and the Preferred Owner are parties to (i) that certain Indenture, dated as of September 19, 2006, among Preferred Owner, as issuer, Kodiak CDO Inc., as co-issuer, and The Bank of New York Mellon Trust Company, National Association (as successor to JPMorgan Chase Bank, National Association) as trustee (the "**Kodiak Trustee**") (the "**Kodiak Indenture**"), and (ii) that certain Collateral Management Agreement, dated as of September 19, 2006, among Preferred Owner, as issuer, and the Collateral Manager, as collateral manager (the "**Kodiak Collateral Management Agreement**"), pursuant to which the Collateral Manager has the right, on behalf of the Preferred Owner, to instruct the Kodiak Trustee in its efforts to maximize the recovery value of any Defaulted Security (as defined the Kodiak Indenture);

I. WHEREAS, prior to the date hereof, representatives of the Debtors and the Collateral Manager have engaged in good faith negotiations with the objective of reaching an agreement regarding the restructuring of the Debtors' indebtedness and other obligations and interests (the "**Restructuring**") as set forth in this Agreement, the Plan Term Sheet (as defined below), and the Plan (as defined below), which Restructuring may be accomplished through the prosecution of jointly administered chapter 11 cases (collectively, the "**Chapter 11 Cases**") in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") and confirmation of a chapter 11 plan of reorganization as described herein and in the Plan Term Sheet;

J. WHEREAS, the Parties acknowledge and agree that, unless otherwise agreed in writing, the Restructuring will occur pursuant to a plan of reorganization under chapter 11 of the Bankruptcy Code containing, among other things, the terms and conditions set forth in the Summary of Principal Terms and Conditions of Restructuring attached hereto as **Exhibit A** (the "**Plan Term Sheet**"). Such plan, together with all plan-related documents, agreements, supplements and instruments consistent with the Plan Term Sheet and Reasonably Acceptable to the Collateral Manager, shall be referred to herein as the "**Plan**". For purposes of this Agreement, "**Reasonably Acceptable**" shall mean acceptable to the Debtors or the Preferred Owner, as applicable, each in its reasonable discretion, *provided, that*, any documentation or matter consistent with a term specifically addressed in the Plan Term Sheet and this Agreement shall be deemed Reasonably Acceptable;

K. WHEREAS, each Party has reviewed or has had the opportunity to review the Plan Term Sheet and this Agreement with the assistance of professional legal advisors of its own choosing;

L. WHEREAS, the Collateral Manager, on behalf of the Preferred Owner, desires to support and vote to accept the Plan and will direct the Property Trustee and the Guarantee Trustee to support and vote to accept the Plan, and the Debtors desire to obtain the commitment of the

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Preferred Owner to do the same, in each case subject to the terms and conditions set forth herein; and

M. WHEREAS, in expressing such support and commitment, the Parties do not desire and do not intend in any way to derogate from or diminish the solicitation requirements of applicable bankruptcy law, or the fiduciary duties of Debtors.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Means for Implementation. The Parties believe that prompt approval and confirmation by the Bankruptcy Court in the Debtors' chapter 11 cases (the "**Chapter 11 Cases**") and consummation of the Plan will best facilitate the Restructuring and is in the best interests of the Debtors' creditors, equity holders, and other parties in interest. Accordingly, to implement this Agreement, the Parties jointly and severally agree, on the terms and conditions set forth herein, that the Debtors shall use their commercially reasonable efforts to:

a. support and consummate, and take any and all reasonable and necessary actions in furtherance of the Restructuring, including satisfying the timeframe set forth in Paragraph 6(f)-(j);

b. obtain Bankruptcy Court approval of the sale of substantially all of the assets of the Debtors or the reorganized equity of RAIT pursuant to section 363 of the Bankruptcy Code (the "**Sale**");

c. obtain Bankruptcy Court approval of the disclosure statement accompanying the Plan in a form and in substance consistent with this Agreement and Reasonably Acceptable to the Preferred Owner and the Debtors (the "**Disclosure Statement**");

d. solicit the requisite acceptances of the Plan in accordance with section 1125 of the Bankruptcy Code and any applicable orders of the Bankruptcy Court;

e. move the Bankruptcy Court to confirm the Plan as expeditiously as practicable under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Bankruptcy Court's local rules;

f. not withdraw the Plan, or file any exhibit, amendment, modification or supplement to the Plan that contains any material term(s) that are inconsistent with the Plan Term Sheet and are not Reasonably Acceptable to the Preferred Owner;

g. not pursue, propose or support, or encourage the pursuit, proposal or support of, any chapter 11 plan for any Debtor that is inconsistent with the Plan or this Agreement; and

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h. take all actions reasonably necessary and appropriate to consummate the Plan at the earliest practicable date;

provided, however, that the Plan and the Disclosure Statement shall be consistent with this Agreement, and the Debtors' obligations hereunder shall in all respects be subject to the exercise by each of the Debtors of its respective fiduciary duty as a debtor and debtor in possession in the Chapter 11 Cases.

2. Representations of the Preferred Owner. The Preferred Owner hereby represents and warrants as follows, in each case as of the date hereof:

a. Property Trustee is the legal and beneficial holder for the Preferred Owner as the legal or beneficial owner of the Note Claim and the Collateral Manager has the right, pursuant to the terms of the Kodiak Indenture and the Kodiak Collateral Management Agreement to cause the Preferred Owner to enter into this Agreement and to instruct the Property Trustee to vote, compromise, and dispose of, consistent with the provisions contained in the Plan, the aggregate amount of the Note Claim;

b. Guarantee Trustee is the legal and beneficial holder for the Preferred Owner as the legal or beneficial owner of the Guarantee Claim and the Collateral Manager has the right, pursuant to the terms of the Kodiak Indenture and the Kodiak Collateral Management Agreement to cause the Preferred Owner to enter into this Agreement and to instruct the Guarantee Trustee to vote, compromise, and dispose of, consistent with the provisions contained in the Plan, the aggregate amount of the Guaranty Claim; and

c. Preferred Owner is the owner of all of the Preferred Securities issued by the Trust.

3. Agreement to Support the Plan. For so long as this Agreement remains in effect, and subject to the Debtors fulfilling their obligations as provided herein, the Preferred Owner agrees to use its commercially reasonable best efforts to (a) support approval of the Sale; (b) support approval of the Disclosure Statement and confirmation of the Plan; (c) not directly or indirectly pursue, propose, support, solicit or encourage the pursuit, proposal, solicitation or support of, any chapter 11 plan or other restructuring or reorganization (including, without limitation, any sale, proposal or offer of dissolution, winding up or merger) for, or the liquidation of, any of the Debtors (directly or indirectly) that is inconsistent with the Plan or this Agreement; (d) not, nor encourage any other person or entity to, object, oppose, delay, impede, appeal or take any other negative action, directly or indirectly, to interfere with, the approval of the Disclosure Statement and the acceptance, implementation, confirmation and consummation of the Plan; (e) not commence any proceeding or prosecute any objection to oppose or object to the Plan or to the Disclosure Statement; and (f) subject to the prior approval of the Disclosure Statement by the Bankruptcy Court and receipt of such approved Disclosure Statement by the Preferred Owner, Collateral Manager, Property Trustee, and Guaranty Trustee, direct Property Trustee (i) to vote the Note Claim (and not revoke or withdraw its vote) in favor of the Plan and (ii) to direct Guaranty Trustee to vote the Guaranty Claim (and not revoke or withdraw its vote) in favor of the Plan;

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provided that, in each case, (x) the Plan and Disclosure Statement meet all the requirements and conditions relating thereto as set forth in this Agreement; and (y) the Disclosure Statement that is approved by the Bankruptcy Court does not contain information that differs materially from that which was known by the Preferred Owner and Collateral Manager as of the date hereof or impose terms that adversely affect the interests of the Preferred Owner. Notwithstanding the foregoing, nothing in this Agreement shall be construed to prohibit the Collateral Manager from appearing as a party in interest on behalf of the Preferred Owner in any matter to be adjudicated in the Chapter 11 Cases so long as such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement and are not for the purpose of hindering or delaying (and are not reasonably likely to hinder or delay) implementation of the transactions and other matters contemplated by this Agreement. Notwithstanding anything herein to the contrary, if the Preferred Owner is appointed to and serves on an official committee in the Chapter 11 Cases, the terms of this Agreement shall not be construed to limit the Preferred Owner's exercise of its fiduciary duties in its role as a member of such committee, and any exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; *provided, however*, that serving as a member of such committee shall not relieve the Preferred Owner in its individual capacity of any obligations to instruct Property Trustee's and/or Guaranty Trustee's to vote in favor of the Plan; *provided, further*, that nothing in this Agreement shall be construed as requiring the Preferred Owner or the Collateral Manager to serve on any official committee in the Chapter 11 Cases.

4. Acknowledgement. The entry by the Parties into this Restructuring and Plan Support Agreement is not and shall not be deemed to be a solicitation of votes for the acceptance of a chapter 11 plan for the purposes of sections 1125 and 1126 of the Bankruptcy Code. The Debtors will not solicit acceptances of the Plan from Property Trustee, Guaranty Trustee, or the Preferred Owner until they have been provided with copies of a Disclosure Statement approved by the Bankruptcy Court.

5. Limitations on Transfer. The Preferred Owner agrees, for so long as this Agreement is in effect (such period, the "**Restricted Period**"), not to (a) sell, transfer, assign, pledge (except bona fide pledges to its lenders or any Federal Reserve bank or branch), grant a participation interest in or otherwise dispose, directly or indirectly, of Preferred Owner's right, title or interest (including any voting rights) in respect of the Note or the Parent Guaranty Agreement, including the Note Claim or the Guaranty Claim (to the extent held by it on the date hereof), in whole or in part, or any interest therein, or (b) grant any proxies, deposit any of Preferred Owner's interest in the Note Claim or the Guaranty Claim (to the extent held by it on the date hereof) into a voting trust, or enter into a voting agreement with respect to any of the Note Claim or the Guaranty Claim.

6. Termination Events. The occurrence of any of the following events shall constitute a "**Termination Event**":

a. a written agreement among the Debtors and the Preferred Owner terminating this Agreement;

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b. the entry or issuance by any court of competent jurisdiction or other competent governmental or regulatory authority of an order making illegal or otherwise restricting, preventing or prohibiting the consummation of the Restructuring;

c. the withdrawal of the Plan by the Debtors, or the public announcement by any Debtor of its intention not to support the Plan, or the support by any Debtor for the filing of any plan of reorganization or liquidation and/or disclosure statement that is not consistent with the Plan, or the public announcement by any Debtor of its support for any such inconsistent plan and/or disclosure statement, or any action or conduct by any Debtor suggesting an intention not to proceed with the Plan or to proceed with any alternative plan or form of transaction;

d. the entry of any order in the Chapter 11 Cases terminating either of the Debtors' exclusive right to file a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code;

e. the amendment, modification of, or the filing of a pleading by either of the Debtors that seeks to amend or modify the Plan, the Disclosure Statement or any documents related to the Plan, notices, exhibits or appendices, which amendment, modification or filing is materially inconsistent with the Plan or this Agreement and is not Reasonably Acceptable to the Preferred Owner;

f. the failure of the Debtors to commence the Chapter 11 Cases on or before September 15, 2019 (the "Petition Date");

g. the failure of the Debtors to file the Plan and the Disclosure Statement within 30 days of the Petition Date;

h. the failure of the Debtors to obtain an order from the Bankruptcy Court approving the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code, consistent with the Plan and this Agreement and Reasonably Acceptable to the Preferred Owner within 90 days of the Petition Date;

i. the failure of the Debtors to commence the solicitation of acceptances of the Plan within 10 business days of entry of the Order approving the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code;

j. the failure of the Debtors to obtain an order from the Bankruptcy Court confirming the Plan (the "**Confirmation Order**") within 240 days of the Petition Date;

k. the entry of an order denying approval of the Disclosure Statement or denying confirmation of the Plan where the revisions that would be necessary to the Disclosure Statement or the Plan in order to resolve the objections to these could not be done without breaching or contradicting this Agreement or in a manner Reasonably Acceptable to the Debtors and the Preferred Owner;

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l. the dismissal any of the Chapter 11 Cases or the conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or the appointment of an interim or permanent trustee in either of the Chapter 11 Cases, or the appointment of a responsible officer or an examiner with powers beyond the duty to investigate and report (as set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code) in either of the Chapter 11 Cases, or the filing by any of the Debtors of a motion, or any other actions by any of the Debtors, in support of any of the foregoing;

m. the entry by any court (including the Bankruptcy Court) of a final, non-appealable order holding this Agreement to be unenforceable;

n. the occurrence of any change, effect, event, development, circumstance or state of facts which as determined by the Preferred Owner, in its reasonable discretion, (i) would materially impair the Debtors' ability to perform their or its obligations under this Agreement or the Plan, as applicable, (ii) would prevent or materially delay the consummation of the transactions contemplated by this Agreement beyond the time period set forth herein, or (iii) would make the Plan not feasible to consummate in all material respects (any such change, effect, event, development, or state of facts, a "**Material Adverse Change**"); *provided that* the mere act of commencing the Chapter 11 Cases contemplated by this Agreement shall not constitute a Material Adverse Change; or

o. the occurrence of any breach of any representation or obligation under this Agreement by any of the Parties (to the extent not otherwise waived in accordance with the terms hereof).

The foregoing Termination Events are intended solely for the benefit of the Debtors and the Preferred Owner; *provided that* neither the Debtors nor the Preferred Owner may seek to terminate this Agreement based upon a material breach or a failure of a condition (if any) in this Agreement arising out of its own actions or omissions.

7. Termination of this Agreement. Upon the occurrence of any Termination Event specified in Paragraph 6(f)-(k), this Agreement shall terminate, without any requirement to provide notice of such termination unless such Termination Event is waived or the Agreement is modified, amended or supplemented in accordance with paragraph 12 prior to the occurrence of such Termination Event. With respect to the occurrence of any other Termination Event specified in Paragraph 6, written notice shall be required, unless such Termination Event is waived or the Agreement is modified, amended or supplemented in accordance with paragraph 12. For avoidance of doubt, the automatic stay pursuant to section 362 of the Bankruptcy Code shall be deemed waived for purposes of providing notice hereunder.

8. Effect of Termination. Upon termination of this Agreement, all obligations hereunder shall terminate and shall be of no further force and effect; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such claims shall not be prejudiced in any way. Except as set forth above in this paragraph 8, upon such termination, any obligations of the non-breaching Parties set forth in this Agreement shall be null and void *ab initio* and all claims, causes of action, remedies, defenses,

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setoffs, rights or other benefits of such non-breaching Parties shall be fully preserved without any estoppel, evidentiary or other effect of any kind or nature whatsoever.

9. Representations and Warranties. Each of the Parties for itself represents and warrants to each other Party, severally but not jointly, that the following statements are true, correct and complete as of the date hereof:

a. *Corporate Power and Authority.* It is duly organized, validly existing, and in good standing under the laws of the state of its organization, and has all requisite corporate, partnership or other power and authority to enter into this Agreement and to carry out the transactions contemplated by, and to perform its respective obligations under, this Agreement.

b. *Authorization.* The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership or other action on its part.

c. *Binding Obligation.* Subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with the terms hereof.

d. *No Conflicts.* The execution, delivery and performance by it (when such performance is due) of this Agreement do not and shall not violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries.

e. *Government Consents.* The execution, delivery and performance by it (when such performance is due) of this Agreement do not and shall not violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries.

10. Adequate Information. Although none of the Parties intends that this Agreement should constitute, and they each believe it does not constitute, a solicitation or acceptance of the Plan, they each acknowledge and agree, that adequate information was provided by the Debtors to the Preferred Owner in order to enable it to make an informed decision such that, were this Agreement to be construed as or deemed to constitute such a solicitation or acceptance, such solicitation was (i) in compliance with any applicable nonbankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation, or (ii) if there is not any such law, rule, or regulation, solicited after disclosure to such holder of "adequate information" as such term is defined in section 1125(a) of the Bankruptcy Code.

11. Public Announcements and Bankruptcy Court Filings. The Debtors may disclose the existence of and nature of support evidenced by this Agreement in one or more public releases. Notwithstanding anything contained herein, in connection with the filing of the Chapter 11 Cases with the Bankruptcy Court, the Debtors may attach a form of this Agreement and the Plan Term Sheet as an exhibit to any pleading filed in the Chapter 11 Cases.

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12. Amendment or Waiver. Except as otherwise specifically provided herein, this Agreement may not be modified, waived, amended or supplemented unless such modification, waiver, amendment or supplement is in writing and has been signed by each of the Parties. No waiver of any of the provisions of this Agreement shall be deemed or constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall any waiver be deemed a continuing waiver.

13. Notices. Any notice required or desired to be served, given or delivered under this Agreement shall be in writing, and shall be deemed to have been validly served, given or delivered if provided by personal delivery, or upon receipt of fax or email delivery, as follows:

a. if to any of the Debtors: Drinker Biddle & Reath LLP, c/o Michael P. Pompeo, 1177 Avenue of the Americas, 41st Floor, New York, New York 10036 fax: (212) 248-3141, email: michael.pompeo@dbr.com; and

b. if to the Preferred Owner: Morrison & Foerster LLP, c/o Thomas H. Good, 2000 Pennsylvania Avenue, NW, Washington, DC 20006; fax: (202) 785-7539, email: tgood@mofo.com.

14. Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISION WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in the United States District Court for the District of Delaware. By execution and delivery of this Agreement, each of the Parties hereto irrevocably accepts and submits itself to the nonexclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding, and waives any objection it may have to venue or the convenience of the forum. Notwithstanding the foregoing consent to Delaware jurisdiction, each of the Parties hereto hereby agrees that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

15. Headings. The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

16. Interpretation. This Agreement is the product of negotiations of the Parties, and in the enforcement or interpretation hereof is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof.

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17. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators and representatives.

18. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties hereto and no other person or entity shall be a third-party beneficiary hereof.

19. No Waiver of Participation and Reservation of Rights. Except as expressly provided in this Agreement and in any amendment among the Parties, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Parties to protect and preserve its rights, remedies and interests, including without limitation, its claims against any of the other Parties (or their respective affiliates or subsidiaries) or its full participation in the Chapter 11 Cases. If the transactions contemplated by this Agreement or in the Plan Term Sheet and the Plan are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

20. No Admissions. This Agreement shall in no event be construed as or be deemed to be evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert. No Party shall have, by reason of this Agreement, a fiduciary relationship in respect of any other Party or any party in interest in the Chapter 11 Cases, or any of the Debtors, and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon any Party any obligations in respect of this Agreement except as expressly set forth herein.

21. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

22. Reservation of Rights. If the Restructuring is not consummated as provided herein, if a Termination Event occurs, or if this Agreement is otherwise terminated for any reason, the Collateral Manager fully reserves any and all of the Preferred Owner's rights, remedies and interests under the Trust Agreement, Parent Guarantee Agreement, applicable law and in equity.

23. No Consideration. It is hereby acknowledged by each of the Parties that no consideration shall be due or paid to the Parties for their agreement to support or not interfere with the Plan and the Restructuring in accordance with the terms and conditions of this Agreement, other than the obligations of the other Parties under this Agreement, the Plan Term Sheet, and the Plan.

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24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement. Delivery of an executed signature page of this Agreement by facsimile or electronic mail transmission shall be effective as delivery of a manually executed signature page of this Agreement.

25. Representation by Counsel. Each Party acknowledges that it has been represented by counsel in connection with this Agreement and the transactions contemplated herein. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel shall have no application and is expressly waived.

26. Entire Agreement. This Agreement and the exhibits hereto, including, without limitation, the Plan Term Sheet, constitute the entire agreement between the Parties and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the Parties, whether oral, written or implied, as to the subject matter hereof.

27. Several Not Joint. The agreements, representations and obligations of the Parties under this Agreement are, in all respects, several and not joint. Any breach of this Agreement by any Party shall not result in liability for any other non-breaching Party.

28. Cooperation. The Debtors shall, except (a) in an emergency where it is not reasonably practicable or (b) upon consent of counsel to the Collateral Manager, provide to counsel for the Collateral Manager copies of all motions or applications and other documents Debtors intend to file with the Bankruptcy Court no later than three (3) business days prior to the date when the Debtors intend to file any such document and shall consult in good faith with counsel to the Collateral Manager regarding the form and substance of any such proposed filing with the Bankruptcy Court.

29. Further Assurances. Subject to the terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such other acts in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the Plan.

[Signature pages follow]

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IN WITNESS WHEREOF, the undersigned have each caused this Agreement to be duly executed and delivered by their respective, duly authorized officers as of the date first above written.

RAIT FINANCIAL TRUST

By: 

Name: John J. Reyle

Title: Chief Executive Officer

RAIT FUNDING, LLC

By: RAIT JV TRS Sub, LLC, its sole member,

By: RAIT JV TRS, LLC, its sole member,

By: RAIT Asset Holdings, LLC, its
managing member,

By: all of its members,

RAIT General, Inc.

By: 

Name: John J. Reyle

Title: Chief Executive Officer

and

RAIT Limited, Inc.

By: 

Name: John J. Reyle

Title: Chief Executive Officer

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KODIAK CDO I, LTD.

By: EJP CDO Manager LLC, its Collateral Manager

By: EJP Investments Manager LLC, its Managing Member

By: 

Name: Neal J. Wilson

Title: Chief Executive Officer

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Exhibit A
(Plan Term Sheet)

See attached

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RAIT FINANCIAL TRUST

Summary of Principal Terms and Conditions of Restructuring

August 31, 2019

The terms and conditions set forth in this term sheet (the “Plan Term Sheet”) are meant to be part of a comprehensive compromise, each element of which is consideration for the other elements and an integral aspect of the proposed restructuring. The Plan Term Sheet is in the nature of a settlement proposal in furtherance of settlement discussions and is entitled to protection from any use or disclosure to any party or person pursuant to Federal Rule of Evidence 408 and any other rule of similar import.

This Plan Term Sheet does not constitute an offer or a legally binding obligation of the Company (as defined below), the Subordinated RAIT Funding Noteholder (as defined below), or any other party in interest, nor does it constitute an offer of securities or a solicitation of the acceptance or rejection of a chapter 11 plan for the Company. The transactions contemplated by this Plan Term Sheet will be subject to the terms and conditions to be set forth in definitive documents acceptable to the Company and the Subordinated RAIT Funding Noteholder.

Until publicly disclosed by the Company, this Plan Term Sheet is strictly confidential and may not be shared with any person other than the Company, the Sponsor (as defined below), the Subordinated RAIT Funding Noteholder, and each such party’s professionals and advisors.

Company:	RAIT Funding, LLC (“ <u>RAIT Funding</u> ”); RAIT Financial Trust (“ <u>RAIT Parent</u> ”); RAIT General, Inc. (“ <u>RAIT General</u> ”); RAIT Limited, Inc. (“ <u>RAIT Limited</u> ”); Taberna Realty Finance Trust (“ <u>Taberna</u> ”); RAIT JV TRS, LLC (“ <u>RAIT JV</u> ”); and RAIT JV TRS Sub, LLC (“ <u>RAIT JV Sub</u> ”) (collectively, the “ <u>Company</u> ” or “ <u>Debtors</u> ”), and as collectively reorganized pursuant to the Plan (as defined below), the “ <u>Reorganized Company</u> ”.
Senior Noteholders:	The entities (the “ <u>Senior Noteholders</u> ”) that hold claims against RAIT Parent under (i) the certain 7.625% senior notes issued by RAIT Parent on April 14, 2014, with a maturity date of April 15, 2024, and (ii) the certain 7.125% senior notes issued by RAIT Parent on August 14, 2014, with a maturity date of August 30, 2019.
Subordinated RAIT Funding Noteholder:	Kodiak CDO I, Ltd. (the “ <u>Subordinated RAIT Funding Noteholder</u> ”) as holder of claims against RAIT Funding under that certain \$25.1 million Junior Subordinated Note issued by RAIT Funding on February 12, 2007, with a

	maturity date of April 30, 2037 (" <u>Subordinated RAIT Funding Note Claims</u> ") and claims arising under that certain Parent Guarantee Agreement dated as of February 12, 2007, by and between RAIT Parent, as Parent Guarantor, and The Bank of New York Trust Company, National Association, as Guarantee Trustee (" <u>RAIT Subordinated Guaranty Claims</u> ").
Subordinated Taberna Noteholders:	Taberna Preferred Funding I, Ltd (the " <u>Subordinated Taberna Noteholder</u> "), acting through TP Management LLC, as collateral manager (the " <u>Collateral Manager</u> "), holder of claims against Taberna under that certain \$18,670,743 Junior Subordinated Note issued by Taberna on October 25, 2010, with a maturity date of March 30, 2035 (" <u>Subordinated Taberna Note Claim</u> ").
General Unsecured Claimants:	Holders of all unsecured claims (the " <u>Unsecured Claimants</u> ") against any Debtor other than Subordinated Taberna Note Claim, Subordinated RAIT Funding Note Claims, and RAIT Subordinated Guaranty Claims (the " <u>Unsecured Claims</u> "), including, without limitation, claims arising out of the rejection of executory contracts or unexpired leases by any Debtor.
Existing Preferred Interest Holders in RAIT Parent:	Holders of all preferred equity interests in RAIT Parent (" <u>Existing RAIT Preferred Interest Holders</u> ").
Existing Preferred Interest Holders in Taberna:	Holders of all preferred equity interests in Taberna (" <u>Existing Taberna Preferred Interest Holders</u> ").
Existing Common Interest Holders in RAIT Parent:	Holders of all common equity interests in RAIT Parent (" <u>Existing RAIT Common Interest Holders</u> ").
Restructuring Transaction:	<p>Subject to the terms hereof, the Debtors shall restructure their capital structure (the "<u>Restructuring</u>") through a plan of reorganization (the "<u>Plan</u>"), the material terms and conditions of which are set forth herein and which shall otherwise be in form and substance Reasonably Acceptable (as defined below) to the Subordinated RAIT Funding Noteholder.</p> <p>To effectuate the Restructuring, (i) the Company has entered into that certain Equity and Asset Purchase Agreement (the "<u>Purchase Agreement</u>") with a stalking horse buyer (the "<u>Stalking Horse</u>") and (ii) the Company and the Subordinated RAIT Funding Noteholder signed the Restructuring and Plan Support Agreement. The Company shall file voluntary petitions for relief under Chapter 11 of the Bankruptcy Code (the "<u>Chapter 11 Cases</u>") in the United States Bankruptcy Court for the District of Delaware (the "<u>Bankruptcy Court</u>") and shall seek to sell substantially all of its assets pursuant to</p>

	<p>the Purchase Agreement, subject to higher and better offers (the “<u>Sale Transaction</u>”).</p> <p>The Plan, together with all plan-related documents, agreements, supplements and instruments shall be consistent with this Plan Term Sheet and Reasonably Acceptable to the Subordinated RAIT Funding Noteholder . For purposes of this Plan Term Sheet, “<u>Reasonably Acceptable</u>” shall mean acceptable to Debtors or the Subordinated RAIT Funding Noteholder, as applicable, each in its reasonable discretion, <u>provided</u>, that any documentation or matter consistent with this Plan Term Sheet shall be deemed Reasonably Acceptable.</p>
Termination Date:	<p>The term “<u>Termination Date</u>” means that date which is the earliest of (a) 240 days from the commencement of the Chapter 11 Cases (the “<u>Petition Date</u>”); and (b) the date the Plan becomes effective (the “<u>Effective Date</u>”). This Plan Term Sheet shall terminate on the Termination Date.</p>
II. TREATMENT OF CLAIMS AND INTERESTS UNDER PLAN	
Administrative Claims:	<p>On or as soon as practicable after the Effective Date of the Plan, each holder of an allowed administrative claim shall receive payment in cash equal to the full amount of its claim, unless otherwise agreed to by such holder or permitted by the Bankruptcy Code.</p>
Priority Tax Claims:	<p>On or as soon as practicable after the Effective Date, each holder of an allowed priority tax claim shall receive payment in cash equal to the full amount of its claim or otherwise be left unimpaired, unless otherwise agreed to by such holder or permitted by the Bankruptcy Code.</p>
Secured Tax Claims:	<p>To the extent there are any allowed secured tax claims, on or as soon as practicable after the Effective Date, each holder of an allowed secured tax claim shall receive payment in cash in an amount equal to the amount of its claim or otherwise be left unimpaired.</p>
Other Secured Claims:	<p>To the extent there are any allowed other secured claims, each holder of an allowed other secured claim will receive, at the Debtors’ election: (a) payment in cash in an amount equal to the amount of such allowed other secured claim; (b) delivery of the collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code;</p>

	(c) reinstatement of such claim; or (d) other treatment rendering such claim unimpaired.
Priority Claims:	On or as soon as practicable after the Effective Date, each holder of an allowed priority claim shall receive payment in cash to the full amount of its claim unless otherwise agreed to by such holder or permitted by the Bankruptcy Code.
Senior Note Claims:	On or as soon as practicable after the Effective Date, each Senior Noteholder shall receive payment in cash equal to the full amount of its claim unless otherwise agreed to by such holder or permitted by the Bankruptcy Code.
General Unsecured Claims:	On or as soon as practicable after the Effective Date, each holder of an allowed general unsecured claim (other than RAIT Subordinated Guaranty Claims, Subordinated RAIT Funding Note Claims, and Subordinated Taberna Note Claim) against any Debtor other than Taberna will receive, at the Debtors' election: (a) payment in cash to the full amount of its claim,; or (b) reinstatement of such claim
Subordinated Taberna Note Claims	The Subordinated Taberna Note Claim shall be allowed in the amount of \$18,670,743 (the " <u>Allowed Subordinated Taberna Note Claims Amount</u> "). On or as soon as practicable after the Effective Date the Subordinated Taberna Noteholder shall receive payment in cash of (i) \$12,250,000 from Distribution Proceeds, <u>plus</u> (ii) after the receipt by Subordinated RAIT Funding Noteholder of an amount equal to \$1,750,000 from the Second Half Sale Transaction Escrow (as defined below), an amount equal to \$250,000 from the Second Half Sale Transaction Escrow or such amount as may be available, <u>plus</u> subject to the payment in full of the Allowed RAIT Funding Claim Amount (as defined below) (a) all other Distribution Proceeds, if any, <u>plus</u> (b) any funds, if any remaining in the Claim Reserve Fund (as defined below) after all disputed Claims are Allowed or otherwise resolved, <u>plus</u> . (c) any funds remaining in the Wind-Down Reserve (as defined below).
Subordinated RAIT Funding Note Claim and RAIT Subordinated Guaranty Claim:	The Subordinated RAIT Funding Note Claim and RAIT Subordinated Guaranty Claim shall be allowed in the amount of \$23,750,000 (the " <u>Allowed RAIT Funding Claim Amount</u> "). On or as soon as practicable after the Effective Date, the Subordinated RAIT Funding Noteholder shall receive up to the Allowed RAIT Funding Claim Amount (i) the Distribution Proceeds (as defined below) <u>plus</u> , (ii) any funds remaining in the Claim Reserve Fund (as defined below) after all disputed Claims are Allowed or otherwise resolved, <u>plus</u> , (iii) all proceeds otherwise payable to the

	<p>Reorganized Company under the Purchase Agreement of the First Half Sale Transaction Escrow (as defined below), <u>plus</u>, (iv) all proceeds otherwise payable to the Reorganized Company under the Purchase Agreement of the Second Half Sale Transaction Escrow (as defined below) up to \$1,750,000 on a first out basis, <u>plus</u>, (v) any funds remaining in the Wind-Down Reserve (as defined below).</p> <p><u>“Distribution Proceeds”</u> means all cash of the Debtors available on the Effective Date, including any proceeds of the Sale Transaction, after the payment or creation of reserves (<u>“Claim Reserve Fund”</u>) for all disputed Claims (other than RAIT Subordinated Guaranty Claims, Subordinated RAIT Funding Note Claims, and Subordinated Taberna Note Claims) and the Wind-Down Reserve (as defined below).</p> <p><u>“First Half Sale Transaction Escrow”</u> means an amount initially equal to \$2,000,000 to be held in escrow and released to the Reorganized Company or Stalking Horse, as applicable, pursuant to the terms of the Purchase Agreement within 6 months of closing.</p> <p><u>“Second Half Sale Transaction Escrow”</u> means an amount initially equal to \$2,000,000 to be held in escrow and released to the Reorganized Company or Stalking Horse, as applicable, pursuant to the terms of the Purchase Agreement within 24 months of closing.</p> <p><u>“Wind-Down Reserve”</u> means funds retained by the reorganized Debtors to fund the orderly wind-down and dissolution of the Company pursuant to the Plan.</p>
Intercompany Claims:	There shall be no distribution on account of intercompany claims. Notwithstanding the foregoing, each allowed Intercompany Claim, unless otherwise provided for under the Plan, will be reinstated.
Intercompany Interests:	Each allowed Intercompany Interest shall, at the Debtors’ election: (a) be reinstated for administrative convenience; or (b) be canceled and released without any distribution on account to of such Interests.
Existing Preferred Interests in Taberna:	Existing Preferred Interests in Taberna shall be canceled, released, and extinguished, and will be of no further force or

	effect and no holder of Existing Preferred Interests in Taberna shall be entitled to any recovery or distribution under the Plan on account of such Interests
Existing Preferred Interests RAIT Parent:	Existing Preferred Interests in RAIT Parent shall be canceled, released, and extinguished, and will be of no further force or effect and no holder of Existing Preferred Interest in RAIT Parent shall be entitled to any recovery or distribution under the Plan on account of such Interests.
Existing Common Interest in RAIT Parent:	Existing RAIT Parent Common Interests and the holders of any existing options, warrants or right to acquire any equity securities of the RAIT Parent shall be canceled, released, and extinguished, and will be of no further force or effect and no holder of Common Interests shall be entitled to any recovery or distribution under the Plan on account of such Interests.
Conditions to Confirmation and Effective Date:	<p>The Plan shall contain various usual and customary conditions precedent to confirmation and to the Effective Date that must be satisfied or waived. Such conditions to the Effective Date shall include, without limitation, the following:</p> <p>(i) the Debtors filing, within 5 business days of the Petition Date, a motion (the “<u>Bidding Procedures Motion</u>”) seeking approval of an order (such order, the “<u>Bidding Procedures Order</u>”), approving (i) reasonable and customary bidding procedures for the Purchased Equity (the “<u>Bidding Procedures</u>”), and designating Stalking Horse as the stalking horse bidder with respect to the Transaction, and (ii) a 3% breakup fee and up to 1% expense reimbursement which shall be entitled to superpriority administrative claim status in the Company’s chapter 11 cases.</p> <p>(ii) a hearing on the Bid Procedures Motion being held and concluded no later than 24 days after the filing of the Bidding Procedures Motion, subject to the Bankruptcy Court’s schedule; and (ii) the Bankruptcy Court entering the Bidding Procedures Order no later than three (3) Business Days after the conclusion of such hearing;</p> <p>(iii) the deadline for interested parties to submit higher and better bids (the “<u>Bid Deadline</u>”) pursuant to the Bidding Procedures Order shall be no later than the date that is 70 days after the filing of the Bidding Procedures Motion;</p> <p>(iv) an auction, if any, held pursuant to the Bidding Procedures Order, shall occur no later than the date that is five (5) days after the Bid Deadline;</p> <p>(v) a hearing on approval of the sale of the Purchased Assets shall be held and be concluded no later than the date that</p>

	<p>is three (3) Business Days after the auction, subject to the Bankruptcy Court's schedule; and (ii) the Bankruptcy Court shall have entered an order approving such sale (the "<u>Sale Order</u>") no later than three (3) Business Days after the conclusion of such hearing;</p> <p>(vi) a closing on the sale of the Purchased Assets shall have occurred;</p> <p>(vii) an order confirming the Plan (the "<u>Confirmation Order</u>"), which Plan and Confirmation Order shall be in form and substance Reasonably Acceptable to the Debtors and the Subordinated RAIT Funding Noteholder and shall have been entered and shall not have been stayed or modified or vacated on appeal;</p> <p>(viii) all statutory fees then due to the United States Trustee shall have been paid in full or shall be paid in full pursuant to the Plan;</p> <p>(ix) all expenses and other payments required to be made upon consummation of the Plan pursuant to the terms thereof shall have been made;</p> <p>(x) all conditions precedent for the closing of the transactions contemplated by the Plan shall have occurred (or shall have been waived in accordance thereunder) other than the occurrence of the Effective Date; and</p> <p>(xi) the Effective Date shall have occurred within 240 days of the Petition Date.</p>
Executory Contracts and Unexpired Leases:	<p>Executory contracts and unexpired leases shall be assumed and rejected as of the Effective Date, as the case may be, in the Debtors' discretion to the extent that any such executory contracts and unexpired leases have not been assumed or rejected by the Debtors in their discretion during the pendency of the Chapter 11 Cases.</p>
Employee Retention Plans and Severance:	<p>The Company's employee retention plans and severance plans shall be assumed and honored in the Chapter 11 Cases.</p>
Debtor Releases:	<p>Full releases to extent permitted by law by Debtors and their estates in favor of the Collateral Manager, the Subordinated Taberna Noteholder, the Subordinated RAIT Funding Noteholder, and current and former officers, directors, trustees, employees, advisors, attorneys, professionals, accountants, consultants, agents and other representatives (including their respective officers, directors, trustees, employees, members and professionals) of the Debtors, the Collateral Manager, the</p>

	Subordinated Taberna Noteholder, and the Subordinated RAIT Funding Noteholder, from any claims and causes of action based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the Plan and the subject matter of, or the transactions or events giving rise to, any claim interest that is treated in the Plan (other than claims based on gross negligence or willful misconduct) arising on or prior to the Effective Date.
Indemnification/Exculpation:	Customary indemnification and exculpation provisions.
Discharge:	Customary discharge provisions.
Injunctions:	Customary injunction provisions.

EXHIBIT B

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RESTRUCTURING AND PLAN SUPPORT AGREEMENT
(Fair Value Junior Subordinated Note)

This RESTRUCTURING AND PLAN SUPPORT AGREEMENT (this “**Agreement**”) is made and entered into as of August 29, 2019 (the “**Execution Date**”) by and among (i) RAIT Financial Trust (“**RAIT**”) and its wholly-owned subsidiary Taberna Realty Finance Trust (“**Taberna**” and together with RAIT collectively, the “**Debtors**”), (ii) TP Management LLC, in its capacity as delegate collateral manager under the Delegation Agreement (as defined below) (“**Collateral Manager**”). The Debtors and Collateral Manager are referred to herein each individually as a “**Party**,” and collectively, as the “**Parties**.”

RECITALS

A. WHEREAS, Taberna and Wells Fargo Bank, National Association, in its capacity as Trustee (“**Trustee**”), are party to that certain Junior Subordinated Indenture dated as of October 25, 2010 (the “**Indenture Agreement**”), pursuant to which Taberna issued that certain Junior Subordinated Note due 2035 in the principal sum of eighteen million six hundred seventy-one thousand dollars (\$18,671,000) (the “**Note**”);

B. WHEREAS, Taberna Preferred Funding I, Ltd., an exempt company under the laws of the Cayman Islands (“**TPF**”), is the sole holder of the Note;

C. WHEREAS, TPF and Taberna Capital Management (“**Prior Collateral Manager**”) are party to that certain (i) Collateral Management Agreement, dated as of March 15, 2005, as amended or supplemented from time to time (the “**Collateral Management Agreement**”) and (ii) Collateral Administration Agreement, dated as of March 15, 2005, as amended or supplemented from time to time (the “**Collateral Administration Agreement**” by and among, Prior Collateral Manager, TPF and JPMorgan Chase Bank, National Association;

D. WHEREAS, Prior Collateral Manager, RAIT, and Collateral Manager are party to that certain Delegation Agreement, dated as of December 14, 2014, as amended or supplemented from time to time (the “**Delegation Agreement**”);

E. WHEREAS, TPF, as the sole holder of the Note, is the legal and/or beneficial holder of a claim, as defined in section 101(5) of the Bankruptcy Code, against Taberna arising out of or relating to its interest in the Note (the “**Note Claim**”);

F. WHEREAS, pursuant to the Indenture Agreement, TPF, as the holder of the Note, has the authority to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee;

G. WHEREAS, prior to the date hereof, representatives of the Debtors and the Collateral Manager have engaged in good faith negotiations with the objective of reaching an agreement regarding the restructuring of the Debtors' indebtedness and other obligations and interests (the “**Restructuring**”) as set forth in this Agreement, the Plan Term Sheet (as defined below), and the Plan (as defined below), which Restructuring may be accomplished through the prosecution of jointly administered chapter 11 cases (collectively, the “**Chapter 11 Cases**”) in the

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United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) and confirmation of a chapter 11 plan of reorganization as described herein and in the Plan Term Sheet;

H. WHEREAS, the Parties acknowledge and agree that, unless the Parties agree otherwise in writing, the Restructuring will occur pursuant to a plan of reorganization under chapter 11 of the Bankruptcy Code containing, among other things, the terms and conditions set forth in the Summary of Principal Terms and Conditions of Restructuring attached hereto as **Exhibit A** (the “**Plan Term Sheet**”). Such plan, together with all plan-related documents, agreements, supplements and instruments consistent with the Plan Term Sheet and Reasonably Acceptable to the Collateral Manager and the Debtors, shall be referred to herein as the “**Plan**”. For purposes of this Agreement, “**Reasonably Acceptable**” shall mean acceptable to a Debtor and the Collateral Manager (as applicable) in such Debtor’s or the Collateral Manager’s reasonable discretion, *provided, that*, any documentation or matter consistent with a term specifically addressed in the Plan Term Sheet and this Agreement shall be deemed Reasonably Acceptable;

I. WHEREAS, each Party has reviewed or has had the opportunity to review the Plan Term Sheet and this Agreement with the assistance of professional legal advisors of its own choosing;

J. WHEREAS, the Collateral Manager, after consultation with its legal and financial advisors, has determined that any proceeds of a sale transaction in the imminent Chapter 11 Cases that may be allocated to Taberna assets by the purchaser, less the administrative expenses allocable to the Taberna bankruptcy estate by the Bankruptcy Court, likely would result in substantially less recovery to TPF on the Note Claim than the proposed treatment of the Allowed Subordinated Taberna Note Claims as provided in the Plan Term Sheet;

K. WHEREAS, the Collateral Manager desires to support and vote to accept the Plan and will direct the Trustee to support and vote to accept the Plan, and the Debtors desire to obtain the commitment of the Collateral Manager to do the same, in each case subject to the terms and conditions set forth herein; and

L. WHEREAS, in expressing such support and commitment, the Parties do not desire and do not intend in any way to derogate from or diminish the solicitation requirements of applicable bankruptcy law, or the fiduciary duties of Debtors.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Means for Implementation. The Parties believe that prompt approval and confirmation by the Bankruptcy Court in the Debtors’ chapter 11 cases (the “**Chapter 11 Cases**”) and consummation of the Plan will best facilitate the Restructuring and is in the best interests of the Debtors’ creditors, equity holders, and other parties in interest. Accordingly, to implement this Agreement, the Parties jointly and severally agree, on the terms and conditions set forth herein, that the Debtors shall use their commercially reasonable efforts to:

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- a. support and consummate, and take any and all reasonable and necessary actions in furtherance of the Restructuring, including satisfying the timeframe set forth in Paragraph 6(f)-(j);
- b. obtain Bankruptcy Court approval of the sale of substantially all of the assets of the Debtors or the reorganized equity of RAIT pursuant to section 363 of the Bankruptcy Code (the “**Sale**”);
- c. obtain Bankruptcy Court approval of the disclosure statement accompanying the Plan in a form and in substance consistent with this Agreement and Reasonably Acceptable to the Collateral Manager and the Debtors (the “**Disclosure Statement**”);
- d. solicit the requisite acceptances of the Plan in accordance with section 1125 of the Bankruptcy Code and any applicable orders of the Bankruptcy Court;
- e. move the Bankruptcy Court to confirm the Plan as expeditiously as practicable under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Bankruptcy Court's local rules;
- f. not withdraw the Plan, or file any exhibit, amendment, modification or supplement to the Plan that contains any material term(s) that are inconsistent with the Plan Term Sheet and are not Reasonably Acceptable to the Collateral Manager;
- g. not pursue, propose or support, or encourage the pursuit, proposal or support of, any chapter 11 plan for any Debtor that is inconsistent with the Plan or this Agreement; and
- h. take all actions reasonably necessary and appropriate to consummate the Plan at the earliest practicable date;

provided, however, that the Plan and the Disclosure Statement shall be consistent with this Agreement, and the Debtors' obligations hereunder shall in all respects be subject to the exercise by each of the Debtors of its respective fiduciary duty as a debtor and debtor in possession in the Chapter 11 Cases.

2. Representations as to Authority of the Collateral Manager. The Collateral Manager hereby represents and warrants as of the date hereof:

- a. that it has the right, on behalf of TPF, as sole holder of the Note, to instruct the Trustee to vote, compromise, and dispose of, consistent with the provisions contained in the Plan, the Note Claim.

3. Agreement to Support the Plan. For so long as this Agreement remains in effect, and subject to the Debtors fulfilling their obligations as provided herein, the Collateral Manager agrees to use its commercially reasonable efforts to (a) support approval of the Sale; (b) support approval of the Disclosure Statement and confirmation of the Plan; (c) not directly or indirectly pursue, propose, support, solicit or encourage the pursuit, proposal, solicitation or support of, any chapter 11 plan or other restructuring or reorganization (including, without

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limitation, any sale, proposal or offer of dissolution, winding up or merger) for, or the liquidation of, any of the Debtors (directly or indirectly) that is inconsistent with the Plan or this Agreement; (d) not, nor encourage any other person or entity to, object, oppose, delay, impede, appeal or take any other negative action, directly or indirectly, to interfere with, the approval of the Disclosure Statement and the acceptance, implementation, confirmation and consummation of the Plan; (e) not commence any proceeding or prosecute any objection to oppose or object to the Plan or to the Disclosure Statement; and (f) subject to the prior approval of the Disclosure Statement by the Bankruptcy Court and receipt of such approved Disclosure Statement by the Collateral Manager and Trustee, direct Trustee to vote the Note Claim (and not revoke or withdraw its vote) in favor of the Plan and (ii) to direct Trustee to vote the Note Claim (and not revoke or withdraw its vote) in favor of the Plan; *provided that*, in each case, (x) the Plan and Disclosure Statement meet all the requirements and conditions relating thereto as set forth in this Agreement; (y) the Disclosure Statement that is approved by the Bankruptcy Court does not contain information that differs materially from that which was known by the Collateral Manager as of the date hereof; and (z) the Plan does not impose terms not contained in this Agreement (including the Plan Term Sheet) that adversely affect the interests of TPF. Notwithstanding the foregoing, nothing in this Agreement shall be construed to prohibit the Collateral Manager from appearing as a party in interest in any matter to be adjudicated in the Chapter 11 Cases so long as such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement and are not for the purpose of hindering or delaying (and are not reasonably likely to hinder or delay) implementation of the transactions and other matters contemplated by this Agreement. Notwithstanding anything herein to the contrary, if the Collateral Manager is appointed to and serves on an official committee in the Chapter 11 Cases, the terms of this Agreement shall not be construed to limit the Collateral Manager's exercise of its fiduciary duties in its role as a member of such committee, and any exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; *provided, however*, that serving as a member of such committee shall not relieve the Collateral Manager in its individual capacity of any obligations to instruct Trustee to vote in favor of the Plan; *provided, further*, that nothing in this Agreement shall be construed as requiring the Collateral Manager to serve on any official committee in the Chapter 11 Cases.

4. Acknowledgement. The entry by the Parties into this Restructuring and Plan Support Agreement is not and shall not be deemed to be a solicitation of votes for the acceptance of a chapter 11 plan for the purposes of sections 1125 and 1126 of the Bankruptcy Code. The Debtors will not solicit acceptances of the Plan from Trustee or the Collateral Manager until they have been provided with copies of a Disclosure Statement approved by the Bankruptcy Court.

5. Limitations on Transfer. The Collateral Manager agrees, for so long as this Agreement is in effect (such period, the "**Restricted Period**"), that TPF will not (a) sell, transfer, assign, pledge (except bona fide pledges to its lenders (if any) or any Federal Reserve bank or branch), grant a participation interest in or otherwise dispose, directly or indirectly, of TPF's right, title or interest (including any voting rights) in respect of the Note or the Indenture Agreement, including the Note Claim (to the extent held by it on the date hereof), in whole or in part, or any interest therein, or (b) grant any proxies, deposit any of TPF's interest in the Note Claim (to the

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extent held by it on the date hereof) into a voting trust, or enter into a voting agreement with respect to any of the Note Claim.

6. Termination Events. The occurrence of any of the following events shall constitute a “**Termination Event**”:

a. Execution and delivery of a written agreement among the Debtors and the Collateral Manager terminating this Agreement;

b. the entry or issuance by any court of competent jurisdiction or other competent governmental or regulatory authority of an order making illegal or otherwise restricting, preventing or prohibiting the consummation of the Restructuring;

c. the withdrawal of the Plan by the Debtors, or the public announcement by any Debtor of its intention not to support the Plan, or the support by any Debtor for the filing of any plan of reorganization or liquidation and/or disclosure statement that is not consistent with this Agreement, or the public announcement by any Debtor of its support for any such inconsistent plan and/or disclosure statement, or any action or conduct by any Debtor suggesting an intention not to proceed with the Plan or to proceed with any alternative plan or form of transaction inconsistent with this Agreement;

d. the entry of any order in the Chapter 11 Cases terminating either of the Debtors’ exclusive right to file a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code;

e. the amendment, modification of, or the filing of a pleading by either of the Debtors that seeks to amend or modify the Plan, the Disclosure Statement or any documents related to the Plan, notices, exhibits or appendices, which amendment, modification or filing is materially inconsistent with the Plan or this Agreement and is not Reasonably Acceptable to Collateral Manager;

f. the failure of the Debtors to commence the Chapter 11 Cases on or before September 15, 2019 (the “Petition Date”);

g. the failure of the Debtors to file the Plan and the Disclosure Statement within 30 days of the Petition Date;

h. the failure of the Debtors to obtain an order from the Bankruptcy Court approving the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code, consistent with the Plan and this Agreement and Reasonably Acceptable to the Debtors, and the Collateral Manager, within 90 days of the Petition Date;

i. the failure of the Debtors to commence the solicitation of acceptances of the Plan within 10 business days of entry of the Order approving the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code;

j. the failure of the Debtors to obtain an order from the Bankruptcy Court confirming the Plan (the “**Confirmation Order**”) within 240 days of the Petition Date;

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k. the entry of an order denying approval of the Disclosure Statement or denying confirmation of the Plan where the revisions that would be necessary to the Disclosure Statement or the Plan in order to resolve the objections to these could not be done without breaching or contradicting this Agreement or in a manner Reasonably Acceptable to the Debtors and the Collateral Manager;

l. the dismissal of any of the Chapter 11 Cases or the conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or the appointment of an interim or permanent trustee in either of the Chapter 11 Cases, or the appointment of a responsible officer or an examiner with powers beyond the duty to investigate and report (as set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code) in either of the Chapter 11 Cases, or the filing by any of the Debtors of a motion, or any other actions by any of the Debtors, in support of any of the foregoing;

m. the entry by any court (including the Bankruptcy Court) of a final, non-appealable order holding this Agreement to be unenforceable;

n. the occurrence of any change, effect, event, development, circumstance or state of facts which as determined by the Collateral Manager, in its reasonable discretion, (i) would materially impair either Debtor's ability to perform its obligations under this Agreement or the Plan, as applicable, (ii) would prevent or materially delay the consummation of the transactions contemplated by this Agreement beyond the time period set forth herein, or (iii) would make the Plan not feasible to consummate in all material respects (any such change, effect, event, development, or state of facts, a "**Material Adverse Change**"); *provided that* the mere act of commencing the Chapter 11 Cases contemplated by this Agreement shall not constitute a Material Adverse Change;

o. the occurrence of any breach of any representation or obligation under this Agreement by any of the Parties (to the extent not otherwise waived in accordance with the terms hereof); or

p. the Debtors shall enter into a Restructuring and Plan Support Agreement between RAIT Financial Trust and Kodiak CDO I, Ltd., on terms that are materially inconsistent with the terms of this Agreement.

The foregoing Termination Events are intended solely for the benefit of the Debtors and the Collateral Manager; *provided that* neither the Debtors nor the Collateral Manager may seek to terminate this Agreement based upon a material breach or a failure of a condition (if any) in this Agreement arising out of its own actions or omissions.

7. Termination of this Agreement. Upon the occurrence of any Termination Event specified in Paragraph 6(f)-(k), this Agreement shall terminate, without any requirement to provide notice of such termination unless such Termination Event is waived or the Agreement is modified, amended or supplemented in accordance with paragraph 12 prior to the occurrence of such Termination Event. With respect to the occurrence of any other Termination Event specified in Paragraph 6, written notice shall be required, unless such Termination Event is waived or the Agreement is modified, amended or supplemented in accordance with paragraph 12. For

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avoidance of doubt, the automatic stay pursuant to section 362 of the Bankruptcy Code shall be deemed waived for purposes of providing notice hereunder.

8. Effect of Termination. Upon termination of this Agreement, all obligations hereunder shall terminate and shall be of no further force and effect; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such claims shall not be prejudiced in any way. Except as set forth above in this paragraph 8, upon such termination, any obligations of the non-breaching Parties set forth in this Agreement shall be null and void *ab initio* and all claims, causes of action, remedies, defenses, setoffs, rights or other benefits of such non-breaching Parties shall be fully preserved without any estoppel, evidentiary or other effect of any kind or nature whatsoever.

9. Representations and Warranties. Each of the Parties for itself represents and warrants to each other Party, severally but not jointly, that the following statements are true, correct and complete as of the date hereof:

a. *Corporate Power and Authority.* It is duly organized, validly existing, and in good standing under the laws of the state of its organization, and has all requisite corporate, partnership or other power and authority to enter into this Agreement and to carry out the transactions contemplated by, and to perform its respective obligations under, this Agreement.

b. *Authorization.* The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership or other action on its part.

c. *Binding Obligation.* Subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with the terms hereof.

d. *No Conflicts.* The execution, delivery and performance by it (when such performance is due) of this Agreement do not and shall not violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries.

e. *Government Consents.* The execution, delivery and performance by it (when such performance is due) of this Agreement do not and shall not violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its certificate of incorporation or bylaws or other organizational documents or those of any of its subsidiaries.

10. Adequate Information. Although none of the Parties intends that this Agreement should constitute, and they each believe it does not constitute, a solicitation or acceptance of the Plan, they each acknowledge and agree, that adequate information was provided by the Debtors to the Collateral Manager in order to enable it to make an informed decision such that, were this Agreement to be construed as or deemed to constitute such a solicitation or acceptance, such solicitation was (i) in compliance with any applicable nonbankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation, or (ii) if

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there is not any such law, rule, or regulation, solicited after disclosure to such holder of "adequate information" as such term is defined in section 1125(a) of the Bankruptcy Code.

11. Public Announcements and Bankruptcy Court Filings. The Debtors may disclose the existence of and nature of support evidenced by this Agreement in one or more public releases. Notwithstanding anything contained herein, in connection with the filing of the Chapter 11 Cases with the Bankruptcy Court, the Debtors may attach a form of this Agreement and the Plan Term Sheet as an exhibit to any pleading filed in the Chapter 11 Cases.

12. Amendment or Waiver. Except as otherwise specifically provided herein, this Agreement may not be modified, waived, amended or supplemented unless such modification, waiver, amendment or supplement is in writing and has been signed by each of the Parties. No waiver of any of the provisions of this Agreement shall be deemed or constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall any waiver be deemed a continuing waiver.

13. Notices. Any notice required or desired to be served, given or delivered under this Agreement shall be in writing, and shall be deemed to have been validly served, given or delivered if provided by personal delivery, or upon receipt of fax or email delivery, as follows:

a. if to any of the Debtors: Drinker Biddle & Reath LLP, c/o Michael P. Pompeo, 1177 Avenue of the Americas, 41st Floor, New York, New York 10036 fax: (212) 248-3141, email: michael.pompeo@dbr.com; and

b. if to the Collateral Manager: Hunton Andrews Kurth, c/o Tyler P. Brown, 951 East Byrd Street, Richmond, Virginia 23219; email: tpbrown@huntonAK.com.

14. Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISION WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in the United States District Court for the District of Delaware. By execution and delivery of this Agreement, each of the Parties hereto irrevocably accepts and submits itself to the nonexclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding, and waives any objection it may have to venue or the convenience of the forum. Notwithstanding the foregoing consent to Delaware jurisdiction, each of the Parties hereto hereby agrees that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

15. Headings. The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

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16. Interpretation. This Agreement is the product of negotiations of the Parties, and in the enforcement or interpretation hereof is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof.

17. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators and representatives.

18. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties hereto and no other person or entity shall be a third-party beneficiary hereof.

19. No Waiver of Participation and Reservation of Rights. Except as expressly provided in this Agreement and in any amendment among the Parties, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Parties to protect and preserve its rights, remedies and interests, including without limitation, its claims against any of the other Parties (or their respective affiliates or subsidiaries) or its full participation in the Chapter 11 Cases. If the transactions contemplated by this Agreement or in the Plan Term Sheet and the Plan are not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

20. No Admissions. This Agreement shall in no event be construed as or be deemed to be evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert. No Party shall have, by reason of this Agreement, a fiduciary relationship in respect of any other Party or any party in interest in the Chapter 11 Cases, or any of the Debtors, and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon any Party any obligations in respect of this Agreement except as expressly set forth herein.

21. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

22. Reservation of Rights. If the Restructuring is not consummated as provided herein, if a Termination Event occurs, or if this Agreement is otherwise terminated for any reason, the Collateral Manager fully reserves any and all of TPF's rights, remedies and interests under the Indenture Agreement, the Note, applicable law and in equity.

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23. No Consideration. It is hereby acknowledged by each of the Parties that no consideration shall be due or paid to the Parties for their agreement to support or not interfere with the Plan and the Restructuring in accordance with the terms and conditions of this Agreement, other than the obligations of the other Parties under this Agreement, the Plan Term Sheet, and the Plan.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement. Delivery of an executed signature page of this Agreement by facsimile or electronic mail transmission shall be effective as delivery of a manually executed signature page of this Agreement.

25. Representation by Counsel. Each Party acknowledges that it has been represented by counsel in connection with this Agreement and the transactions contemplated herein. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel shall have no application and is expressly waived.

26. Entire Agreement. This Agreement and the exhibits hereto, including, without limitation, the Plan Term Sheet, constitute the entire agreement between the Parties and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the Parties, whether oral, written or implied, as to the subject matter hereof.

27. Several Not Joint. The agreements, representations and obligations of the Parties under this Agreement are, in all respects, several and not joint. Any breach of this Agreement by any Party shall not result in liability for any other non-breaching Party.

28. Cooperation. The Debtors shall, except (a) in an emergency where it is not reasonably practicable or (b) upon consent of counsel to the Collateral Manager, provide to counsel for the Collateral Manager copies of all motions or applications and other documents Debtors intend to file with the Bankruptcy Court no later than three (3) business days prior to the date when the Debtors intend to file any such document and shall consult in good faith with counsel to the Collateral Manager regarding the form and substance of any such proposed filing with the Bankruptcy Court.

29. Further Assurances. Subject to the terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such other acts in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the Plan.

[Signature pages follow]

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IN WITNESS WHEREOF, the undersigned have each caused this Agreement to be duly executed and delivered by their respective, duly authorized officers as of the date first above written.

RAIT FINANCIAL TRUST

By: 
Name: John J. Reyle
Title: Chief Executive Officer

TABERNA REALTY FINANCE TRUST

By: 
Name: John J. Reyle
Title: Chief Executive Officer

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SIGNATURE PAGE FOR COLLATERAL MANAGER

TP MANAGEMENT LLC

By: 

Name: Constantine M. Dakolias

Title: President

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Exhibit A
(Plan Term Sheet)

See attached

RAIT FINANCIAL TRUST

Summary of Principal Terms and Conditions of Restructuring

August 29, 2019

The terms and conditions set forth in this term sheet (the “Plan Term Sheet”) are meant to be part of a comprehensive compromise, each element of which is consideration for the other elements and an integral aspect of the proposed restructuring. The Plan Term Sheet is in the nature of a settlement proposal in furtherance of settlement discussions and is entitled to protection from any use or disclosure to any party or person pursuant to Federal Rule of Evidence 408 and any other rule of similar import.

This Plan Term Sheet does not constitute an offer or a legally binding obligation of the Company (as defined below), the Subordinated Taberna Noteholder (as defined below) acting through Collateral Manager (as defined below), or any other party in interest, nor does it constitute an offer of securities or a solicitation of the acceptance or rejection of a chapter 11 plan for the Company. The transactions contemplated by this Plan Term Sheet will be subject to the terms and conditions to be set forth in definitive documents acceptable to the Company and the Subordinated Taberna Noteholder acting through Collateral Manager.

Until publicly disclosed by the Company, this Plan Term Sheet is strictly confidential and may not be shared with any person other than the Company, the the Subordinated Taberna Noteholder acting through Collateral Manager, and each such party’s professionals and advisors.

Company:	RAIT Funding, LLC (“ <u>RAIT Funding</u> ”); RAIT Financial Trust (“ <u>RAIT Parent</u> ”); RAIT General, Inc. (“ <u>RAIT General</u> ”); RAIT Limited, Inc. (“ <u>RAIT Limited</u> ”); Taberna Realty Finance Trust (“ <u>Taberna</u> ”); RAIT JV TRS, LLC (“ <u>RAIT JV</u> ”); and RAIT JV TRS Sub, LLC (“ <u>RAIT JV Sub</u> ”) (collectively, the “ <u>Company</u> ” or “ <u>Debtors</u> ”), and as collectively reorganized pursuant to the Plan (as defined below), the “ <u>Reorganized Company</u> ”.
Senior Noteholders:	The entities (the “ <u>Senior Noteholders</u> ”) that hold claims against RAIT Parent under (i) the certain 7.625% senior notes issued by RAIT Parent on April 14, 2014, with a maturity date of April 15, 2024, and (ii) the certain 7.125% senior notes issued by RAIT Parent on August 14, 2014, with a maturity date of August 30, 2019.
Subordinated RAIT Funding Noteholder:	Kodiak CDO I, Ltd. (the “ <u>Subordinated RAIT Funding Noteholder</u> ”) as holder of claims against RAIT Funding under that certain \$25.1 million Junior Subordinated Note issued by RAIT Funding on February 12, 2007, with a maturity date of

	April 30, 2037 (" <u>Subordinated RAIT Funding Note Claims</u> ") and claims arising under that certain Parent Guarantee Agreement dated as of February 12, 2007, by and between RAIT Parent, as Parent Guarantor, and The Bank of New York Trust Company, National Association, as Guarantee Trustee (" <u>RAIT Subordinated Guaranty Claims</u> ").
Subordinated Taberna Noteholder:	Taberna Preferred Funding I, Ltd (the " <u>Subordinated Taberna Noteholder</u> "), acting through TP Management LLC, as collateral manager (the " <u>Collateral Manager</u> "), holder of claims against Taberna under that certain \$18,670,743 Junior Subordinated Note issued by Taberna on October 25, 2010, with a maturity date of March 30, 2035 (" <u>Subordinated Taberna Note Claim</u> ").
General Unsecured Claimants:	Holders of all unsecured claims (the " <u>Unsecured Claimants</u> ") against any Debtor other than Subordinated Taberna Note Claim, Subordinated RAIT Funding Note Claims, and RAIT Subordinated Guaranty Claims (the " <u>Unsecured Claims</u> "), including, without limitation, claims arising out of the rejection of executory contracts or unexpired leases by any Debtor.
Existing Preferred Interest Holders in RAIT Parent:	Holders of all preferred equity interests in RAIT Parent (" <u>Existing RAIT Preferred Interest Holders</u> ").
Existing Preferred Interest Holders in Taberna:	Holders of all preferred equity interests in Taberna (" <u>Existing Taberna Preferred Interest Holders</u> ").
Existing Common Interest Holders in RAIT Parent:	Holders of all common equity interests in RAIT Parent (" <u>Existing RAIT Common Interest Holders</u> ").
Restructuring Transaction:	<p>Subject to the terms hereof, the Debtors shall restructure their capital structure (the "<u>Restructuring</u>") through a plan of reorganization (the "<u>Plan</u>"), the material terms and conditions of which are set forth herein and which shall otherwise be in form and substance Reasonably Acceptable (as defined below) to the Collateral Manager.</p> <p>To effectuate the Restructuring, (i) the Company has entered into that certain Equity and Asset Purchase Agreement (the "<u>Purchase Agreement</u>") with a stalking horse buyer (the "<u>Stalking Horse</u>") and (ii) the Company and the Subordinated Taberna Noteholder acting through Collateral Manager signed the Restructuring and Plan Support Agreement. The Company shall file voluntary petitions for relief under Chapter 11 of the Bankruptcy Code (the "<u>Chapter 11 Cases</u>") in the United States Bankruptcy Court for the District of Delaware (the "<u>Bankruptcy Court</u>") and shall seek to sell substantially all of its assets pursuant to the Purchase Agreement, subject to higher and better offers (the "<u>Sale Transaction</u>").</p>

	The Plan, together with all plan-related documents, agreements, supplements and instruments shall be consistent with this Plan Term Sheet and Reasonably Acceptable to the Collateral Manager and the Debtors. For purposes of this Plan Term Sheet, " <u>Reasonably Acceptable</u> " shall mean acceptable to Debtors or the Subordinated Taberna Noteholder acting through Collateral Manager, as applicable, each in its reasonable discretion, <u>provided</u> , that, any documentation or matter consistent with this Plan Term Sheet shall be deemed Reasonably Acceptable.
Termination Date:	The term " <u>Termination Date</u> " means that date which is the earliest of (a) 240 days from the commencement of the Chapter 11 Cases (the "Petition Date"); and (b) the date the Plan becomes effective (the " <u>Effective Date</u> "). This Plan Term Sheet shall terminate on the Termination Date.
II. TREATMENT OF CLAIMS AND INTERESTS UNDER PLAN	
Administrative Claims:	On or as soon as practicable after the Effective Date of the Plan, each holder of an allowed administrative claim shall receive payment in cash equal to the full amount of its claim, unless otherwise agreed to by such holder or permitted by the Bankruptcy Code.
Priority Tax Claims:	On or as soon as practicable after the Effective Date, each holder of an allowed priority tax claim shall receive payment in cash equal to the full amount of its claim or otherwise be left unimpaired, unless otherwise agreed to by such holder or permitted by the Bankruptcy Code.
Secured Tax Claims:	To the extent there are any allowed secured tax claims, on or as soon as practicable after the Effective Date, each holder of an allowed secured tax claim shall receive payment in cash in an amount equal to the amount of its claim or otherwise be left unimpaired.
Other Secured Claims:	To the extent there are any allowed other secured claims, each holder of an allowed other secured claim will receive, at the Debtors' election: (a) payment in cash in an amount equal to the amount of such allowed other secured claim; (b) delivery of the collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code; (c) reinstatement of such claim; or (d) other treatment rendering such claim unimpaired.
Priority Claims:	On or as soon as practicable after the Effective Date, each holder of an allowed priority claim shall receive payment in

	cash to the full amount of its claim unless otherwise agreed to by such holder or permitted by the Bankruptcy Code.
Senior Note Claims:	On or as soon as practicable after the Effective Date, each Senior Noteholder shall receive payment in cash equal to the full amount of its claim unless otherwise agreed to by such holder or permitted by the Bankruptcy Code.
General Unsecured Claims:	On or as soon as practicable after the Effective Date, each holder of an allowed general unsecured claim (other than RAIT Subordinated Guaranty Claims, Subordinated RAIT Funding Note Claims, and Subordinated Taberna Note Claim) against any Debtor other than Taberna will receive, at the Debtors' election: (a) payment in cash to the full amount of its claim or (b) reinstatement of such claim.
Subordinated Taberna Note Claims:	The Subordinated Taberna Note Claim shall be allowed in the amount of \$18,670,743 (the " <u>Allowed Subordinated Taberna Note Claims Amount</u> "). On or as soon as practicable after the Effective Date the Subordinated Taberna Noteholder shall receive payment in cash of (i) \$12,250,000 from Distribution Proceeds, <u>plus</u> (ii) after the receipt by Subordinated RAIT Funding Noteholder of an amount equal to \$1,750,000 from the Second Half Sale Transaction Escrow (as defined below), an amount equal to \$250,000 from the Second Half Sale Transaction Escrow or such amount as may be available, <u>plus</u> subject to the payment in full of the Allowed RAIT Funding Claim Amount (as defined below) (a) all other Distribution Proceeds, if any, <u>plus</u> (b) any funds, if any remaining in the Claim Reserve Fund (as defined below) after all disputed Claims are Allowed or otherwise resolved, <u>plus</u> (c) any funds remaining in the Wind-Down Reserve (as defined below).
Subordinated RAIT Funding Note Claim and RAIT Subordinated Guaranty Claim:	The Subordinated RAIT Funding Note Claim and RAIT Subordinated Guaranty Claim shall be allowed in the amount of \$23,750,000 (the " <u>Allowed RAIT Funding Claim Amount</u> "). On or as soon as practicable after the Effective Date, the Subordinated RAIT Funding Noteholder shall receive up to the Allowed RAIT Funding Claim Amount (i) the Distribution Proceeds (as defined below) <u>plus</u> , (ii) any funds remaining in the Claim Reserve Fund (as defined below) after all disputed Claims are Allowed or otherwise resolved, <u>plus</u> , (iii) all proceeds otherwise payable to the Reorganized Company under the Purchase Agreement of the First Half Sale Transaction Escrow (as defined below), <u>plus</u> , (iv) all proceeds otherwise payable to the Reorganized Company under the Purchase Agreement of the Second Half Sale Transaction Escrow (as defined below) up to \$1,750,000 on a first out basis, <u>plus</u> , (v) any funds remaining in the

	<p>Wind-Down Reserve (as defined below).</p> <p>“<u>Distribution Proceeds</u>” means all cash of the Debtors available on the Effective Date, including any proceeds of the Sale Transaction, after the payment or creation of reserves (“<u>Claim Reserve Fund</u>”) for all disputed Claims (other than RAIT Subordinated Guaranty Claims, Subordinated RAIT Funding Note Claims, and Subordinated Taberna Note Claims) and the Wind-Down Reserve (as defined below).</p> <p>“<u>First Half Sale Transaction Escrow</u>” means an amount initially equal to \$2,000,000 to be held in escrow and released to the Reorganized Company or Stalking Horse, as applicable, pursuant to the terms of the Purchase Agreement within 6 months of closing.</p> <p>“<u>Second Half Sale Transaction Escrow</u>” means an amount initially equal to \$2,000,000 to be held in escrow and released to the Reorganized Company or Stalking Horse, as applicable, pursuant to the terms of the Purchase Agreement within 24 months of closing.</p> <p>“<u>Wind-Down Reserve</u>” means funds retained by the reorganized Debtors to fund the orderly wind-down and dissolution of the Company pursuant to the Plan.</p>
Intercompany Claims:	There shall be no distribution on account of intercompany claims. Notwithstanding the foregoing, each allowed Intercompany Claim, unless otherwise provided for under the Plan, will be reinstated.
Intercompany Interests:	Each allowed Intercompany Interest shall, at the Debtors’ election: (a) be reinstated for administrative convenience; or (b) be canceled and released without any distribution on account to of such Interests.
Existing Preferred Interests in Taberna:	Existing Preferred Interests in Taberna shall be canceled, released, and extinguished, and will be of no further force or effect and no holder of Preferred Interests in Taberna shall be entitled to any recovery or distribution under the Plan on account of such Interests.
Existing Preferred Interests RAIT Parent:	Existing Preferred Interests in RAIT Parent shall be canceled, released, and extinguished, and will be of no further force or effect and no holder of Existing Preferred Interest in RAIT Parent shall be entitled to any recovery or distribution under

	the Plan on account of such Interests.
Existing Common Interest in RAIT Parent:	Existing RAIT Parent Common Interests and the holders of any existing options, warrants or right to acquire any equity securities of the RAIT Parent shall be canceled, released, and extinguished, and will be of no further force or effect and no holder of Common Interests shall be entitled to any recovery or distribution under the Plan on account of such Interests.
Conditions to Confirmation and Effective Date:	<p>The Plan shall contain various usual and customary conditions precedent to confirmation and to the Effective Date that must be satisfied or waived. Such conditions to the Effective Date shall include, without limitation, the following:</p> <p>(i) the Debtors filing, within 5 business days of the Petition Date, a motion (the “<u>Bidding Procedures Motion</u>”) seeking approval of an order (such order, the “<u>Bidding Procedures Order</u>”), approving (i) reasonable and customary bidding procedures for the Purchased Equity (the “<u>Bidding Procedures</u>”), and designating Stalking Horse as the stalking horse bidder with respect to the Transaction, and (ii) a 3% breakup fee and up to 1% expense reimbursement which shall be entitled to superpriority administrative claim status in the Company’s chapter 11 cases.</p> <p>(ii) a hearing on the Bid Procedures Motion being held and concluded no later than 24 days after the filing of the Bidding Procedures Motion, subject to the Bankruptcy Court’s schedule; and the Bankruptcy Court entering the Bidding Procedures Order no later than three (3) Business Days after the conclusion of such hearing;</p> <p>(iii) the deadline for interested parties to submit higher and better bids (the “<u>Bid Deadline</u>”) pursuant to the Bidding Procedures Order shall be no later than the date that is 70 days after the filing of the Bidding Procedures Motion;</p> <p>(iv) an auction, if any, held pursuant to the Bidding Procedures Order, shall occur no later than the date that is five (5) days after the Bid Deadline;</p> <p>(v) a hearing on approval of the sale of the Purchased Assets shall be held and be concluded no later than the date that is three (3) Business Days after the auction, subject to the Bankruptcy Court’s schedule; and the Bankruptcy Court shall have entered an order approving such sale (the “<u>Sale Order</u>”) no later than three (3) Business Days after the conclusion of such hearing;</p> <p>(vi) a closing on the sale of the Purchased Assets shall have occurred;</p>

	<p>(vii) an order confirming the Plan (the “<u>Confirmation Order</u>”), which Plan and Confirmation Order shall be in form and substance Reasonably Acceptable to the Debtors and the Collateral Manager and shall have been entered and shall not have been stayed or modified or vacated on appeal;</p> <p>(viii) all statutory fees then due to the United States Trustee shall have been paid in full or shall be paid in full pursuant to the Plan;</p> <p>(ix) all expenses and other payments required to be made upon consummation of the Plan pursuant to the terms thereof shall have been made;</p> <p>(x) all conditions precedent for the closing of the transactions contemplated by the Plan shall have occurred (or shall have been waived in accordance thereunder) other than the occurrence of the Effective Date; and</p> <p>(xi) the Effective Date shall have occurred within 240 days of the Petition Date.</p>
Executory Contracts and Unexpired Leases:	Executory contracts and unexpired leases shall be assumed and rejected as of the Effective Date, as the case may be, in the Debtors’ discretion to the extent that any such executory contracts and unexpired leases have not been assumed or rejected by the Debtors in their discretion during the pendency of the Chapter 11 Cases.
Employee Retention Plans and Severance:	The Company’s employee retention plans and severance plans shall be assumed and honored in the Chapter 11 Cases.
Debtor Releases:	Full releases to extent permitted by law by Debtors and their estates in favor of the Subordinated Taberna Noteholder, the Collateral Manager, Subordinated RAIT Funding Noteholder and current and former officers, directors, trustees, employees, advisors, attorneys, professionals, accountants, consultants, agents and other representatives (including their respective officers, directors, trustees, employees, members and professionals) of the Debtors, the Subordinated Taberna Noteholder, Collateral Manager, and the Subordinated RAIT Funding Noteholder, from any claims and causes of action based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the Plan and the subject matter of, or the transactions or events giving rise to, any claim interest that is treated in the Plan (other than claims based on gross negligence or willful misconduct) arising on or prior to the Effective Date.
Indemnification/Exculpation:	Customary indemnification and exculpation provisions.
Discharge:	Customary discharge provisions.

Injunctions:	Customary injunction provisions.
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