

Statement of Qualifications

Introduction to our Firm

Third Wave Partners is a multidisciplinary real estate advisory and consulting firm with a particular expertise in distressed situations. We provide borrowers, owners, investors, and lenders a wide range of comprehensive services such as turnaround management, loan restructuring, due diligence, valuation, construction and development. Our clients represent the full spectrum of the industry including residential, commercial, industrial, retail, mixed use and, resort and hospitality. We are passionate advocates for the clients we serve, dedicated to finding the most workable solutions to best address their most complex and challenging needs and issues.

Third Wave Partners was formed in August 2008 on a sturdy foundation of more than 200 years of collective real estate and finance experience, involving the successful completion and management of more than \$25 billion in transactions. This includes the \$240 million restructuring and liquidation of a public commercial real estate company, a \$200 million structured financing program for a public commercial real estate company and a \$400 million senior term and revolving facility for the development of land and single family lots in California and Arizona. Our principals have held senior executive positions with major institutions, development and construction companies, and investment management firms. The depth and breadth of this experience through several real estate cycles allows us to apply our unparalleled expertise and leverage our extensive relationships to resolve our clients' most challenging problems.

Depending upon the situation, Third Wave also takes on the role of a principal by directly buying a note or providing capital to a distressed borrower, owner or joint venture with larger institutional investors and real estate operators that are making investments in the distressed segment of the market. Our goal is to invest \$100 million of equity in distressed opportunities in the next 12 months. Investment activity is determined by the quality of opportunities that are available in the market.

We are also a joint venture partner in Next Wave Advisors, Inc. a registered FDIC contractor providing a disparate range of services including bank workouts, asset valuation and repositioning, construction services, disposition and environmental due diligence.

This Statement of Qualifications summarizes our services and experiences. You may also visit our website at www.thirdwavepartners.net . If you wish additional information regarding our services, please do not hesitate to contact us.



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Turnaround Management Services

Third Wave Partners provides turnaround, interim and crisis management on behalf of owners, lenders and investors for real estate operating companies, loan portfolios, private equity funds and single assets. Third Wave represents the interests of capital providers, evaluates the need for replacement or supplemental management and performs key management functions where the interests of management, lenders and investors are misaligned or a sufficient management infrastructure is lacking. Third Wave's services include:

- Investor representation and investment oversight
- Liquidations
- Management transition
- Completion of abandoned projects
- Downsizing
- Strategic planning
- Litigation and contingent liability management

Related Experience

- ◇ Change in control, restructuring and liquidation of \$240 million publicly-traded real estate partnership
- ◇ Evaluation of investor position in savings and loan and ability to impact management and recapitalization
- ◇ Investigation of director conflict of interest and self-dealing on behalf of investor arising out of sale of major office property
- ◇ Represented interests of partner in forcing sale of private partnership interest without discount for illiquidity or lack of control
- ◇ Represented interests of investor in evaluating potential claims against other investors, management and United States in connection with forced recapitalization of savings and loan
- ◇ Managed day-to-day operations and sold off a 900,000 square-foot office park for greater than the original debt, on behalf of the bank group holding it as REO

Loan Restructuring Services

Third Wave Partners provides advisory services to owners, lenders, investors and contractors in connection with problem real estate loans. Third Wave's principals have an



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extensive background in loan workouts, having been through previous real estate down cycles in which we restructured in excess of \$3 billion of corporate and asset-based debt. We also bring a unique perspective gained from acting on behalf of owners, investors and lenders in all levels of the capital structure, and understand the political and other dynamics at work within the parties to a loan restructuring. Services include:

Evaluation of project and capital structure
Restructuring strategies
Negotiate with counterparties
Recapitalization solutions

Related Experience

- ◇ Negotiated the restructuring of a \$37 million cross collateralized loan secured by shopping centers into independent loans with substantial discounted payoffs
- ◇ Negotiated elimination of recourse liability under guaranty for loan secured by Dallas office building
- ◇ Evaluated debt restructuring and strategic options for sponsors in a new condominium project with a total capitalization of \$55 million

Due Diligence Services

The principals of Third Wave Partners have closed more than \$5 billion in real estate transactions and have a deep background in underwriting and due diligence. Our experience crosses all property types from office buildings, retail centers, multi-family properties (including apartments and condominiums) to residential subdivisions and tract development. Third Wave operates in the capacity of owner, investor, senior lender and mezzanine lender, and approaches underwriting based on the particular position of the client in the capital structure. Due diligence services can be tailored to meet the requirements of any entity with a need to investigate the status of real estate, whether it relates to a property acquisition, construction completion, loan re-structure, or a property disposition. Services include:

Market analysis
Financial pro formas
Entitlement review
Lease review
Review of physical inspection, environmental and other third party reports



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Title/survey review
Loan document review
Operations review
Construction costs and progress review

Valuation Services

Third Wave Partners evaluates partnership and LLC and other fractionalized interests, for acquisition as a principal and as a service to third parties. Third Wave Partners has extensive background in partnerships and other investment vehicles with real world experience in liquidations, restructurings and changes in control. In addition, we have been involved as principals in numerous joint ventures and maintain significant relationships in the capital markets. As a result, Third Wave Partners has a unique understanding of the return expectations of capital, promote structures at different points of the investment cycle, and approach valuations from the perspective of a potential investor.

Third Wave Partner's approach to valuation involves the following steps:

Determine value of underlying real estate under current market conditions
Examine leverage on underlying real estate and impact on short- and long-term objectives
Examine factors that impact partial interests, including:

- Marketability of interest
- Control issues
- Management competence
- Transparency
- Buy/Sell provisions, rights of first refusal, etc.
- Tax issues

Construction Services

Third Wave can be brought into the construction of virtually any type of project at any phase of the process -- from pre-construction to various phases of completion to building retrofits and tenant improvements -- in order to protect the interests of the owner and ensure proper project delivery. Acting as advisor, agent or manager, we monitor every aspect of project construction including cost-to-complete analysis, site work, scheduling, updates and value engineering. We can also bring in to assist in construction disputes involving one or more contractors or subs or the evaluation of construction defects.



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Related Experience

- ◇ Construction management for a \$350 million 60-story condominium tower in San Francisco
- ◇ Various pre-construction activities for urban infill and high rise construction projects in California

Residential and Commercial Development

Third Wave Principals have been involved in the development of thousands of residential units and more than seven million square feet of commercial development throughout the United States. Third Wave Partner can act as master developer or can partner with developers on a wide variety of projects including land development, master planned communities and urban infill. Relying on years of experience, Third Wave provides land and property owners with a wide variety of services including entitlement analysis and implementation, leasing and sales, market analysis, and the repositioning of distressed assets. Third Wave plays a vital role in developing exit strategy analysis and implementation for both commercial and residential real estate.

Hospitality

Third Wave has the expertise to assist hotel operators, owners, investors and lenders in the multiplicity of complex operational and financial matters specific to the hospitality industry including market analysis, franchise evaluation, operator selection, and evaluation of hotel flag and management. We have experience in the planning, financing, development, management, acquisition and disposition of a wide variety of hotel/lodging assets. Our experience includes work with independent limited service properties to major global operators of full service resort and conference facilities.

Management

Christopher Grey is a Managing Partner and co-founder of Third Wave Partners, LLC. Previously, he was a Managing Director in the California office of Emigrant Realty Finance, LLC, the real estate group of Emigrant Bank, a New York-based financial institution with \$17 billion of assets. Under his direction, the California office of Emigrant Realty Finance completed and managed on balance sheet \$2.5 billion of debt investments. Prior to joining Emigrant, Grey was a Managing Director and co-founder of Crestridge Investments, an affiliate of Highridge Partners, which is a privately held Los Angeles-based investment company that has completed \$6 billion of principal



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transactions. At Highridge, Grey completed \$600 million of bridge, mezzanine, and equity investments in real estate as well as structured corporate finance investments in several public and private companies. Grey joined Highridge in 1998 from Douglas Emmett Realty Advisors, where he completed nearly \$800 million of real estate acquisitions. Prior to joining Douglas Emmett, he completed \$900 million of acquisitions, joint venture equity, and debt investments in real estate at JMB Realty and Heitman Financial. Grey is a founding member of the Capital Markets Forum II of the National Association of Office and Industrial Properties and the Stanford Real Estate Network. He is a graduate of Stanford University with a degree in Economics and holds a California real estate broker's license.

Mark Abramson is a Managing Partner and co-founder of Third Wave Partners, LLC. He has served in various senior executive positions for real estate investment companies and is a practicing real estate and finance attorney. He served as General Counsel of Highridge Partners, a Los Angeles-based real estate investment company that has acquired or financed over \$6 billion in real estate projects and was a partner in various projects. He also served as Chief Operating Officer of Haverford Capital, a mezzanine and structured finance affiliate of Highridge Partners, responsible for structuring and closing financings, underwriting and management of daily operations. Abramson was also part of the Benequity Properties management team that restructured the \$240 million NYSE-listed commercial real estate company. Serving first as General Counsel and then as Vice President and President, he was responsible for supervising all corporate and legal affairs and assisted in the privatization and management transition following a hostile acquisition and the subsequent downsizing, asset sales and repayment/workout of \$180 million in corporate and asset-based debt. Abramson has also been in the private practice of law with an emphasis on real estate and financing. Abramson was born in San Francisco, California and holds a law degree from the University of California, Hastings College of the Law and a bachelor's degree from the University of California, Berkeley. He is a member of the State Bar of California and the California Receiver's Forum.

David Messing is a Principal of Third Wave Partners, LLC. Previously, he was Senior Vice President and Western Regional Manager for HSH Nordbank, where he was responsible for originating, structuring and managing over \$1 billion of commercial real estate loans in the Western U.S. Prior to starting HSH's San Francisco Representative Office, Messing was Director and Regional Manager for Calyon, running its western regional real estate lending operations. In his role at Calyon, Messing was also the Chief Executive Officer of a bank-owned asset, a 900K sf office park, where he was responsible for property operations, accounting, managing the bank group, and ultimately, the successful disposition of the asset in four separate sales transactions. Prior to Calyon, Messing was Director at Tishman Speyer, where he acquired two development parcels, and managed the redevelopment of a 725K sf office complex in San Francisco.



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Messing also worked at Nomura Asset Capital Corporation and Credit Lyonnais, making commercial real estate loans. Messing has a BA from Duke University and an MBA from Columbia University

Peter J. Laird is a Principal of Third Wave Partners, LLC. He has more than 25 years of experience in commercial real estate, including several senior management positions with various commercial property investment and development companies. Most recently he served as Managing Director for Pacific Century Investment, Inc., a property management, investment and development company specializing in retail properties and shopping centers. Previously he was vice president of Burnett Development Company responsible for acquisitions, dispositions, marketing and in-house legal matters. Laird served as vice president, general counsel and president of Schneider Commercial Real Estate, a state wide commercial brokerage company. Laird has sold more than \$500 million dollars of commercial real estate, including REO from such institutions as Security Pacific Bank, Bank of America, Union Bank and Cal Bank and Trust. He is a licensed California attorney, with a practice emphasis in real estate transactions and leasing. He holds a California real estate broker's license. Laird received his law degree from the University of California, Hastings College of the Law where he was a member of the law review. He received his bachelor's degree from the University of California, Santa Barbara. He is a member of the California Bar Association.

Randall Reel is a Principal of Third Wave Partners, LLC. Previously, he was a Senior Vice President in the Los Angeles office of Pacific Properties, LLC and Molasky Pacific, LLC, a private real estate development company. While there, Reel solicited and oversaw hundreds of millions of equity investments with large institutional partners and executed some large scale urban infill entitlement and development projects as well as large, 150 to 600 units, sub-urban residential development projects. Prior to joining Pacific Properties, Reel was the Senior Vice President of StorAmerica a partnership formed with Lexington Commercial holdings to buy and build a self storage portfolio. Reel headed acquisitions and development building a \$100 million portfolio of 22 properties in a three-year period. With Haverford Capital, a mezzanine and structured finance affiliate of Highridge Partners, he originated mezzanine, equity and debt investments for commercial properties including office, industrial, retail, and mixed use residential all over California. Additionally, in an advisory capacity for Secured Capital, Colony Capital, Ernst & Young and Arthur Anderson Reel worked on the acquisition and disposition of billions of dollars worth of non-performing, sub-performing, and REO portfolios originating with the FDIC, RTC, several private banks and insurance companies throughout the U.S. He is a graduate of California State University, Fullerton with a degree in Business, concentration in Finance.

Dean Lyons is a Principal of Third Wave Partners, LLC. Lyons has over 20 years experience in real estate finance and asset management. Recently, he was a Senior Vice



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President in the Los Angeles office of Macquarie Bank Ltd., an Australian headquartered investment bank, where he focused on the origination of structured real estate finance loans and investments. Prior, he was at Bank of America where he was responsible for the origination of construction and bridge loans on commercial properties and condominiums and overseeing the real estate banking activities for a portfolio of clients. Other previous experience includes leading Nissho Iwai Corporation's (a trading company) activities in structured and mezzanine debt and joint-venture equity on real estate projects for the Western United States. Lyons also held various real estate related positions for Mitsui Construction; The Equity Group; and Homestead Financial. His responsibilities included workouts; acquisitions; asset management; finance; and appraisal work. Lyons holds a BA in Architecture from the University of California and a MBA in Finance from the University of Michigan.

Patrick Brandin is a Principal of Third Wave Partners, LLC. He has over 20 years of experience in real estate and construction project management. Brandin's experience in project delivery ranges from high rise commercial and residential towers to hotel/hospitality projects to semi-conductor/micro-electronics manufacturing and power plants. Previously, he was with Webcor Builders the largest construction company in California. Prior, Brandin was with Swinerton Builders where he held various positions, managing client relationships and delivering such projects as 211 Main and 215 Fremont Street Buildings for the Charles Schwab Company as well as data centers for MCI WorldCom and numerous commercial and industrial clients. Brandin has also held various positions with McCarthy Building Companies and Bramalea Pacific where he constructed clean rooms and micro-electronics manufacturing facilities for Motorola, MEMC and Hyundai MaxMedia as well as Urban Renewal projects in Northern California, at Oakland's City Center. Patrick has a BA from University of California at Davis and Holds a MS from Texas A&M University's School of Architecture in Construction Management.

Bruce F. Davidson is a Principal of Third Wave Partners, LLC. He has close to 20 years of experience in international hospitality and real estate finance. He has been an outstanding contributor from the early days of his real estate career to his past role as Managing Director-Global Head of Hospitality Finance for WestLB AG, a large international bank based in Dusseldorf, Germany. As Managing Director-Global Head of Hospitality Finance for Westby AG, Davidson co-founded the new business unit for the Bank and became responsible for the group's strategic planning and implementation of a global business plan. Over the last eight years, his team has arranged or co-arranged the financing of more than 40 projects worldwide with an aggregate value of more than \$1B. Between 1998 and 2000, Davidson served as VP, Mortgage Officer for National Realty Funding, a startup group focusing on the commercial market in the NY Metro Area. To help get the firm off the ground, he used his large business network and an aggressive call program to win accounts and uncover new opportunities. In his first 12 months, he



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developed a wide range of business from various industry segments and generated nearly \$200M in new business. At Fuji Bank Limited during 1997-1998, Davidson managed a \$400M portfolio collateralized by institutional-grade real estate including office, retail and mixed-use properties throughout the US. In this role, he evaluated various ways of reducing the risk profile of real estate investments and developed the Bank's first investment strategy involving investment grade commercial mortgage-backed securities. The Bank's initial investment was \$300M in CMBS bonds. Davidson holds a BS degree in Accounting from Wagner College, Staten Island, NY. In addition, he has completed substantial additional professional training in real estate matters and finance. He is an active Member of the Urban Land Institute and Council Member.

Dan O'Leary is a Principal of Third Wave Partners, LLC. O'Leary has over 20 years of commercial real estate experience with an emphasis in acquisitions, dispositions, repositioning and development, due diligence and valuation advisory services. Previously, he was Vice President of Acquisitions for Intracorp Properties, a privately held real estate investment company headquartered in Seattle, Washington. Before joining Intracorp, O'Leary was Assistant Vice President of Acquisitions for Harsch Investment Properties, responsible for new acquisitions in California and Nevada. Prior to Harsch, he was Director of Acquisitions for Seligman Western Enterprises and was responsible for overseeing acquisition and development opportunities in California and Nevada. O'Leary has negotiated and acquired over \$500 million in commercial real estate assets including existing office, retail, industrial, multi-family and development projects. As a valuation advisory consultant, O'Leary was a Senior Appraiser in Cushman & Wakefield's San Francisco office. He began his commercial real estate career with Marcus & Millichap in Los Angeles as a sales associate. O'Leary majored in economics at the University of Colorado at Boulder. He received his California real estate license in 1989 and his California Certified General Appraisal license in 1995. O'Leary is an associate member of International Council of Shopping Centers and a member of Urban Land Institute and National Association of Industrial and Office Properties.

Recent Speeches and Publications

As experts in the in providing comprehensive value added workout advisory services to the real estate industry, we are often called upon to share our expertise through the media and by participating in key conferences and seminars.

Christopher Grey
Columnist and Contributor
TheStreet.com
August 2008 to Present



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Mark Abramson
California Real Estate Journal
“Avoiding Foreclosure”
June 2009

Christopher Grey
Crittenden Resort Report
“Holding Capital Hostage”
May 2009

Christopher Grey
Mortgage Orb.com
“Grey Opposes Bank Bailouts”
April 2009

Christopher Grey
The Distressed Debt Report
“Public Private Plan Panned by Some”
April 2009

Christopher Grey
California Real Estate Journal
“The Hangover from the Buying Binge is Just Starting”
April 2009

Christopher Grey
IREI Weekly
“Shop Talk, Q&A with Christopher Grey”
April 2009

Christopher Grey
National Real Estate Investor
“Mark-To-Market Changes Offer Relief to Banks...”
April 2009

Christopher Grey
Western Borrower’s and Investor’s Forum on Real Estate Mezzanine Loans and
Distressed Real Estate Debt
“Inter-Creditor Agreements and Deal Negotiations”
April 2009

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Western Borrower's and Investor's Forum on Real Estate Mezzanine Loans and
Distressed Real Estate Debt
"The Real Estate Mezzanine Lender and Senior Lender Workout Guide"
April 2009

Christopher Grey
RealShare 2009
Capital Markets and Lending
March 2009