

A nighttime photograph of a city skyline with several skyscrapers. The sky is a deep blue. The buildings are lit up with warm yellow and orange lights. In the foreground, there are long, horizontal light trails from moving vehicles, creating a sense of motion and energy. The overall color palette is dominated by the blues of the night sky and the warm yellows and oranges of the city lights.

Private Equity – Real Estate Operations Group

2019

ALVAREZ & MARSAL



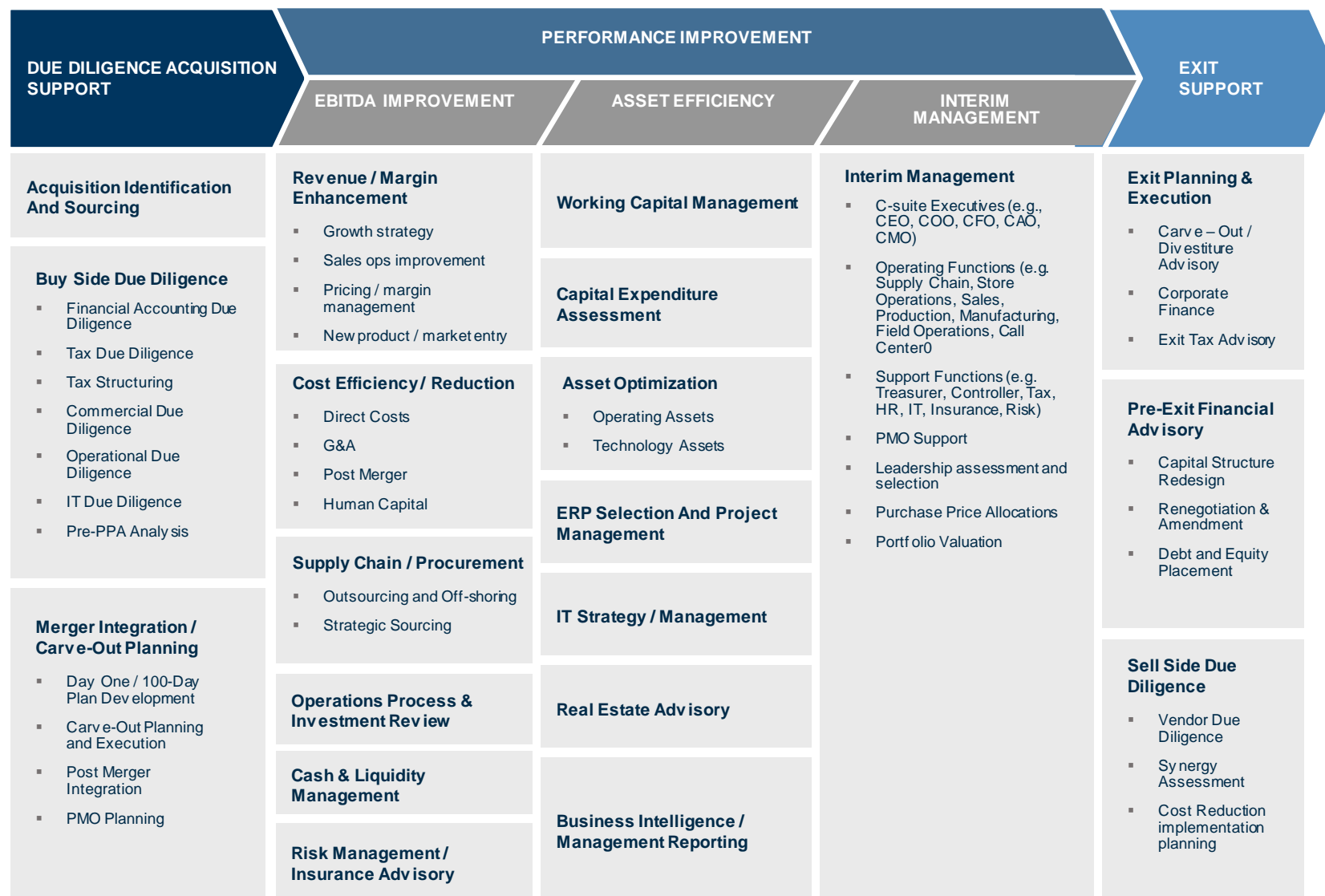


01 Private Equity Service Offerings

ALVAREZ & MARSAL



A&M Serves Private Equity Firms Across The Investment Lifecycle



Private Equity Services: Our Integrated Diligence is a Unique Solution

Transaction Analytics

Embeds analytics throughout the investment lifecycle for more insights and better decisions.

Financial Accounting

Validates financial results and provides insight into reported performance

Valuation

Provides pre-deal valuation diligence and modeling services

Commercial

Answers critical investor questions regarding market position and opportunities

Information Technology

Goes well beyond the checklist to focusing on end-to-end business activities, costs, and personnel

Operational

Validates that top and bottom-line potential can be achieved

Tax

Identifies risk and after-tax cash flow efficiencies from acquisition through compliance and post-acquisition planning

Human Capital

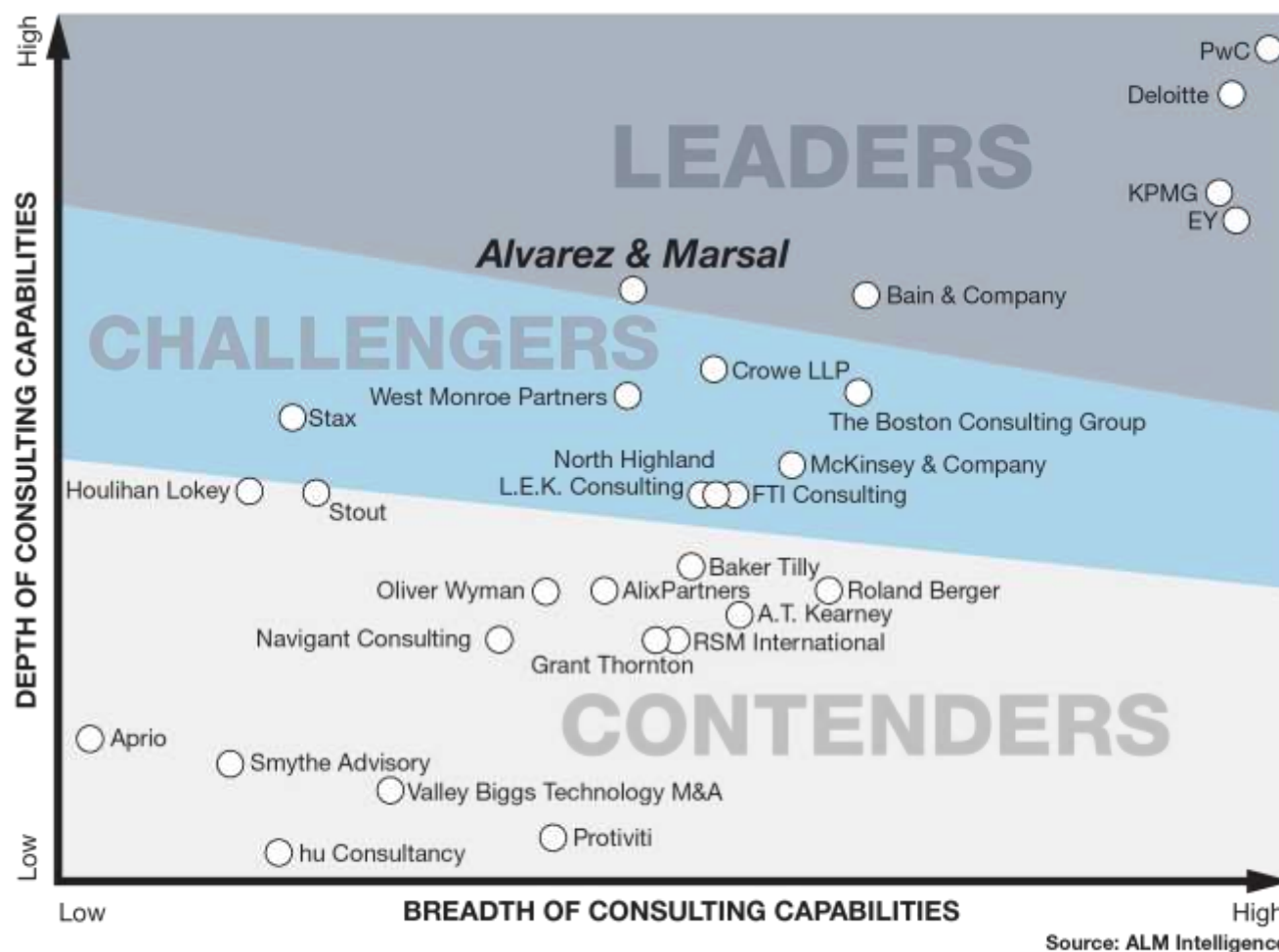
Quantifies remuneration and benefits inputs to valuation. Identifies risk and opportunities post-closing

A&M Difference

Financial Accounting And Tax Combined With Deep Operational, Functional And Industry Expertise Maximizes Value of Every Transaction

ALM Intelligence 2018 Transactions - Acquisitions Consulting Report: Alvarez & Marsal a Recognized Leader

ALM Intelligence (formerly Kennedy Consulting) recognizes Alvarez & Marsal as a leader in transactions-acquisitions consulting in their June 2018 ALM Vanguard Transactions-Acquisitions Consulting Report.



Source: ALM Intelligence

Alvarez & Marsal's integrated approach towards mergers & acquisitions gives you in-depth experience across the investment lifecycle.

ALM Intelligence 2018 Transactions - Acquisitions Consulting Report: Alvarez & Marsal a Recognized Leader

“ Alvarez & Marsal is still one of the most frequently invoked firms by both clients and competitors in this space”¹

“ Alvarez & Marsal is very event-driven and equipped to help clients quickly plan and implement large-scale, transformative change.”¹

“ Alvarez & Marsal scores particularly well in transactions support, and ability to guide top management through complex deals”²

“Its services are increasingly on a global scale with 50 offices on (almost) all continents and key hubs in New York, London and Hong Kong”¹

“ Alvarez & Marsal treats M&A as the counter-cyclical counter-weight to its renowned restructuring capabilities”¹

¹ ALM Intelligence: June 2018 ALM Vanguard Transactions-Acquisitions Consulting Report

² Consultancy.uk

02 Pre-Acquisition Diligence – Real Estate

ALVAREZ & MARSAL



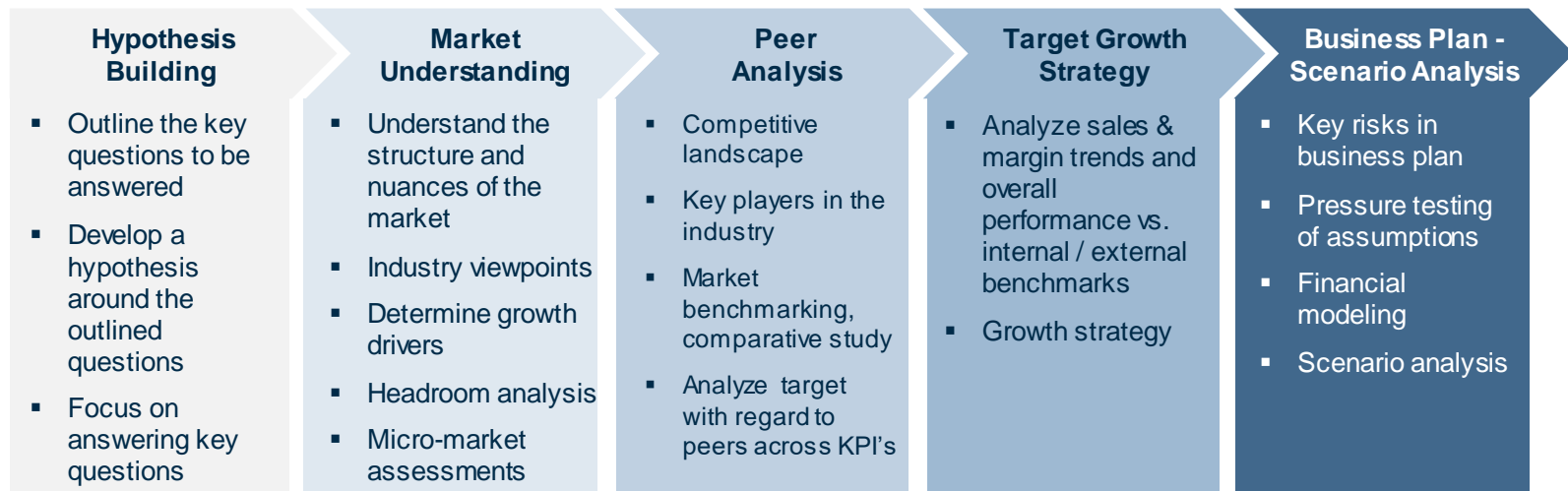
Commercial Diligence

We follow a hypothesis-based approach in finding and solving the “most important problem” and not “all problems”.

A&M Value Proposition:

- 1 | Tailored approach to specific requests, thus cost-effectively focusing on the key outstanding issues for our clients
- 2 | Ability to quickly create insight into our client's investment thesis regarding the target industry and company
- 3 | Integrating commercial insight into a broader diligence platform (with financial and operating diligence) as required
- 4 | Ability to support clients post-close with world-class post-acquisition planning and delivering performance improvement

Methodology:



Operational Due Diligence

Validates that top and bottom-line potential can be achieved.

A&M Operational Due Diligence Experience & Coverage

- A&M annually performs over 100 pre-acquisition operations and value-creation projects
- Global footprint with over 200 operators focused on PE, delivering pre-acquisition and post-acquisition execution support
- Team involves combination of industry, functional and analytical resources
- A&M recommendations have greater bias for action, provide realistic solutions and are driven to achieving successful implementations



Financial Due Diligence

Validates operating results and provides insight into financial projections.

THE A&M DIFFERENCE

- A&M has the largest dedicated team of CPA financial accounting diligence professionals outside the Big Four
- We deliver timely and actionable financial and business-oriented analyses

Recurring EBITDA

- Sustainable operating results
- Key business drivers
- Future operating results relative to past performance
- Optimizing cost structures

Working capital investments and deployed assets

- Trends and seasonality
- Quantify insufficient levels
- Identify transaction liabilities and assets
- Off balance sheet liabilities
- Capital expenditure requirements

Impactful implementation plans

- Consistent accounting policies
- Impact to earnings
- Expeditious closing of financial records
- Visible balance sheet impacts

IT Due Diligence

Goes well beyond the checklist to focusing on end-to-end business activities, costs, and personnel.

THE A&M DIFFERENCE

- We lead with a business-first approach to IT that aligns with your investment thesis
- We understand priorities and quickly separate the must-have from the nice-to-have
- Beyond reporting, the findings delivered are pragmatic and achievable recommendations appropriately sized for your business

Assess if targets' IT supports and improves business

- Ability of back-office functions to support the future
- Scalability of processes
- Lifecycle of systems and applications

Incremental IT investment needed for business

- Investments to support growth and unsupported technology
- IT leadership capable of driving change
- Resources required to facilitate objectives
- Assessment of key IT individuals

Target compliant with key information security regulations

- Secure personally identifiable information
- Comply with industry's information security regulations
- Remedy inappropriate internal controls

Evaluate technology-enabled company

- Assess adequacy of purchased technological assets
- Scalable, stable, and extensible core architecture
- Software roadmap aligned with business objectives
- Industry standard development costs

Realistic carve-out and integration plans

- Realistic transition service agreement timeline
- Market appropriate economics
- Favorable TSA terms
- Optimal consolidation or carve-out

Tax Due Diligence

Identifies risk and after-tax cash flow efficiencies from acquisition through compliance and post-acq. planning.

THE A&M DIFFERENCE

- A&M Taxand is the largest global tax network outside the Big Four offering a comprehensive range of tax services
- Access to 2,000 tax professionals in nearly 50 countries
- Taxand has 50+ Managing Directors and ~250 tax professionals

Tax planning and cash flow

- Tax modeling to quantify tax opportunities (e.g. asset vs. stock, cross border, repatriation, state income apportionment planning, etc.)
- Effective tax rate under ASC 740-10 and 450
- Identifiable target value

Tax risks and contingent liabilities

- Visible tax risks inherited from acquisitions
- Quantifiable transfer taxes negotiated with seller
- Tax modeling performed to compute effective tax rate and planning opportunities

Tax planning opportunities

- Strategic tax review
- Resolved post merger integration tax issues
- Reviewed tax accounting methods
- Strategic tax planning regarding federal, state income / franchise, international, sales / use, property and payroll taxes

Corporate Real Estate Due Diligence

Addresses the fundamental brick-and-mortar needs to support the back-office and optimize the portfolio strategy of the business operations.

THE A&M DIFFERENCE

- We provide an objective / “non-broker” view of portfolio optimization and cost-takeout.
- We are able to quickly assess market conditions and use existing tools to build a ground-up view of real estate separation or integration costs.
- A&M leverages our centralized Insight Center services to assist in research, benchmark and optimization analytics.

Assess if targets' facilities requirements support business

- Evaluate existing space utilization of target dedicated / contingent
- Scalability of portfolio and future space requirements
- Location evaluation and alternative workplace solutions

Evaluate quality of assets / leases in transaction scope

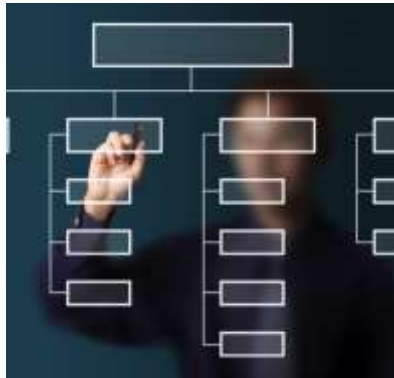
- Identification of desirable and problematic legacy portfolios
- Realistic assessment of implementation costs and likely savings
- Identification of surplus space and accelerated disposal strategy

Establish actionable plans to optimize portfolio and reduce costs

- Portfolio rationalization and strategic facilities planning
- Consolidation of supplier contracts
- New location planning and management

Pre-Acquisition Diligence

Representative case studies



SYNERGY ANALYSIS HOSPITALITY COMPANY

A&M conducted a synergy analysis between two hospitality companies, utilizing a “clean room” environment to determine the synergies achievable across its back office and corporate functions. The synergy analysis identified 15-20% of efficiencies.



FIN, OPS & TAX DILIGENCE MULTI-FAMILY COMPANY

A&M conducted financial due diligence and operational and tax diligence for the acquisition of a multi-family owner and manager focusing on the 1031 market.



REVENUE & WORKING CAP DATA CENTER

Assisted publicly traded REIT in the acquisition of a data center. A&M's work included validating customers and related revenue streams and determining the working capital of the entity. In addition, A&M provided valuation services to the transaction including purchase price allocation.

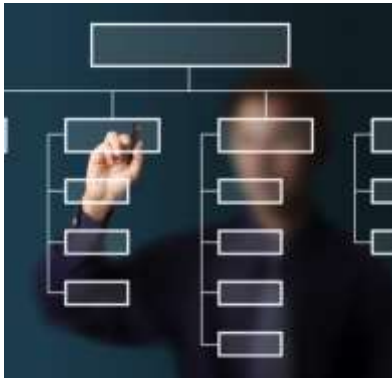


MERGER INTEGRATION PLANNING HOSPITALITY COMPANY

A&M was engaged to develop a merger integration plan for the combination of two hospitality companies over a three week period. The combined entity created the largest manager of independent and boutique hotels in North America

Pre-Acquisition Diligence

Representative case studies



TECHNOLOGY ANALYSIS HOSPITALITY COMPANY

A&M conducted a pre-acquisition analysis of the technology platforms in use by three hospitality companies to determine the best go forward platform for the lead company. The merger moved forward allowing an industry leading platform to be put in place cost effectively for both the management company and its customers.



PRE-DISPOSITION SYNERGY ANALYSIS HOSPITALITY COMPANY

A&M was asked to analyze several key areas of a hotel manager and owner to show prospective acquirers the potential for increasing EBITDA post acquisition. A&M identified over €5MM. Key areas include F&B, Executive Rooms, Sales, Commissions, HR Organization, Procurement and others.



FINANCIAL DILIGENCE MULTI FAMILY DEVELOPER

A&M conducted financial due diligence and quality of earning for a developer of class A multi family properties in secondary markets. The company was experiencing rapid growth and needed to complete a series of transactions to re-capitalize the company and position it for continued growth.



DISPOSITION SUPPORT HOSPITALITY COMPANY

A&M supported the sale of an equity interest in a hospitality management company by assisting the company in stabilizing its back office processes and implementing scalable business processes to support continued growth by the company.

03



Real Estate Operations Group

ALVAREZ & MARSAL



Private Equity Real Estate Post-Acquisition Services: A Focus on Operational Performance Improvement

For the past 14 years A&M has approached the needs of real estate owners, operators and users with the same fact-based, entrepreneurial, objective approach that has made the firm successful since 1983.



CFO Services

Improve finance function performance through enhanced reporting and transparency, more effective management of liquidity and working capital, upgrades to organization and processes, and financial system implementations.



Operations Management

Improve cohesion between merchants, supply chain and store operations. Strengthen in-store process to reduce time on non-customer facing activities. Optimize scheduling and improve customer engagement practices.



OpEx Efficiency

Streamline business and delay organization structure. Leverage shared services, outsourcing and process change to drive functional savings. Identify overhead efficiencies and reduce the fixed cost structure company.



Information Tech Services

Assess infrastructure needs for short-, mid-, and long-term scalability. Determine Omni-channel enhancement needs and paybacks. Ensure efficient spending on third party contractors.



Supply Chain Services

Improve manufacturer costs, rebates, and payment terms. Enhance warehousing, logistics, distribution efficiencies. Invoke supplier management tactics to improve services



Revenue & Margin Management

Identify sustainable sources of revenue and margin opportunities. Implement frameworks to optimize merchandising, product portfolio, and pricing. Assess marketing effectiveness and marketing channel return on investment.



Interim Management

Stimulate communication and responsiveness by implementing management expertise. Utilize leadership as a driving force for tactical strategies, course correction, and operational realities. Execute actions with results oriented focus.



Merger Integration / Carve-Out

Articulate strategic scope to develop TSA framework and key strategies. Define integration plans with structure, approach, and reporting. Execute platform stabilization, while monitoring synergy and realization of goals.



Private Equity Real Estate Value Proposition

At A&M, our knowledge of real estate operations allows us to focus on solutions that are tailored to real estate owners, operators and occupiers.

- **Dedicated resources with operational experience** to provide leadership throughout the development of executable programs allowing internal staff to continue to perform their respective responsibilities.
- **Senior resources to deliver its services that understand real estate operations** and the different work streams including portfolio management, asset management, property management, accounting and tax functions.
- **Combines experience developed through our focused service offerings** such as technology services, performance improvement, interim management, enterprise risk services to provide effective, tailored solutions for each organization.
- **Operates independently from the third-party providers** (brokerage, property management, software/hardware, BPO firms), which allows us to objectively identify and propose solutions that best support your organization.
- **Uses the tools it has developed through experience** with similar engagements to support the program management, governance, issues resolution, documentation, testing programs and training development.
- **Can be a leader in the change management effort** to integrate the recommendations to organizational policies, procedures and personnel responsibilities across the platform based on program audit findings.
- **Embed our team within our client's organization** and employ a proven, customizable methodology to ensure the highest level of success.

Real Estate Performance Drivers

A&M's focus is on the key “drivers” to a fully aligned real estate organization - optimizing people, process and technology to control costs and reduce risks through strategic planning and implementation.

Manage Risk

- We have analyzed public and non-public company compliance processes in numerous situations and can develop and strengthen the internal controls environment.
- Our experience performing third party sourcing and diligence projects gives us unique insights into assessing risks related to third party providers and managing those risks.
- We have designed asset management and asset monitoring programs to mitigate risks and proactively identify opportunities to improve performance.

Increase Efficiency

- We help ensure that organizations are staffed with the right skills and layers of management to perform effectively using both internal and outsourced resources.
- A&M is focused on improving efficiency through the appropriate use of processes/procedures, communication and technology.
- We identify and implement repeatable programs to improve the acquisition through disposition lifecycle that support scalable operating/investing platforms.
- We provide interim staffing to address mission critical functions including Asset Management, FP&A and IT.

Reduce Cost

- Our goal is to help the company control internal and third party service provider costs; addressing cost inefficiencies in a timely manner.
- We can help insure that the organization maximizes the use of available technologies or reduces their technology footprint to control costs as the company grows.
- A&M assists companies in analyzing optimal balance of internal versus outsource functions; alternatives to help companies achieve lower property level and overhead structures.

Private Equity Real Estate Select Clients by Sector

We provide our services across all real estate sectors

Hospitality

- Aimbridge Hospitality
- Two Roads Hospitality
- Highgate Hotels
- Amaris
- Sage Hospitality

Retail

- VEREIT (ARCP)
- Cole Capital
- Spirit
- WP Carey

Office

- Granite Properties
- Unico
- Crescent Real Estate Equities
- Menlo Equities

Industrial

- DCT Industrial
- Lion Industrial Trust
- Prologis (AMB)

Residential

- UDR
- Forestar
- TruAmerica
- Milhaus (Development)
- Cottonwood Capital
- Scioto

Other

- Lehman Holdings (Land, Office, Hospitality, MF)
- Green Courte – Parking Lots & Manuf Housing
- Vail Resorts
- Land Development (Conf)
- Iron Mountain – Data Storage

Hospitality

Representative case studies



AIMBRIDGE

Assisted the independent hotel manager with the merger integration / roll-up of three hotel management companies. A&M efforts focused on running PMO and managing integration of IT systems, and documenting Accounting processes and training Accounting resources.



HOTEL MANAGEMENT COMPANY

A&M developed a 100 day plan to identify key initiatives to allow the company to achieve a 30% achievement in EBITDA. The 100 Day plan focused on revenue enhancement driven by targeted marketing and retention efforts; cost take-out in IT, HR and Corporate expenses; and enhancements to its sourcing program.



LUXURY RESORT AND CONFERENCE CENTER

A&M conducted a post mortem analysis of a renovation and development project that was significantly over budget on behalf of the lead lender. The analysis identified an accurate accounting of outstanding claims and projections of hotel performance. The analysis allowed our client to negotiate a favorable settlement with the developer and its new equity partner.



ASIAN HOTEL AND ENTERTAINMENT COMPANY

A&M conducted a rapid results assessment of a hotel owner and operator of entertainment centers. The analysis identified \$15-\$25MM in revenue enhancements and \$6-8MM in cost reductions across both key service lines and corporate functions.

Industrial

Representative case studies



DCT INDUSTRIAL

A&M implemented business process outsourcing for accounting services. A&M also performed analysis of business operations to develop requirements for selection while also controlling RFP and identifying vendors. The client reduced property accounting costs by over 40%.



PRIVATE INDUSTRIAL REIT

A&M conducted a rapid and detailed analysis of the business processes and internal controls of a private industrial REIT to determine and correct liquidity issues.



PUBLIC REIT

A&M conducted a rapid and detailed analysis of treasury and cash management processes and controls of the REIT after they suffered a significant loss due to fraud. A&M worked with senior management to implement solutions that addressed the key issues with minimal impact on the company's entrepreneurial culture.



PRIVATE COMPANY

A&M conducted an analysis of the operating costs of a portfolio of 100+ warehouses and identified opportunities to reduce operating costs of the portfolio by 15-20% based on outsourcing facilities management functions.

Retail

Representative case studies



VEREIT

Assisted Retail REIT on several projects including HR optimization, selection of third party internal auditor, and documentation of governance and business processes related to finance/accounting and IT functions. Additionally, A&M developed an accountability matrix to drive compliance with the identified internal controls.



A&B

A&M performed IT assessment and IT strategy services leading to interim IT leadership role as well as technology implementation services for a owner of portfolio of grocery-anchored retail assets.



SPIRIT REALTY

Assisted Retail REIT in the acquisition and integration of another retail REIT. Assignment included the implementation of the MRI property management and accounting systems and the documentation of new processes and controls.

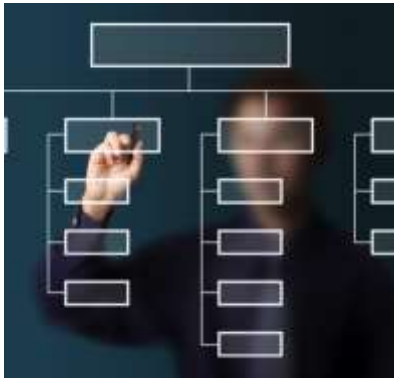


MEXICO FOCUSED INVESTMENT FUND

A&M performed local country organization, procedures and controls review of Mexico fund operations identifying risks and remediation activities based primarily on evaluation of local operating partner operations.

Office

Representative case studies



UNICO

A&M performed a quantitative and qualitative service delivery analysis for property management and accounting functions across a 100+ office portfolio to evaluate BPO alternatives. A&M supported the evaluation of vendors leading to a vendor selection process and board presentation.



MENLO EQUITIES

A&M provided technology and standard operating procedures development services for a Class A office owner and developer including implementation of various Yardi modules and outsourced accounts payable functions.



GRANITE PROPERTIES

A&M conducted a customer analysis that allowed the company to better understand its customers and their specific preferences that were implemented into the company's long term strategy. The company recently developed a speculative office building in one of its markets, leased the entire building prior to completion and sold it for the highest price per SF achieved in that market based on recommendations in A&M's analysis.



PRIVATE OFFICE INVESTOR

A&M conducted an internal control analysis focused on fraud prevention across the company's key business processes including property management, development and the finance/accounting functions. Additionally, A&M was asked to develop and document detailed policies and procedures to institutionalize the processes and controls.

Residential

Representative case studies



PRIVATE REIT

A&M conducted a margin analysis of a private REIT focusing and determining the profitability of each of its core businesses – development, property management, third party property management, and corporate housing. Significant cost savings were identified through the analysis specifically in the corporate general and administrative areas.



MANUFACTURED HOUSING REIT

A&M assisted ARC in the implementation of the Yardi property management and accounting system. In addition A&M assisted in the development and documentation of business processes including ARC's proprietary customer acquisition process.



UDR

A&M provided PMO, transition and technology services to eliminate internal back-office shared services functions and migrate functions to an onshore business process outsourcing services provider.

A&M was engaged to program manage and redesign procedures to outsource shared-services functions. In doing so project implementation for new hosted invoice scan to payment processes created a boost for workflows and integration.

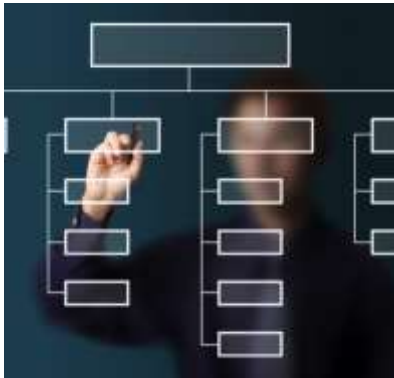


MSI

A&M worked on behalf of the receiver of the MSI portfolio of multi family properties and land. A&M assisted in analyzing the performance of the properties and the related markets. A&M assisted in developing a disposition strategy that maximized the recovery for the investors and creditors.

Other Real Estate Projects

Representative case studies



MASTER PLANNED COMMUNITY

A&M conducted a margin analysis of a private REIT focusing and determining the profitability of each of its core businesses – development, property management, third party property management and corporate housing. Significant cost savings were identified through the analysis specifically in the corporate general and administrative areas.



LAND DEVELOPMENT FUND

A&M is currently assisting in valuing multiple land development projects and developing a strategy for disposition to maximize returns to investors.



FUND MANAGERS/INVESTORS

A&M has assisted multiple fund managers and private equity firms in developing policies and procedures (including internal controls) for both the general partner entity and portfolio companies to support investor requests. Additionally, A&M has assisted both general partners and limited partners in reconciling fund distributions/returns to fund operating agreements.



PORTFOLIO ASSET MANAGEMENT

A&M assisted Lehman Holdings in modifying its third party asset management contracts, reducing costs by \$30MM/year. In addition, A&M designed portfolio level asset management reporting for office, multi-family, hospitality and land portfolios to provide better visibility to overall performance, support disposition strategies and mitigate risks.

04 Valuation Advisory

ALVAREZ & MARSAL



A&M Global Real Estate Advisory Services (REAS)

A&M REAS advises owners, investors, lenders, and users of real estate throughout the real estate lifecycle. We bring operating and management expertise combined with top-tier consulting to maximize the value of our client's owned and leased real estate portfolios.

Valuation Advisory

- Property Valuation
- Portfolio Valuation
- Financial Reporting
- Valuation Management
- Litigation Support
- Debt Valuation
- Environmental & Engineering Report Management

Transaction Advisory

- Due Diligence
- Underwriting Services
- Proforma Projections
- Transaction Structuring
- Credit Analysis

Strategic and Operation Advisory

- Investment Strategy
- Risk Assessment & Mitigation
- Benchmarking
- Best Practice Advisory
- On-Going Monitoring / Surveillance

Performance Enhancement & Financial Management

- Interim Management
- Owners Representation
- Real Estate Finance
- Restructuring and Turnaround
- Commercial Real Estate and Capital Program Management



REAS Performance Drivers

A&M's advises owners, investors, lenders, and users of real estate throughout the real estate lifecycle. Our professionals are committed to providing senior-level attention, the right resources, objective advice and flawless execution to every engagement.

Expertise & Experience

- Expertise in all commercial property types (Industrial/Distribution, Multifamily, Residential / Homebuilder, Office and Retail) including operationally intensive assets such as hotels, hospitals and seniors housing.
- A&M's REAS practice consists of MAI's and members holding the CRE and CCIM designations. These professionals, along with a staff trained in providing real estate valuation services, provide the asset class and geographical expertise required to produce credible real estate valuation services.
- In addition to many years of experience in leadership roles in Big Four real estate advisory practices, our professionals have "hands on" experience working in major domestic and international markets.
- Our experience in managing the valuation process for financial institutions, private equity, institutional investors, large and small, provides a framework to ensure regulatory compliance and credit support.

Client Focused

- Integrated service approach which combines professionals with appropriate industry or functional expertise to deliver superior services and outcomes for our clients.
- Innovative problem solving and the ability to create and execute efficiently. Our goal is to solve problems and create value.
- A&M's operational heritage leads to practical, actionable advice and speed to execution.
- Most importantly, our senior team members will be committed to the day-to-day aspects of our work with you.

REAS Valuation Management Blueprint

Our Real Estate Advisory Blueprint leverages industry best practices to create scalable platforms and maximize real estate value

THE A&M DIFFERENCE

WHY A&M?

A&M REAS Valuation Services professionals work in concert with our clients to provide best in class service for your customers, and to create value. Financial institutions, private equity firms and other sophisticated investors rely upon A&M's experience and market knowledge to provide valuation services nationwide. Why?

EXPERIENCE

A&M has a core team of key valuation professionals who thrive in an environment of financial complexity and have the experience and knowledge base to fit their skills with your valuation needs, strategy and objectives.

DEPTH OF SERVICE

A&M executives are drawn from commerce, professional services firms and financial institutions. Each possesses asset and geographic region expertise with an overarching focus on improving bottom-line results and real estate risk assessment.

MANAGING COMPLEXITY

A&M has a proven track record in managing complex, high-profile situations through assured leadership and execution.

SPEED TO EXECUTION

Our focus is on delivering rapid results. We coordinate short- and medium-term objectives and credible plans with achievable milestones.

APPRAISAL MANAGEMENT PLATFORM

Our proven methodology combines regulatory compliance, quality work product, expert appraisal review and seamless transfer of information to the client.

SERVICE

- "Client First" is one of A&M's core values
- Dedicated valuation team with MAI, CRE, and CCIM designations
- Information Transfer and Appraisal Administration

PRODUCTION

- Real Estate information portal used by most reputable appraisal firms nationwide
- Ensure ease of communication and efficient report generation and review
- Matching resources with needs

EXAMINE

- Assumption reasonableness is key to a valid value conclusion
- Ensure comparables are reasonable relevant
- Real time reporting on report status
- Provide periodic real estate risk profiles based upon recent reports and market data

WHAT IS IN IT FOR YOU?

"Safe and Sound" business practices and cost effectiveness no longer have to be mutually exclusive. Our Integrated service approach combines REAS professionals with appropriate industry or functional expertise to deliver superior services and results to you.

A&M REAS VALUATION SERVICES: INTEGRATION MATRIX

COST IMPROVEMENT

- Convert cost-centers to a cost-neutral pass through.
- Transition to reasonable customer supported expense structure.
- Access to GKC's > \$1MM in market subscriptions.
- Periodic market update and valuation training sessions

INCREASING EFFICIENCY

- Customized on-line interface for seamless information transfer.
- Reduced turnaround time frames
- Real Time market data availability
- Access to A&M REAS Global Knowledge Center (GKC)
- Engaging only the most qualified firms
- Clients can focus on profit-generating work flows.

REDUCING COSTS

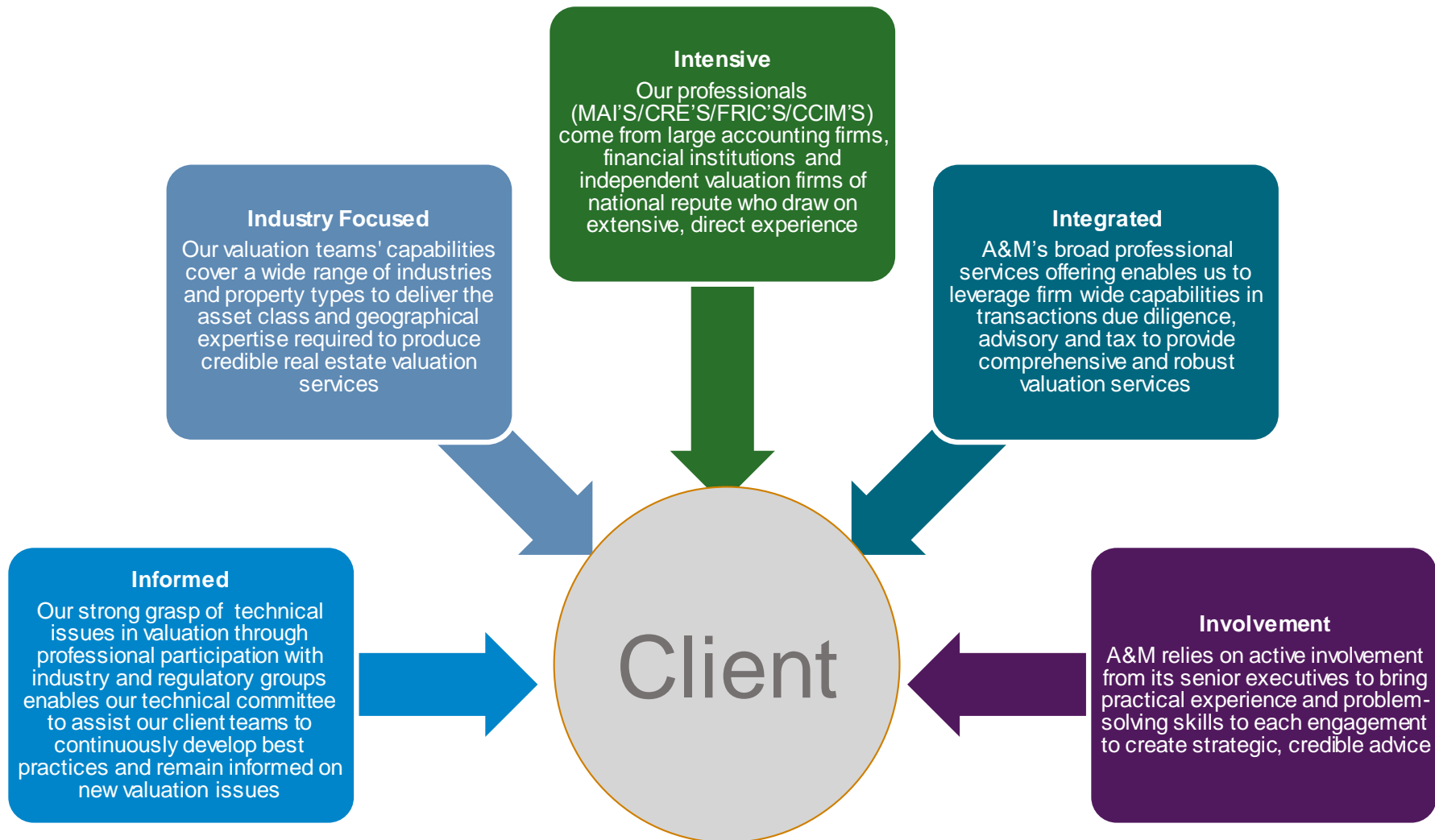
MANAGING RISKS

RISK MANAGEMENT

- Ensure USPAP, FIRREA, and regulatory compliance.
- A&M's services matched to your real estate footprint.
- Unequivocal independence standard.
- Real Estate metrics are vertically integrated to manage portfolio and enterprise level risk management

REAS Valuation Overview

A&M has a core team of key valuation professionals who thrive in an environment of financial complexity and have the experience and knowledge base to fit our skills with your valuation needs, strategy and objectives.



Three Tiered Approach

A&M delivers value by using senior experts equipped with data and learnings from thousands of real estate engagements.

SERVICE: Maximize Process Efficiency

A&M REAS professionals' comprehensive analytic strengths, customizable platform, and research capabilities allows for superior client decision making without increasing your costs and/or staff towards supporting systems, models and manual processes.

PRODUCTION: Provide Tailored and Unbiased Valuation Support

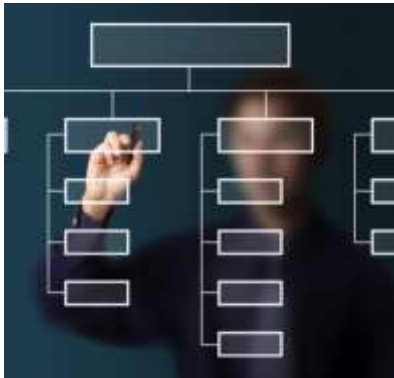
Combining A&M REAS professionals diverse expertise along with our Insight Center (technology and research platform) we manage your needs by delivering timely and reliable reports and ensure regulatory compliance

EXAMINATION: Substance behind the numbers

Leveraging valuation analytics along with our extensive research capabilities provide value-added services to enhance risk mitigation, market knowledge, and corporate decision making.

Real Estate Valuation Projects

Representative case studies



VALUATION MANAGEMENT

A&M manages the valuation process for several firms including one of the largest Wall Street lenders. As part of this process A&M procures and reviews appraisals on behalf of our client and acts as a liaison between the appraiser and lender. This work is often supplemented with AUP and underwriting services. Recent assignments include a \$7 Billion industrial portfolio and several trophy hotels with values in excess of \$1 Billion.



PURCHASE PRICE ALLOCATION

A&M assisted a private equity firm in the purchase price allocation of its acquisition of a national off-airport parking lot company. The valuation included the real estate assets and the intangible assets associated with the company. Additionally, A&M was asked to value parking lot assets acquired in the central business district and other off-airport parking facilities



APPRAISAL

A&M recently completed the valuation of a portfolio consisting of hotel, retail, office, specialty use and vacant land assets in an estate dispute. Valuations were performed for various dates including retrospective and prospective values. Expert testimony was provided to support various claims in the estate dispute.



ENVIRONMENTAL & PROPERTY CONDITION

A&M assists lenders and owners with third party engineering and environmental reports. A&M procures bids and reviews the reports to ensure that reports adhere to ASTM standards and lender specific scopes for Phase I ESA and Property Condition Reports. A&M also assists in evaluating environmentally impaired properties and can also provide remediation support.

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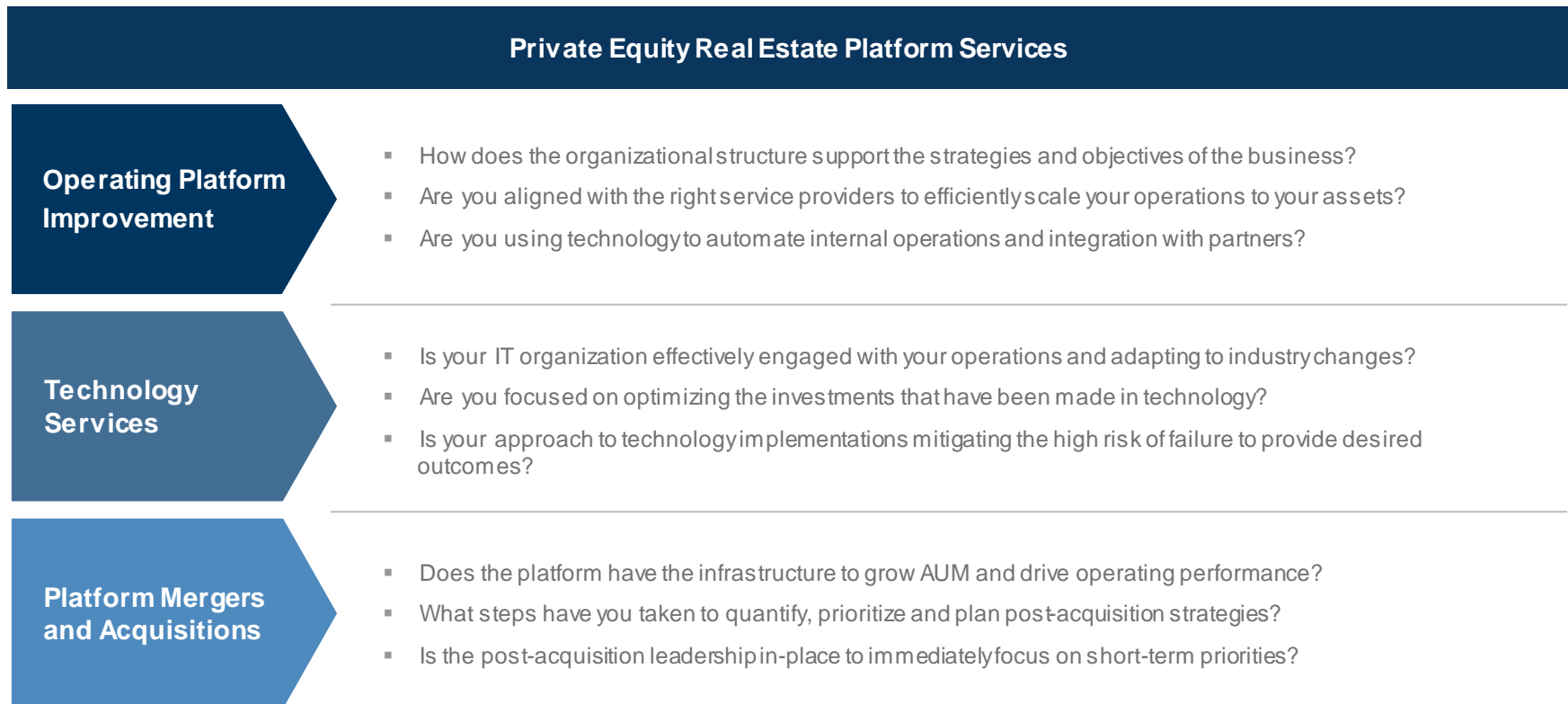
Real Estate Platform Services

ALVAREZ & MARSAL



Real Estate Platforms – Services Overview

A&M leverages deep experience working with real estate owners and investors to optimize functions at the platform and asset level through people, process and technology strategies.



Real Estate Platforms - Performance Improvement

We understand how large institutional real estate investment companies operate and we leverage our experiences to design and implement value-enhancing strategies at the corporate, fund, portfolio and asset levels.

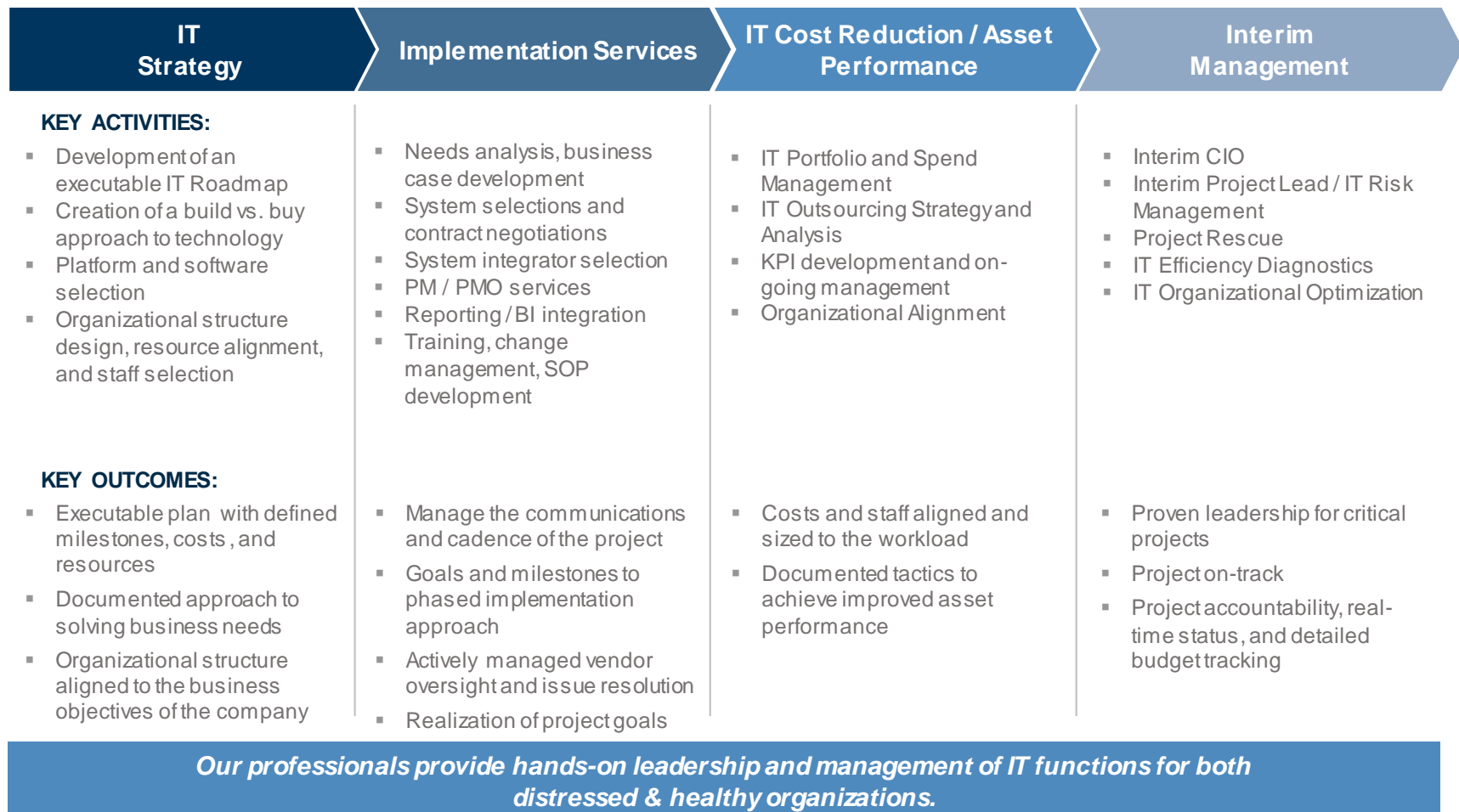
Business Process Improvement & Cost Reduction	<ul style="list-style-type: none">▪ We developed a customizable Real Estate Operating Blueprint (see next slide) that can be leveraged to identify opportunities across the real estate lifecycle from new fund operating platforms to repositioning existing funds to operate more efficiently.
Risk-based Policies and SOP's	<ul style="list-style-type: none">▪ We collaborate with process owners to create efficient and realistic Policies and Standard Operating Procedures (SOP's) that help clients to establish company-wide standards that mitigate financial and operational risks.
Process Automation	<ul style="list-style-type: none">▪ We provide strategy and execution services to transition processes from manual and spreadsheet intensive operations to automated and integrated solutions resulting in efficient processing, and enhanced data integrity and reporting.
Technology Implementation	<ul style="list-style-type: none">▪ Technology Implementation services ensure the highest level of success of technology investments. Our comprehensive approach begins with a requirements analysis and ends with implementation of the best solution to meet the organization's needs.
BPO - (Outsourcing and Offshoring)	<ul style="list-style-type: none">▪ Business Process Outsourcing ("BPO") services provide critical guidance and project management through each phase of the process from requirements/financial analysis through design, selection and implementation.

Our Real Estate Operating Blueprint leverages international industry best practices to create scalable platforms and maximize real estate value across the fund lifecycle



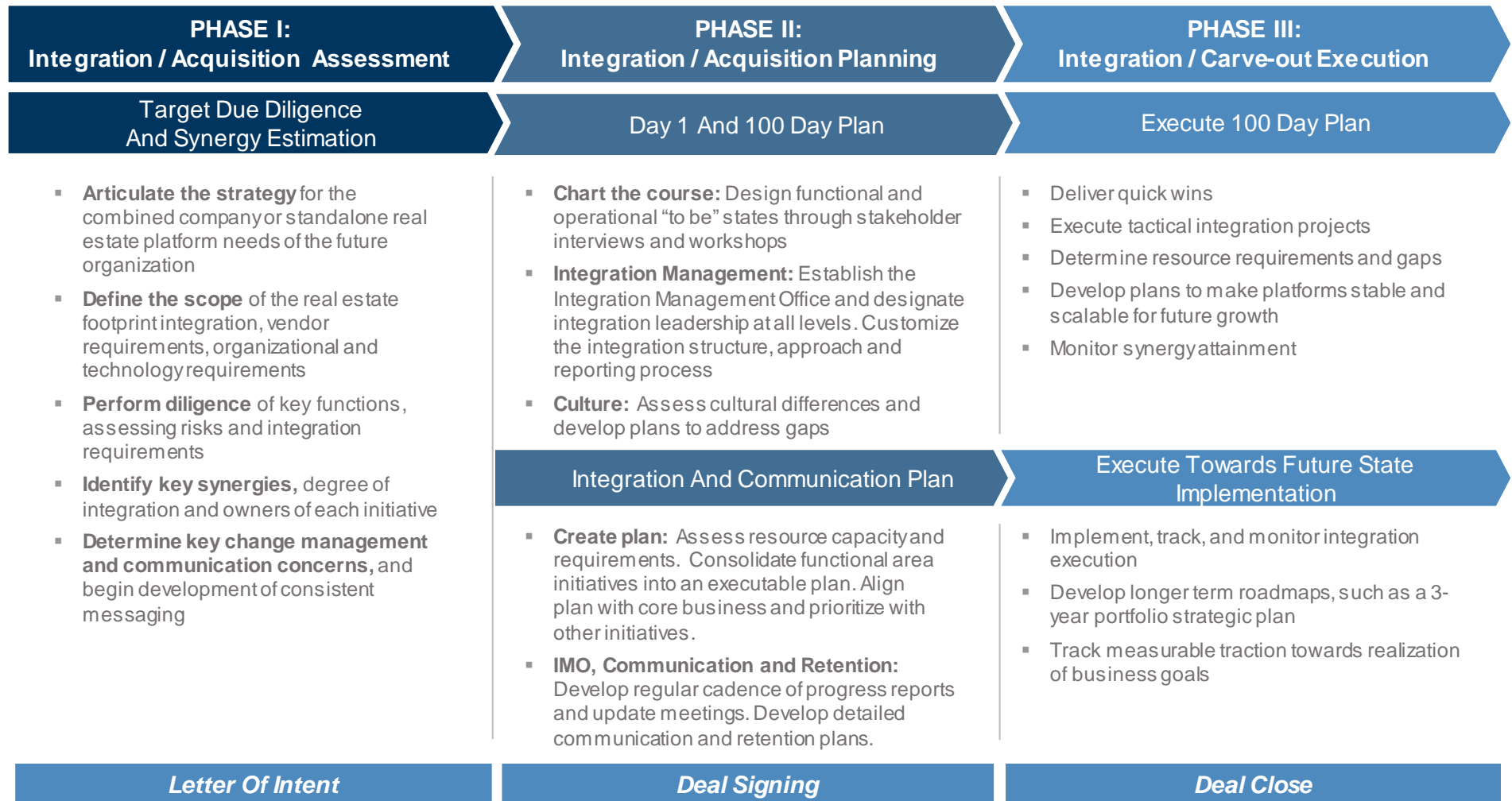
Real Estate Platforms - Technology Services

Our primary objective is to identify opportunities that reduce costs or increase the efficiency of IT across an enterprise or across a portfolio.



Real Estate Platforms - Mergers & Acquisition Support

A&M RE leads and supports the key priorities that drive successful acquisitions, through the three main phases of a merger integration or carve-out event.



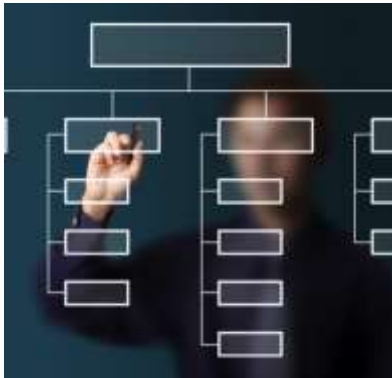
Mergers & Acquisitions Support

Refine key priorities and detailed functional area concerns inherent to achieving the integration objectives.

Functional Areas	Priorities and Consideration
Overall Integration / PMO	Reset integration goals – ensure that management and functional teams have buy-in on what “integrated “ looks like, and what / who decides when integration is complete. Refine or enhance the structured approach, including tracking templates, reports, and a defined integration organizational structure.
Information Technology	Review strategy for IT integration as early as possible, including cost and timing implications. Adjust prioritized pipeline of projects emphasizing master data management initiatives to mitigate quality of data concerns in transition. Focus team on business critical functions first and plan for future efficiency solutions.
People and Communication	Re-assess the cultural integration, focusing on communications and protocols established since the platform inception and the effectiveness across the organization. Communicate early and often, to all stakeholders.
Back-office Operations / Shared Services	Re-evaluate the resources allocated to manage processes, investor reporting and bclMC’s systems integration and reporting requirements. Re-evaluate alignment of expectations and identify gaps in service delivery model.
Finance	Ensure team is focused critical finance activities to mitigate enterprise risk. First priority is to ensure the platform has established policies and controls in place to minimize gaps that may allow for errors, omissions or fraud and redirect resources as necessary.
Tenant Services	Ensure adequate resources to support the transition period have been assigned to minimize tenant disruptions at the property level. Has the platform effectively communicated service standards and established communication channels for both internal and 3 rd party service providers.

Real Estate Platform Services

Representative case studies



LEHMAN HOLDINGS

A&M was tasked with re-building the infrastructure necessary to manage the \$40+ B real estate portfolio. Project included:

- Selecting and implementing a subledger to account for real estate equity, investment and debt positions
- Designing, selecting and implementing an asset management solution
 - Implementation of a document management solution
- Documentation of processes and internal controls
- Selecting external auditor and internal audit partner



HOTEL MANAGEMENT COMPANY

A&M assisted in developing a roadmap for a rapidly growing hotel management company to address key growth issues including organization structure, business processes, internal controls, and information systems. Outsourcing options and needed reports.



BRAZIL HOMEBUILDER

A&M performed performance improvement / turnaround services for a private equity owned Brazilian urban development platform. A&M oversaw all operations and finance workstreams and provided interim COO services.



REAL ESTATE DEVELOPER FOCUSED ON RETAIL AND RESIDENTIAL

A&M conducted an assessment of the IT system and infrastructure of this company which led to an interim management role to transform the IT function. Key initiatives included the outsourcing of IT infrastructure and completion of key systems projects related to business analytics, asset tracking, and pipeline tracking

06



Restructuring Services

ALVAREZ & MARSAL



Corporate Restructuring Services

Alvarez & Marsal brings a distinct hands-on approach to complex operational and financial challenges requiring speed to execution.

Turnaround & Restructuring Advisory

A&M is known for its distinctive restructuring heritage, hands-on approach and relentless focus on execution and results. We deliver specialist operational, consulting and industry expertise to management and investors seeking to accelerate performance, overcome challenges and maximize value across the corporate and investment lifecycles. A&M has been consistently recognized for helping clients drive positive change with international awards from prestigious organizations and publications, including the Turnaround Management Association (TMA) and Private Equity News.

Interim and Crisis Management

A&M acts on an interim basis to fill critical management vacancies such as Chief Executive Officer, Chief Restructuring Officer and Chief Financial Officer, to help guide companies through crises and other challenging business or economic environments.

Case Management Services

A&M Case Management Services (CMS) works to minimize the administrative impact on key employees by managing the organizational and reporting requirements of the bankruptcy process through the use of proprietary, industry-tested processes and state-of-the-art, web-based technology.

Corporate Restructuring Services (Cont'd)

Whether serving as trusted advisers or in interim management roles, A&M stands for leadership, problem solving and value creation.

Corporate Finance

Supporting mid-market transactions, Alvarez & Marsal delivers expertise in mergers and acquisitions for buy- and sell-side transactions, access to senior debt, mezzanine debt and equity, as well as restructuring advice to renegotiate and amend securities.

Creditor Advisory

Alvarez & Marsal provides support to creditor groups with interests in companies engaged in complex restructuring, bankruptcy or distressed situations.

A&M assists creditors' committees to evaluate and ultimately, defend and support the best alternatives to maximize recoveries. Our integrated platform addresses all critical issues faced by creditors' committees. Drawing upon our professionals' in-depth knowledge and experience in restructuring, Chapter 11 bankruptcy filings and relevant industry experience, we can ensure the strongest representation and defense of the committee's interests.

Fiduciary Services

A&M serves as court-appointed trustees, examiners, plan administrators, litigation trustees, liquidating trustees, mediators, monitors and receivers in multiple cases.

Distressed Real Estate

Representative case studies



LEHMAN HOLDINGS

Lehman Brothers was the largest bankruptcy in history.

A&M created asset management platform for \$40+B real estate portfolio of Lehman Holdings to support the business plan development, value recovery and sale of assets in the portfolio.



MSI

A&M assisted the receiver of a portfolio of multi-family properties in valuing the portfolio, developing a strategy to maximize the sales value of the assets (creating three groups of assets) and supporting the sale process.



DISTRESSED LAND FUND

Assisted land fund in valuing its assets and developing a strategy to maximize value while liquidating the remaining assets in an orderly basis over 24 months. The analysis also included an analysis of holding costs and opportunities to reduce the current holding costs associated with the developments.



DISTRESSED HOSPITALITY COMPANY

A&M assisted a PE firm in taking over and moving a distressed hotel manager and owner. A&M relocated the company, provided interim management and assisted in the completion of multiple renovation and construction projects that were in progress.

Distressed Real Estate

Representative case studies



LEHMAN

A&M served in the capacity of CEO of the \$40+ billion (initial value) real estate division of Lehman Brothers Holdings, which included \$800MM in retail real estate. We oversaw the day-to-day management of the assets. We worked with borrowers, development partners, and other lenders in the capital stack in order to establish and implement turnaround and workout strategies for troubled loans and owned assets, with emphasis on maximizing asset values.



DISTRESSED BIG BOX RETAILER

A&M conducted an analysis of real estate operating costs for a bankrupt big box retailer. A&M identified \$20MM savings on \$75MM of spend.



CONSUMER PRODUCTS RETAILER

Conducted analysis of a distressed retailer's U.S. locations to determine strategy for exits of approximately 40 locations. A&M leveraged demographic profiles of high performing stores to develop a strategy to approach key landlords with "trade out" plan in which poor performing locations would be traded for new sites at other landlord owned locations with favorable demographics.



GROCERY RETAILER

A&M conducted business plan reviews and liquidity analyses, assessed real estate divestment strategies, and oversaw all other aspects of the business to preserve and enhance the value of unsecured creditors' recoveries for grocery retailer with 900+ locations.

Distressed Real Estate – (Creditor)

Representative case studies



GERMAN BANK

Provided creditor advisory services for this Germany-based commercial bank with respect to 23 retail development sites at various stages in the development cycle



EUROPEAN BANK

Performed market analyses for over 300 Buffet Holdings' restaurants in connection with a Chapter 11 proceeding



GLOBAL INVESTMENT BANK

Provided due diligence and underwriting services for 26 regional malls owned by General Growth Properties in connection with the first mortgage financing of \$2.6 billion



GLOBAL INVESTMENT AND ADVISORY FIRM

Represented a global investment and advisory firm, in the buy-side due diligence in \$2.1 billion in transactions, including the \$450 million acquisition of six regional malls. Our due diligence included comprehensive financial, market, accounting, and structuring services to facilitate a timely closing of title to and orderly transfer of the properties, leases, and contracts.



GLOBAL REACH. LOCAL APPROACH.



A&M's professionals span across
4 continents and 20+ countries



A&M delivers and maximizes
value in every transaction



It's how we hire and who we
hire that delivers results

ALM Intelligence

"Alvarez & Marsal is still one of the most frequently invoked firms by both clients and competitors in this space. With industry-leading financial due diligence teams, Alvarez & Marsal treats M&A acquisitions as the cyclical counter-weight to its renowned restructuring capabilities."

ALVAREZ & MARSAL

NORTH AMERICA | EUROPE | LATIN AMERICA | MIDDLE EAST | ASIA | INDIA

Looking for the real deal? Every day, Alvarez & Marsal professionals roll up their sleeves to solve complex problems and generate value for clients. Companies around the world know our heritage of operational excellence and trust our senior leaders who work by their side. A&M's hands-on culture values new insights and innovative thinking. We invite you to learn more about A&M at www.alvarezandmarsal.com.