

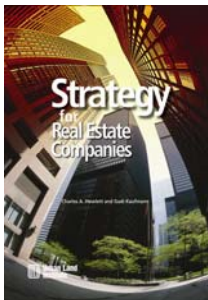


RCLCO

DISTRESSED ASSET & PORTFOLIO SERVICES

For over 40 years, RCLCO has partners with leading real estate companies, financial institutions, corporations, investors, and public and non-profit entities to deliver strategic advice concerning their real estate holdings and interests. We offer entity – and portfolio-level strategy planning, economic and market analysis, due diligence and underwriting services, workouts and restructuring advice, and turnkey development management services. Our foremost goal is to add value to our clients' real estate activities. We constantly refine our concepts and methods in order to identify the best means for helping our clients gain a competitive advantage in the marketplace.

NO "JOHNNY COME LATELY" TO DISTRESSED REAL ESTATE



We are in familiar territory. Unlike newly formed ventures, RCLCO and its principals have been through several major real estate downturns – in fact we wrote the best selling book *Strategy for Real Estate Companies* based on our experience in this highly cyclical business. We are currently engaged in risks associated with entire

portfolios, segments of portfolios, and individual assets well in excess of \$5 billion – including several large, high-profile bankruptcies. Our team combines hands-on development experience with the analytical underpinnings of RCLCO's thousands of consulting engagements to develop and implement a strategic plan to mitigate price erosion, add value to a property or portfolio, and strengthen a client's position in the case of an acquisition or disposition.

CLIENTS

- Funding Investors, REITs and Developers acquiring or disposing of assets or portfolios
- Borrowers, Lenders and Servicers involved in the workout of troubled loans
- Creditors' Committees and Debtor-in-Possession involved in real estate bankruptcies
- Law, Accounting, Restructuring firms, and other professional service organizations

SERVICES

- Strategies to preserve, enhance, and stabilize individual assets, portfolios, and companies
- Valuation advice in support of strategic investments or dispositions of distressed real estate
- Diagnostics of troubled loans and implementation of workout plans.
- Litigation support, forensic analysis, and expert testimony
- Detailed evaluation of restructuring plans for real estate companies

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DISTRESSED ASSET & PORTFOLIO SERVICES REPRESENTATIVE WORK

CLIENT	RCLCO'S ROLE
<p>Creditor Committee for Bankrupt Public Homebuilder 240 communities and land development projects in 13 regions across the United States, with inventory valued at over \$2.8 billion on the balance sheet</p>	<p>Goal: Determine whether the proposed reorganization plan was in the creditors' best interest.</p> <ul style="list-style-type: none"> Performed detailed review of restructuring business plan Conducted forward-looking view of each homebuilding or land development project in the portfolio Conducted competitive market analyses to evaluate the current pricing, product offerings, and market position of each project Analyzed land development issues affecting timing, cost, and development risk Provided hold, reposition, and disposition strategy recommendations Provided litigation support and expert testimony services in this case
<p>Private REIT 14 private equity funds containing senior living, apartment, and commercial assets throughout North America.</p>	<p>Goal: Assess potential equity requirements associated with development stage, incoming producing properties, stabilizing slower than expected with debts maturing.</p> <ul style="list-style-type: none"> Conducted a market and financial feasibility analysis, including examination of the properties in the context of broader market conditions and demand and supply factors, to develop market-driven price and leasing absorption Evaluated loan portfolio and provided strategic recommendations relating to extension options, refinancings, and stabilization plans Provided recommendations relating to property operations, and banking and investor relationships
<p>Private Family-Owned Development Company 20 land development and income-producing properties worth approximately \$200 million</p>	<p>Goal: Restructure developer's bank debt to avoid bankruptcy and to minimize guarantees previously provided by the patriarch, and posture company for upturn.</p> <ul style="list-style-type: none"> Conducted market and financial feasibility analysis to determine value of assets Developed hold, reposition, or sell strategies for each asset Guided client through a successful pre-bankruptcy consensual workout with all of its lenders (including a material reduction of the personal guarantees) Created leasing strategy to stabilize and preserve the income-producing assets' long-term value Revised development projects to reduce development costs and to immediately generate land sale revenues where none were expected for several years
<p>National Bank REO Property Neo-traditional master-planned community with 200 units in early development stage</p>	<p>Goal: Assess project viability as well as potential build-out scenarios and exit strategies.</p> <ul style="list-style-type: none"> Recommended changes to development program to increase property value and to monetize property in shorter time horizon Reviewed project approvals, including terms and tenure of the entitlements, permit expirations, and current zoning and attorney reports Analyzed the community's development status, assessing the progress and condition of construction and inspections, pricing benchmarks, unsold inventory, and planned and existing project amenities Conducted a market and financial feasibility analysis, including examination of the property in the context of broader market conditions and demand and supply factors, to develop market-driven price and absorption recommendations
<p>Private Retail REIT \$12 billion portfolio containing 55 malls and shopping centers in 13 states</p>	<p>Goal: Help the client decide whether or not to monetize its interests in regional malls and to assist in evaluating future funds from operations (FFO).</p> <ul style="list-style-type: none"> Evaluated the deterioration in REIT mall markets and analyzed the value and trajectory of investment opportunities in retail REITs Proposed a retail market monitoring technique that will provide ongoing guidance to the client, enabling them to identify and take advantage of opportunities to meet their business goals