

DISTRESSED REAL ESTATE SERVICES



MAXIMIZING
the Value of Commercial
Real Estate Assets



THE BROOKHOLLOW GROUP

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With over 30 years of experience, The Brookhollow Group has prospered through many up and down real estate cycles. The partners of Brookhollow have been together for nearly 20 years and have extensive experience with distressed asset repositioning and receivership assignments.

IN THE PAST 15 YEARS BROOKHOLLOW HAS SUCCESSFULLY:

- Managed distressed asset and receivership projects of approximately 2,700,000 square feet.
- Undertaken real estate projects with an aggregate value surpassing \$700,000,000.
- Acquired existing real estate, both office and industrial, totaling more than 2,500,000 square feet.
- Leased or sold over 3,000,000 square feet of space to over 250 companies.

DISTRESSED REAL ESTATE:

Brookhollow understands the urgent nature of non-performing real estate. Routine, business as usual property management doesn't work. When an asset is under stress the tenants and brokerage community lose confidence in the asset.

As an experienced real estate investor, Brookhollow is able to approach distressed assets with an owner's perspective. Rebranding the property and restoring an efficient operation positions the asset to compete effectively in the marketplace.

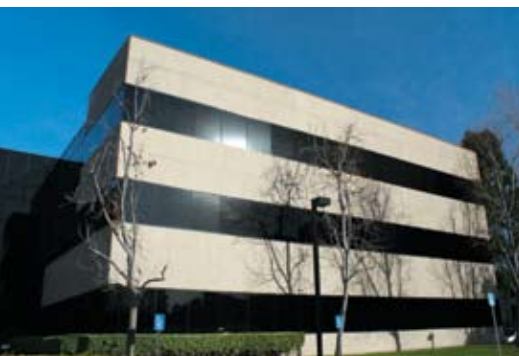


DISTRESSED REAL ESTATE SERVICES:

- Receivership Duties
- Property Management
- Strategic Project Evaluation
- Repositioning Project Image
- Creative Marketing Incentives
- Construction Management
- Leasing Services

DISTRESSED ASSET SERVICES CLIENT LIST:

- AEW Capital Management
- Ameritas/ACACIA
- CIGNA Insurance Company
- Colony Capital
- Copley Real Estate Advisers
- John Hancock
- Wells Fargo Bank



CASE STUDY

SOUTH COAST METRO CENTER



CIRCUMSTANCES:

- South Coast Metro Center is a 489,000-square-foot, twin 12-story office building project in Costa Mesa, California, adjacent to South Coast Plaza.
- Brookhollow was retained by AEW Capital Management in September, 1995 to reposition this troubled project with the goal of maximizing value and selling the asset at the maturity of a Wells Fargo loan in July, 1998.
- Brookhollow assumed the typical duties of a receiver taking control of the project from a defaulted borrower. Brookhollow quickly assessed the property needs and gained control of all banking, cash management, leases, vendor contracts, plans, and project entitlement files and took physical possession of the property.

FINANCIAL STRUCTURE:

- Brookhollow was retained as a fee management, marketing and development partner to enhance the value of the project for both AEW and Wells Fargo.
- Wells Fargo had an ownership participation of \$13,875,000 over and above the restructured par loan of \$25 million. Creating value during the three year plan was critical to maximizing value for Wells Fargo.

CHALLENGES:

- Brookhollow needed to re-establish credibility of the project to gain trust of the tenants and brokerage community.
- The project needed 250,000 square feet of leasing activity in a challenging market.
- Entitlements for the 50-acre campus needed to be perfected with the city of Costa Mesa and adjacent land owners.

RESULTS:

- The project was repositioned with a new leasing team, broker incentive program, quality tenant improvement program, and common area refurbishment. Instant response on deals restored credibility and created a flurry of activity.
- Signed 250,000 square feet of leases over 24 months, bringing the project to 97% occupancy at the time of sale.
- Perfected the entitlements with the city of Costa Mesa for the balance of project.
- Sold the asset together with CB Richard Ellis for \$91,000,000. Upon the sale, Wells Fargo was paid their \$25 million loan plus 100% of their participation of \$13,875,000.

DISTRESSED ASSET PROJECT LIST:



4000 METROPOLITAN
Orange, CA
183,000-square-foot,
4-story office building



**MUIRLANDS
OFFICE BUILDING**
Lake Forest, CA
17,000-square-foot,
2-story office building



**LAKE FOREST
EXECUTIVE CENTER**
Lake Forest, CA
46,000-square-foot,
3-story office building



**LAKE FOREST
PROFESSIONAL
BUILDING**
Lake Forest, CA
27,000-square-foot
2-story office building



**LAMBERT
OFFICE BUILDING**
Brea, CA
33,000-square-foot,
2-story office building



**DAIMLER
COMMERCE CENTER**
Santa Ana, CA
166,000-square-foot,
1- and 2-story flex
office park



PUENTE INDUSTRIAL
Brea, CA
455,000-square-foot,
3 building
industrial complex



**FULLERTON
INDUSTRIAL PARK**
Fullerton, CA
228,000-square-foot
industrial park



COURTYARD 2001
Santa Ana, CA
21,000-square-foot,
2-story office building



CALLE PERFECTO
San Juan Capistrano, CA
45,000-square-foot
industrial building

REGISTER BUILDING
Lake Forest, CA

20,000-square-foot, industrial building

SUNNYMEAD COMMERCE CENTER
Moreno Valley, CA

20,000-square-foot industrial building

SOUTH COAST METRO CENTER
Costa Mesa, CA

489,000-square-foot, twin 12-story office buildings

**MORENO VALLEY
GATEWAY CENTER**
Moreno Valley, CA

50,000-square-foot, multi-tenant industrial park

WILSHIRE FINANCIAL TOWER
Los Angeles, CA

380,000-square-foot, 21-story office building

BROOKHOLLOW OFFICE PARK
Santa Ana, CA

405,000-square-foot, 1- and 2-story office park with freeway showroom space

1560 BUILDING
Santa Ana, CA

38,000-square-foot, 2-story office building

**GREAT AMERICAN SAVINGS
PORTFOLIO** Southern California

Approximately \$200 million of real estate owned and loans acquired from Great American Federal Savings Association

NATIONAL LAND FUND

Northern California, Ventura County, Los Angeles County, Orange County, San Diego County, Riverside County, San Bernardino County, Arizona, Nevada

Approximately \$400 million of real estate owned and loans acquired from the RTC

THE BROOKHOLLOW GROUP

TEAM MEMBERS



James Knapp – DO IT NOW!

"We've developed a culture at Brookhollow where we operate with a sense of urgency. The "Do it Now" motto has defined our attitude from the beginning and helped us survive tough economic cycles and prosper when times are good."



Greg Knapp – PERCEPTION IS REALITY

"Distressed properties create significant stress for the tenants. Their reality is that of broken promises and neglected management. The key is to instill confidence, earn trust, and ultimately change their perception of the property and ownership.

Our job is to restore confidence so the property can perform at its maximum potential."



TEAM MEMBERS

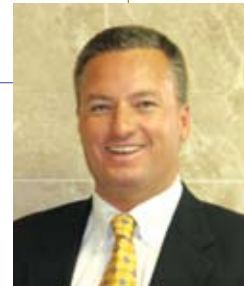
Jeff Kaplan – WHATEVER IT TAKES

"From our experience in past distressed real estate markets we learned to be hands on implementing proactive, efficient marketing programs to achieve ownerships' goals. It's critical to be pragmatic and to provide instant responses to differentiate our assets from others in the market where owners can be distracted or under capitalized."



Randy Taylor – INVOLVEMENT, PRESS ON

"It remains true, whether in an appreciating or depreciating market, that in order to maximize the value of an asset you need a team approach – collaboration and involvement among the owner, brokers, vendors, and our team to press on and make positive things happen."





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151 Kalmus Drive, Suite F-1
Costa Mesa, CA 92626
P: 714.850.3900 F: 714.434.3502

thebrookhollowgroup.com