CLNS Income Trust ("CIT") is a public, non-traded REIT sponsored by Colony NorthStar, Inc. ("CLNS"). CIT's investment objectives are to acquire a diversified portfolio of commercial real estate debt investments. CIT intends to make a combination of senior mortgage loans that lit will finance through advances on credit facilities from large Wall St. banks and through meazanine and preferred equity investments that will not be levered. CIT is managed by CNI Advisor LLC, a subsidiary of CLNS ("CNI"). CIT pays CNI an annualized asset management fee of 2.0% of CIT's gross assets. The asset management fee is paid monthly and is based on CIT's gross investments at the end of the each month. In addition, CIT pays CNI an acquisition fee equal to 1.0% of the gross investment amount for each investment it makes. Separately, CIT normally charges its borrowers an origination fee of 1% of the face amount of its investments, which is netted out of the proceeds it funds to borrowers.

As an additional incentive, upon a listing, merger or sale of CIT, CNI is entitled to a promote equal to 15% of any returns above a 7.5% annualized return.

CIT raises capital from retail investors and charges an up-front sales load of 10%. Each month, CIT pays an annualized dividend of \$.75 per share, which is paid at the end of each month. Shares are sold at a gross price of \$10.00 per share.

- 1. Based on the below capital raising schedule and investment schedule, please produce monthly cash florer for 2017 that accurately account for: (1) capital raised, (2) investment activity, (3) interest income and expense, (4) dividend payments, (5) advisory fees and any other relevant inputs.
- 2. In addition, please generate a pro forma balance sheet for CIT as of 12/31/2017. This should include total shares outstanding and the value per share.
- 3. Assume that on 1.1.2018, a private equity fund agrees to purchase CIT for \$12.00 per share. Please calculate the promote that CNI would be entitled to receive as of that date.

Although you should have sufficient information to complete this exercise, if you don't have enough information and need to make any additional assumptions, please do so and state any additional clarifying assumptions clearly.

There is no need to follow-up with questions prior to submitting your response.

Share Price	\$10			
Up-front Sales Commission	10%			
Capital Raise Schedule (Gross):				
1/1/17	\$25,000,000			
2/1/17	\$25,000,000			
3/1/17	\$25,000,000			
4/1/17	\$50,000,000			
5/1/17	\$50,000,000			
61/17	\$50,000,000			
Annual Common Stock Dividend (Pald monthly)	\$0.75			
Annual Asset Management Fee (Paid By Company monthly based on gross assets at end of month):	2.00%			
Acquisition Fee (on gross investment amount):	1.0%			
Advisor Promote:	15% of all returns above a non-compounded shareholder return of 7.5%			

	Closing Date	Face Amount	Origination Fee	Pay Rate	Accrual Rate	Financing Advance	Financing Cost of Funds	Interest Co
Loan 1 - Sr. Loan	1/15/17	\$50,000,000.00	1.0%	LIBOR+500	0%	65%	L+275	Actua
Loan 2 - Sr. Loan	3/1/17	\$100,000,000.00	1.0%	LIBOR+425	0%	7.5%	L+250	Actua
Loan 3 - Mezz Loan	5/1/17	\$50,000,000.00	1.0%	LIBOR+900	0%	0%	0%	Actua
Loan 4 - Mezz Loan	7/20/17	\$25,000,000.00	1.0%	12%	0%	0%	0%	Actua
Loan 5 - Pref.	8/1/17	\$80,000,000.00	1.0%	10%	5%	0%	0%	Actua
LIBOR Curve:								-
1/1/2017	0.77%							
2/1/2017	0.78%				U 1220 00 02 00 00 00			T
3/1/2017	0.80%				Leggia de la compansión			
4/1/2017	0.83%							
5/1/2017	0.87%						L.	
6/1/2017	0.92%							
7/1/2017	0.98%							
8/1/2017	1.03%						1/	
9/1/2017	1.09%							
10/1/2017	1.14%							
11/1/2017	1.19%							
12/1/2017	1.24%							