

GEORGE SMITH PARTNERS, INC.

Real Estate Financing & Consulting Services

Gary M. Tenzer; (AB, MBA, MSBA)

Curriculum Vitae

Mr. Tenzer is the Executive Vice President, Co-Founder and Principal of George Smith Partners, Inc., ("GSP") and Managing Director of the George Smith Consulting Group. GSP is a Los Angeles based real estate investment banking, financing and consulting services firm. GSP represents many of the largest and most prominent developers and owners of commercial and residential real estate throughout the country. In 2005, the firm closed over \$3.5 Billion in real estate debt and equity financing and closed over \$2.8 Billion in 2004. GSP corresponds for Wall Street Conduits (CMBS), co-originates FNMA financing through its correspondency with ARCS Financial and originates real estate financing with over 250 lenders on a nationwide basis.

Mr. Tenzer joined George Smith Financial Services (GSP's predecessor company) in 1979 when it was originally established. The company was acquired by Grubb & Ellis in 1982 as their national real estate financing division. After ten years, the firm was re-acquired in 1992 by several of its principals thereby establishing George Smith Partners.

With strong academic credentials and more than 27 years of experience in originating, structuring, underwriting and placing sophisticated real estate financing transactions, he has been personally involved in the placement of over \$4.0 Billion dollars of real estate financing throughout the country. Placements have included: construction loans, permanent debt and joint venture equity. The properties financed were comprised of: residential, multi family, retail, office, commercial, industrial, mixed use, congregate care, hospitality, land development, large-scale community development and special purpose properties with debt and equity financing as large as \$150 Million in debt and equity. Financing sources have included: Wall Street conduits (CMBS), savings and loans, state and federally chartered commercial banks, insurance companies, pension funds, credit companies, opportunity funds, domestic and off-shore equity funds, FNMA, FHA/HUD, etc.

Mr. Tenzer is well qualified to provide expert opinions on real estate financing, feasibility, standards and practices and transaction matters. He has provided expert witness testimony and/or consulting in over one hundred real estate litigation matters. He approaches expert witness assignments from practical, academic and analytical perspectives as well as from his extensive experience gained by being responsible for the placement of real estate financing for his clients in the current financing markets.

Mr. Tenzer founded the George Smith Consulting Group ("GSCG") in 2002 to broaden the litigation support and other professional consulting services available to GSP's clients. In 2002, Tenzer was appointed the real estate financing advisor to The Operating Engineers Pension Trust, \$2 Billion Taft Hartley Pension Fund.

Mr. Tenzer was a member of the board of directors of a NYSE listed developer of active-adult communities, nationwide. He was also a director of a federally chartered commercial bank, serving on both the bank's loan and credit policy committees. He is a frequent guest lecturer in Real Estate and Real Estate Finance at the University of Southern California's Marshall School of Business as well as USC's undergraduate business school.

Litigation Support / Expert Witness Experience:

Mr. Tenzer is an experienced expert witness, having given testimony and/or litigation consulting in over one hundred cases at both jury and bench trials as well as by deposition and declaration. He has provided expert opinions in cases relating to: Interest rate determination, standards and practices of real estate lending, bankruptcy plans of reorganization, real estate financings, disputes between public and private entities, property valuation, project feasibility, lending policy and loan approval issues, partnership disputes and loan restructures standards of care and best practices. He is knowledgeable in the legal matters affecting real estate financing and transactions as well as real estate bankruptcy and mortgage brokerage issues.

He has assisted attorneys by helping select and coordinate the efforts of other experts. In addition to his experience in providing oral testimony, written reports and declarations, Mr. Tenzer is accomplished in the preparation of cash flow projections, performing discounted cash flow, internal rate of return analysis as well as other financial analysis techniques. Combining his aptitude for effective presentation with his computer skills, he has aided attorneys by preparing graphs, ownership diagrams, time-lines, and flow charts as well as other demonstrative exhibits for trial.

Representative Real Estate Litigation Matters:

- Retained by counsel to the Defendant to render expert opinions regarding both the financability and feasibility of a proposed 75,000 Sq Ft medical office building located in Glendale, California. Opinions were also provided regarding procedural issues concerning the lender's loan approval process. Litigation support responsibilities included the coordination of the activities of the appraisal and other financial experts pertaining to the determination of value and the calculation of potential damages, preparation of trial exhibits, etc.
- Retained by counsel to Plaintiff, a Japanese real estate investment and development company, to quantify damages caused by a former corporate officer who had made loans to himself from corporate credit lines at below-market interest rates. Testimony was also rendered comparing the due diligence and underwriting procedures performed when the loans were made; compared to standards in the commercial lending industry.
- Retained by Defendant's counsel in a partnership dispute to testify regarding the fairness of interest rates charged by an investor group, which included the Defendant.
- Retained by counsel to Defendant, a trade union pension fund, regarding assertions made by a developer that specific commitments had been made by the pension fund to provide both debt and equity financing the development of an outlet mall on a former hazardous waste site.
- Retained by counsel to partners of an international developer of "telecom hotels". Allegations were made by another partner who accused the defendant of conflicts of interest between the defendant partners and private investors. Focus was on the comparison between loan terms arranged for development with those available in the commercial lending markets.
- Retained by Plaintiff to testify regarding the standards of care taken by a mortgage broker in a dispute with a former client.

- Retained by Defendant's counsel to render expert opinions regarding the feasibility and financability of a proposed \$110 Million office project. The issues included the market acceptability of a proposed bond lease, as well as the terms that were available for financing the equity and both the construction and permanent debt at the time that the building was to be built.
- Retained by counsel to a co-owner and anchor tenant of a 300,000 Sq Ft office building, to render expert opinions at an arbitration proceeding. The issues related to the determination of the ownership's imputed equity and its ability to finance renovation costs via securing secondary financing. The analysis considered these issues in the context of the current markets for commercial real estate finance.
- Retained by Plaintiff's counsel to render expert opinions at arbitration proceeding. The issues regarded the amount of equity dilution that one general partner should assume by virtue of his non-performance on his obligations to fund additional equity for the development of a 110 unit apartment building in Southern California.
- Retained by Plaintiff which brought suit against a municipality for failure to use good faith in resolving property boundaries on a ground lease property located on a city pier.
- Retained by counsel for the Defendant, a major title company, to render expert opinions regarding the project feasibility and the availability and pricing of construction financing for a proposed condominium project located in Malibu, California.
- Retained Plaintiff's counsel to determine the damages created by the loss of financing opportunities due to a general contractor's two-year delay in the completion of an anchored retail property, located in Southern California.
- Retained by Plaintiff's counsel to render expert opinions regarding the documentation that life insurance companies would typically require from a borrower, as a condition precedent to entering negotiations regarding the restructure of a loan in default.
- Retained by an attorney's insurance carrier (Defendant) in a malpractice case. The assignment was to render expert opinions regarding the damages arising from the loss of a major Southern California multiplex cinema property through foreclosure when financing, which was allegedly arranged by the attorney, did not close.
- Retained by counsel to a union pension fund which advanced real estate development money to help create jobs for its members. An analysis and report was needed to help persuade the U.S. Department of Labor from filing an administrative action against the pension fund for purported improper lending for improper lending practices.

Representative Bankruptcy Matters:

- Represented Creditor, a major offshore bank, as the interest rate expert on the bankruptcy of a 390,000 Sq Ft office building situated on an unsubordinated participating ground lease in Irvine, California.
- Represented Debtor, a partnership owning a 500+ unit apartment property, as interest rate expert. Testimony was provided by report, declaration and in court testimony. The judge adopted approximately 90% of Mr. Tenzer's conclusions.
- Retained by Creditor, a major credit company, to provide interest rate analysis and expert opinions pertaining to the bankruptcy of a mixed-use apartment and office property located in Pasadena, California.
- Retained by Debtor's counsel to perform a lender survey and to render expert opinions by declaration, deposition and bankruptcy court testimony regarding the market rate of interest for a first mortgage on a 210-unit apartment property located in Long Beach, California.
- Retained by Creditor's counsel to opine on the Debtor's plan of reorganization for a 75,000 Sq Ft Mid-Wilshire Boulevard office building. Testimony was given by written declaration and testimony in U.S. Bankruptcy Court resulting in an order for a relief from automatic stay thereby allowing the Creditor's foreclosure to proceed.
- Retained by Debtor's counsel to render expert opinions by declaration and deposition as to the market rate of interest for a restructured first mortgage on 114,000 Sq Ft anchored shopping center located in Thousand Oaks, California.
- Retained by Debtor to render expert opinions and prepare a declaration regarding the fair rate of interest that a lender should charge for a first mortgage on a fully leased industrial property located in Brea, California.

Real Estate Advisory:

- Retained by a \$2 Billion Taft Hartley pension fund as its mortgage advisor on real estate development loans that they provide to developers. The responsibilities have included making recommendations regarding future financing and the restructuring of over \$80 Million in outstanding underperforming development financings as well as evaluating and advising on the sale of assets taken back in foreclosure on loans made before Mr. Tenzer's involvement with the Fund. Additional responsibility includes the development of comprehensive underwriting and lending guidelines to guide the Fund's future lending activities.

Directorships:

- Former Director – NYSE Real Estate Development Company: NYSE listed developer of large-scale retirement communities, single-family housing and congregate care facilities, nationwide. Duties included membership on the Finance, Stock Option and M.I.S. Committees. Additional responsibilities include acting as the supervising real estate broker for all new home sales in the company's Southern California and Los Angeles divisions.
- Former Director - Federally Chartered Bank: As a director of the bank, Mr. Tenzer served on both the bank's loan and credit policy committees. He was responsible for helping to shape the bank's real estate lending policies as well as acting as the resident real estate expert on the loan committee. The bank made construction loans on residential, commercial and mixed-use properties both on a covered and uncovered basis. Mr. Tenzer was also involved in the formation and management of the bank's mortgage banking division.
- Member of Advisory Board – USC Lusk Center for Real Estate: The USC Lusk Center for Real Estate seeks to advance real estate knowledge, inform business practice, and address timely issues that affect the real estate industry, the urban economy, and public policy. The Lusk Center produces relevant and timely real estate research, supports educational programs for students and executives, and convenes professional forums that bring together academics, students, business executives, and community leaders.

Representative Litigation Support Clients:

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| • AMRESKO | • J.E Robert Company |
| • ARBA Development | • J.P. Morgan and Company |
| • Carlsberg Management Company | • Jaeger Management Company |
| • Commonwealth Land Title Insurance | • Kern County PERS |
| • El Paso Associates, LP | • KWP Financial (Kennedy-Wilson, Inc.) |
| • EMC Financial Corp. | • Lennar California Partners, Inc. |
| • Equitable Life Insurance Company | • Manatt, Phelps, Phillips; L.L.P. |
| • Estate of Mark Hughes (Herbalife) | • Markeley Stearns, LLC |
| • Franklin Life Insurance Company | • Mitsubishi, Ltd. - Bank of Tokyo |
| • Fuji Bank, Ltd. | • Operating Engineers Pension Trust |
| • Fujita USA Corporation | • Paragon Development |
| • G.H. Palmer Associates | • Regents of the University of California |
| • General Electric Capital Corp. (GECC) | • Southern Cal. Glaziers Pension Fund |
| • Heitman Financial | • Sumitomo Trust and Banking Co. Ltd. |
| • Hyatt Corporation | • Triple Five Corp |
| • IDM Apartments Corporation | • U.S. Bancorp Financial Corporation |

Representative Law Firms:

- Allen Matkins Leck Gamble & Mallory
- Aran and Miller
- Augustini, Wheeler & Dillman
- Bird, Marella, Boxer, Wopert & Matz
- Boudreau, Albert & Wohlfeil LLP
- Brobeck, Phleger & Harrison
- Cadwalader, Wickersham and Taft
- Costell & Associates
- Cox, Castle and Nicholson
- Fulbright & Jaworski
- Gibson, Dunn and Crutcher
- Haight, Brown and Bonesteel
- Hillel Chodos, Esq.
- Jones, Hirsh, Connors and Bull
- Loeb and Loeb
- Munger, Tolles & Olsen
- Pachulski Stang Ziehl and Young
- Paul Hastings Janofsky & Walker
- Pircher, Nichols and Meeks
- Reuben and Novicoff
- Seyfarth Shaw
- Shepard, Mullin, Richter & Hampton
- Sidley and Austin
- Skaddan, Arps, Slate, Meagher & Flom
- Snell & Wilmer
- Sonnenschein Nath & Rosenthal
- Sperling and Pregande
- Stroock, Stroock & Lavan
- Stutman, Treister & Glatt
- Tuttle and Taylor
- Victor A. Vilaplana, Esq.
- Wynne, Spiegel, Itkin

Education:

- Master of Science in Business Administration (MSBA) 1979: University of Southern California. Major in Real Estate Finance, with specific focus on real estate economics and financial feasibility and rate of return analysis.
- Master of Business Administration (MBA) 1978: University of Southern California. Majors in Finance and Entrepreneurship & Venture Management. Emphasis on capital structure and creation of start up enterprises in the real estate industry.
- Bachelor of Arts (AB) 1976: University of California, Berkeley. Degree in Economics with emphasis on Urban Land Economics and quantitative analysis; minors in Psychology and Astronomy.

Licenses and Memberships:

- California Real Estate Broker's License (since 1978)
- Member - Urban Land Institute
- Member Advisory Board – USC Lusk Center for Real Estate
- Real Estate Cabinet – Jewish Federation of Los Angeles

Publications:

- FMRR: A Programmable Calculator Implementation; in "The Real Estate Appraiser & Analyst"; April '79.
- Are Bankruptcies Coming Soon?; in "Real Estate Southern California "; February 2004

Other

- Hewlett-Packard Company - Software Consultant: Mr. Tenzer assisted in the design, programming implementation, testing, documentation and the preparation of user manuals for the real estate and financial analysis software for Hewlett-Packard's hand-held calculators and portable computers. He presently is a member of a small group of professionals that guides Hewlett Packard on the design and implementation of future calculating and computing products.