



## **Broadstone Real Estate and Stone Point Capital partner for growth; Tait to serve as BRE director and chairman of both companies**

July 13, 2015 - Upstate New York

Broadstone Real Estate, LLC (BRE) has signed a definitive agreement to partner with Stone Point Capital to expand and grow BRE's operating platform as a manager of alternative real estate investments. Stone Point Capital, through its Trident VI fund, will purchase an equity interest in BRE. Proceeds from the investment will be primarily used to invest in the two private real estate investment offerings currently managed by BRE, Broadstone Net Lease (BNL) and Broadtree Homes (BTH). As a result of the transaction, BRE will invest a significant amount of new capital into BNL and BTH. These investments by BRE will substantially increase management's commitment to both investment offerings.

"We are very excited to welcome Stone Point Capital as our new partner in our operating company," said Amy Tait, chairman and CEO of BRE. "As one of the most respected private equity firms in the country, Stone Point has an extensive network and experience that will help us to further expand our businesses. Our objective in this transaction is to align the Broadstone entities with a strategic partner that will support the long term growth of our organization and investment offerings to the benefit of our shareholders. With its capital, industry knowledge and connections, Stone Point is ideally positioned as such a partner."

Chuck Davis, CEO of Stone Point, said, "We admire Broadstone's expertise, culture and track record and recognize the strength of its investment process and shareholder relationships. We are delighted to be partnering with Amy and her team and look forward to supporting them as they continue to build additional best-in-class real estate investment vehicles."

After the transaction closes, Broadstone Real Estate will be jointly owned by the Tait and Leenhouts families, Trident VI and certain BRE employees. No shares of BRE, BNL or BTH are being sold by the current sponsors. In connection with the transaction, BRE will have a newly formed board of managing members that will include two Trident representatives and two management representatives. In addition, Agha Khan from Stone Point will assume one of the two inside director seats on the BNL and BTH boards, which are appointed by BRE, as the manager. Tait will continue to serve as the second BRE appointed director and as chairman of both companies.

"There are no planned changes to the management or investment strategy of our companies; we have an excellent team already assembled and Stone Point's connections and reputation only serve to enhance our capabilities," said Tait. "This transaction helps ensure that we will continue to grow in the same disciplined manner and structure for many years to come."

In connection with the transaction, BNL also will acquire a \$10 million convertible preferred interest in Broadstone Real Estate. As consideration for the preferred interest, BRE will receive \$10 million of additional common shares of BNL.

"The Broadstone Net Lease Independent Directors carefully monitored the transaction and believe that the convertible preferred interest in BRE is an excellent step towards further aligning interests with BNL's external manager," remarked Geoff Rosenberger, Lead Independent Director. "In addition, BNL's Independent Directors will appoint an observer to the BRE Board to further strengthen communication; lastly, BNL now has a right of first offer on certain BRE interests that may be offered for sale outside the ownership group as it will exist immediately following the transaction."

The deal is subject to certain closing conditions and no assurance can be made that the transactions described herein will close.

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