

Rockwood Capital

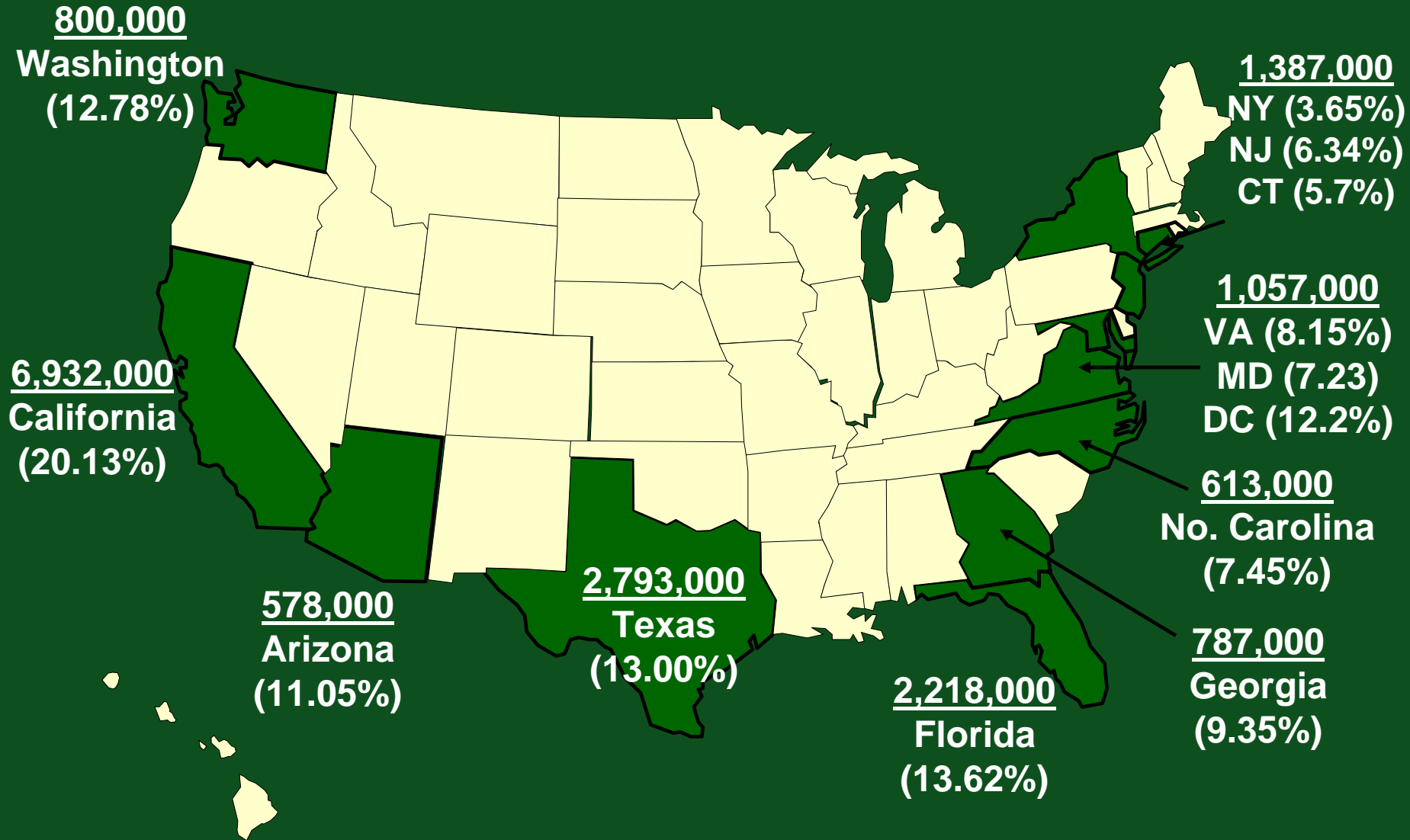
FOUR KEY UNDERLYING FACTORS WHICH WILL INFLUENCE REAL ESTATE INVESTMENT OVER THE NEXT SEVERAL YEARS ARE:

- Capital Flows and Liquidity
- U.S. Employment Growth
- U.S. Population Growth
- Regions Impacted by Globalization/Commoditization

Quality Real Estate in Markets with Opposing Forces of Population/Job Growth and Product Supply Constraint Have Historically Produced Above Market Returns For Rockwood's Investors

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Population Growth – Top Markets by Growth through 2015



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Areas Impacted by Globalization/Population Growth



Investment Strategy	Acquisition Tactics
Office	
<ul style="list-style-type: none"> • High quality workspace in the irreplaceable core location of major metro areas of NY; Washington, D.C.; Boston; West Los Angeles; San Francisco and Seattle 	<ul style="list-style-type: none"> • Owners under duress with inappropriate capitalization and pressure from lenders • Surplus assets from sellers motivated by non-real estate reasons • Development in select markets
Residential	
<ul style="list-style-type: none"> • Multi-family in urban/suburban cores • Select residential in mixed use, amenitized communities • Land in high growth areas 	<ul style="list-style-type: none"> • Failed condominiums suitable for deconversion to rental • Debt positions or purchase from distressed public companies
Retail	
<ul style="list-style-type: none"> • Big box or grocer anchored strip centers in high growth markets • Large malls in established locations 	<ul style="list-style-type: none"> • New development with pre-leasing on prime sites • Older, struggling retail at prime locations in need of repositioning
Hotel	
<ul style="list-style-type: none"> • Full Service properties in core urban or resort locations 	<ul style="list-style-type: none"> • Strategic partnerships and recapitalization • Owners under duress with inappropriate capitalization

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Source of Investments



EmeryBay Retail & Mixed Use
Defaulted Note; Re-capitalization

- Partner Networks
 - Many relationships, some extending over 15-20 years
- Sellers Motivated by Non-Real Estate Considerations
 - Surplus Property
 - Corporate Transactions (Cash / Leverage Motivated)
 - Real Estate Fund Sales (Monetization Pressure/Finite Life)
- Re-capitalization of Existing Ventures
 - Complex, Non-Liquid Partnership Positions
- Note Purchases & Other Debt/Foreclosure/Bankruptcy Created Opportunities
- Traditional Brokerage / Market Transactions



Lotus Corporate
Headquarters
Surplus Corporate Property



Starwood Hotel Portfolio
Balance Sheet Right Sizing