



MARK EPSTEIN & ASSOCIATES

PROPERTY TURNAROUND SERVICES

Structured Solutions – Maximizing Real Estate Asset Performance and Value

OVERVIEW

In response to the challenges facing real estate lenders, borrower and owners stemming from the ongoing financial predicament, Mark Epstein & Associates (“MEA”) and its close affiliate, Eugene Burger Management Corporation (“EBMC”), have assembled a veteran, inter-disciplinary team to provide lender REO / loss mitigation departments, distressed property owners and Joint Venture partners a well-coordinated, comprehensive approach to resolving problem loans and maximizing the value of real estate assets prior to a capital event. This specialized team manages the workout, foreclosure, restructuring, property management, asset management and disposition processes.

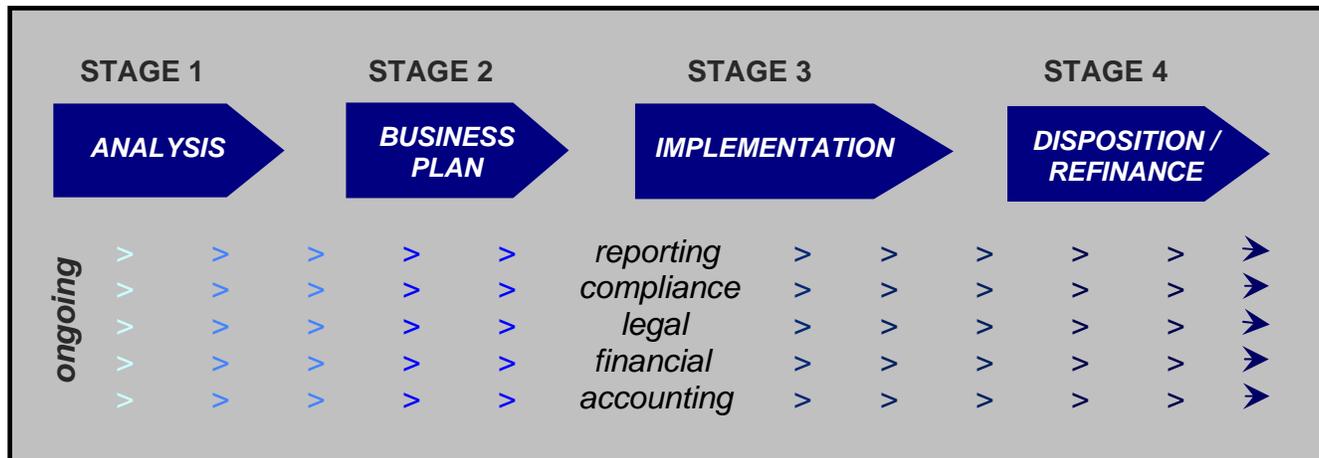


MEA’s principals have driven the turnaround process of all property types, portfolios, public companies and entities in bankruptcy.

MEA’S TURNAROUND METHODOLOGY

MEA’s turnaround methodology centers on an expeditious analysis of the asset and its challenges, quickly generating and implementing the turnaround plan and positioning the property for sale or refinance as expeditiously as possible.

There is no standard approach to transform an underperforming asset to performing. The diagram below illustrates the four elemental components of MEA’s turnaround process.



STAGE 1**ANALYSIS**

MEA uses a methodical process to evaluate an asset and then stabilizes any problem elements.

Expediently Analyze the Condition and Challenges

Every property and market is unique. The following is a list of evaluation categories MEA uses to provide clients and owners a detailed understanding of potential property options.

**PRIMARY EVALUATION CATEGORIES****MARKET**

- Market Analysis
- Competitive Analysis
- Feasibility & Financial Modeling

FINANCIAL

- Financial Audit
- Lease & Tenant Analysis
- Value Added Alternatives
- Disposition Analysis

OPERATIONS

- Asset Management
- Property Management
- Hotel Operations

**GOVERNMENTAL,
ENVIRONMENTAL, ZONING**

- Property Analysis
- Political & Community Management
- Environmental
- Local Market Insights & Strategies
- Entitlement Procurement, Existing Entitlement Preservation, Planning
- Regulatory Requirements

STAGE 2**BUSINESS
PLAN*****Meticulous Attention to Detail***

Following the discoveries made in the Stage 1 analysis, MEA expediently generates a clearly defined business plan for the asset. Realistic financial goals are established based on achievable performance assumptions. Said goals include the following:

- Financial Forecasts and Performance
- Repositioning
- Marketing
- Leasing
- Tenant Improvements
- Capital Improvements
- Risk Mitigation
- Value & Profit Maximization Strategies
- Quantitative Investment Strategies
- Construction & Project Management Options

STAGE 3**IMPLEMENTATION*****Expeditious Implementation***

The Business Plan is put into action immediately upon completion. MEA's broad experience and competencies in the following disciplines is used to drive the plan's implementation.

- Asset Management
- Property Management
- Marketing and Leasing Management
- Hotel Operations
- Construction Management
- Redevelopment and Project Management
- Cost & Schedule Analysis
- Value Engineering
- Legal Aspects Management / Litigation Support
- Receivership & Bankruptcy Court Management



MEA's comprehensive approach to project management, combined with active involvement with capital markets, ensures the highest degree of quality and maximum return on investment.

STAGE 4**DISPOSITION /
REFINANCE*****Optimize Disposition / Refinance***

The definitive goal from the outset is to maximize the asset's value. With over 120 years of collective experience, MEA's professionals understand the impact different economic cycles, capital markets and property types have on value. MEA's knowledge in the following areas is integral to achieving the best possible price within the prescribed time frame.

- Strategic Asset Plans
- Risk Mitigation
- Value & Profit Maximization Strategies
- Quantitative Investment Strategies
- Construction & Project Management Options
- Coordinate & Manage the Closing Process
- Final Wrap Up / Distributions

PROPERTY TYPES

MEA has direct experience managing assignments in most property types including:

- Mixed Use Projects
- Office Buildings
- Shopping Centers and Urban Retail
- Hotels
- Land
- Conventional and Affordable Multi-Family
- Other Types Including Industrial, Self Storage, and Other Specialty-Type Properties



MEA has managed, turned around, developed, added value to and invested in over 20 million square feet of commercial and residential real estate.

CLIENTS

MEA has provided fully integrated real estate services to the following client types:

- Local, Regional, National and Foreign Banks
- Investment Management Firms / Asset Managers
- Law Firms managing client real estate
- Private & Public Real Estate Companies
- Private Investors, Limited Partnerships & LLCs
- Family Trusts and Family Owned Entities
- Special Servicers
- Government Agencies
- Federal and State Appointed Receivers
- Private Equity Firms / Developers / Opportunity Funds

INSTITUTIONAL and INDIVIDUAL RELATIONSHIPS

MEA has a long history of doing business with a wide variety of institutional and private clients, capital partners and lenders, including the following:

- Wells Fargo Bank
- Cargill Financial Services
- Prudential Realty
- Private Family Trusts
- Various Court Receiverships
- Citibank
- State Farm Insurance
- Verizon Wireless
- Barnes & Noble
- Nevada Department of Education
- Washoe County Library
- Phuket Island Public Company
- Bangkok Bank
- Palos Verdes Developers
- Colliers International
- Colliers Jardine
- SkyWest Development
- State of California Department of Rehabilitation
- Pep Boys
- Sienna Hotel and Casino
- Toys”R”Us

FINANCING, EQUITY SOURCES and EQUITY PARTICIPATION

MEA principals co-invest their own equity in addition to equity sourced from its investor client base of institutional and high net worth individual Equity Partners seeking opportunistic co-investments. MEA prepares financing packages for acquisitions and development / redevelopment to present to debt and equity sources depending on the particular property’s needs.

ABOUT MARK EPSTEIN & ASSOCIATES

MEA’s professionals collectively possess over 120 years of experience, encompassing a unique blend of expertise in asset management, banking, workouts, feasibility studies, entitlements, land use planning, development, redevelopment, reorganization and litigation support. The team, headed up by MEA principal, Mark Epstein, is comprised of well-seasoned property finance, investment, management, consulting and legal professionals. Visit the “Leadership” web page at www.EpsteinAssociates.com to review team bios.



Developing ideas, solving problems and optimizing value.

The group draws from its deep market knowledge, diverse capabilities and sophisticated financial analytical skills to develop solutions for problem loans and equity investments with a view to maximize asset value prior to disposition or refinance.

MEA relies on key market data and re-underwrites assets in light of changing market conditions. MEA identifies the optimal asset strategy, which may include short-term repositioning, a longer-term hold, or immediate financial resolution such as loan restructuring, the sale of loans and / or the sale of assets. MEA’s multi-disciplined team includes real estate law and tax planning specialists for situations requiring such specialties.



SINGLE POINT OF CONTACT – SEAMLESS SERVICES

MEA provides seamless services over a broad geographic area with a single point of contact through its affiliate, EBMC, with 11 offices in California and Nevada, and over 350 properties under management in 7 western states. MEA is a “one-stop shop” able to meet its clients’ objectives regardless of asset and client location. Contact MEA today for a preliminary consultation to explore the scope of your project.



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California and Nevada
 Regional Offices

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