

# CALIFORNIA FIRST, LLC

**California First, LLC**, is a venture of **Hines and ACRE, LLC**, which will be managed by Hines.

California First's investment consortium, described below, has collectively executed transactions with a combined value in excess of \$75 billion, and managed on its own behalf and for third parties, a portfolio of more than 1,500 properties including skyscrapers, corporate headquarters, government facilities, mixed-use centers, industrial parks, medical facilities, and master-planned resort and residential communities.

## MANAGER

- **Hines**  
(headquartered in Houston, TX, with regional offices in San Francisco, Los Angeles and Sacramento)

Hines is a privately owned, international real estate firm that has provided the highest level of quality, service and value to its clients and investors for more than 50 years. The Hines portfolio of projects underway, completed, acquired and managed for third parties consists of more than 1,100 properties including skyscrapers, corporate headquarters, government facilities, mixed-use centers, industrial parks, medical facilities, and master-planned resort and residential communities. Currently, the firm controls assets valued at approximately \$22.9 billion.

([www.hines.com](http://www.hines.com))

- **ACRE, LLC**  
(headquartered in New York City and Irvine, CA)

ACRE is an international private equity firm with operations in the United States and India. The ACRE team has collectively executed more than \$10 billion in transactions and has raised over \$3.5 billion in investment funds. ACRE is managed by an experienced team of real estate professionals with significant experience and expertise in acquisitions, dispositions, capital markets and financing, market research, asset management, and investor relations.

([www.antarcticacapital.com](http://www.antarcticacapital.com))

## INVESTORS

- **PRP**  
(headquartered in Washington, DC)

PRP is a privately-held investment firm founded in 2005 by Paul C. Dougherty. The firm manages opportunistic investment funds, including a fund focused on government assets providing investors with value-added returns for a core risk profile. PRP has invested in over 45 transactions, including \$400 million in government leased properties. PRP currently has \$350 million available for investment in the Golden State Portfolio transaction.

([www.prprei.com](http://www.prprei.com))

- **Belgravia Capital**  
(headquartered in Irvine, CA)

Belgravia is an investment company specializing in complex real estate financings. Belgravia has originated real estate financings exceeding \$3 billion annually. Belgravia currently has \$200 million available for investment in the Golden State Portfolio transaction.

([www.belgravia.com](http://www.belgravia.com))

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- **Woodmont Capital Partners**  
(headquartered in Bethesda, MD)

Woodmont Capital Partners LLC (“WCP”) is serving as manager for a \$1 billion real estate opportunity fund, WCP Realty Fund LLC (the “WCP Fund”). WCP’s principals have over 40 years of combined real estate investment, finance and legal experience, and have collectively completed in excess of \$10 billion in real estate debt and equity transactions. Currently, the first targeted investment, wherein WCP expects to invest the majority of the WCP Fund, is the Golden State Portfolio transaction.

([www.woodmontcp.com](http://www.woodmontcp.com))

- **Steadfast Companies**  
(headquartered in Newport Beach, CA)

Steadfast Companies is a privately held real estate investment company. Steadfast controls, operates and manages approximately \$1.8 billion in assets.

([www.steadfastcompanies.com](http://www.steadfastcompanies.com))

- **Black Equities Group**  
(headquartered in Beverly Hills, CA)

The Black Equities Group and its affiliates own in excess of 18 million square feet of property. Black Equities and its affiliates currently manage six million square feet of property.

([www.blackequitiesgroup.com/](http://www.blackequitiesgroup.com/))

- **CityView**  
(headquartered in Los Angeles, CA)

CityView is one of the nation’s premier institutional investment firms focused on urban real estate, in-city housing, and metropolitan infrastructure. Founded in 2000 by Henry Cisneros, Secretary of the U.S. Department of Housing and Urban Development in President Clinton’s Administration, CityView has generated more than \$2 billion in urban investment in 45 communities across the United States.

([www.cityview.com](http://www.cityview.com))

- **AE Capital Advisers**  
(headquartered in Stamford, CT)

AE Capital Advisers is an independent alternative asset investment adviser, portfolio manager and asset manager specializing in the provision of advice and management of alternative asset portfolios for institutional investors since 1996. With five offices on three continents AE Capital Advisers provides clients with a global perspective and covers the complete range of real alternative assets; infrastructure, real estate, private equity, credit and natural resources.

([www.accesscapitaladvisers.com](http://www.accesscapitaladvisers.com))

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- **Capital Pacific Holdings, Inc.**  
(headquartered in Newport Beach, CA)

Capital Pacific Holdings is a diversified real estate development company headed by Hadi Makarechian. Mr. Makarechian serves as Chairman of Makar Properties Board of Directors and Banning Lewis Ranch Management Company. Mr. Makarechian served as chief executive officer and chairman of the board of directors of Capital Holdings, Inc., a company he founded in 1991. He also founded and served as president of Shamron Corporation from 1979 to 1991. Mr. Makarechian is a Regent of the University of California.  
([www.cph-inc.com](http://www.cph-inc.com))

- **The Linc Group**  
(headquartered in Irvine, CA)

The Linc Group will help coordinate the energy efficient retrofit of the Properties and thereby lower building energy usage and utility costs. Linc is an award-winning provider of HVAC and building systems services, lighting and electrical solutions, and other support services to thousands of commercial, government, and residential clients worldwide.  
([www.thelincgroup.com](http://www.thelincgroup.com))

- **GreenSpace Developments**  
(headquartered in New York)

GreenSpace Developments (GSD) is a women/minority owned real estate investment firm focused on producing superior market risk adjusted returns. GSD partners with tax-exempt entities to buy commercial real estate, reposition the assets and convert them into owner-occupied properties.  
([www.gsdfunds.com](http://www.gsdfunds.com))

## MANAGEMENT TEAM

***California First's management team is uniquely positioned to provide the State of California with the greatest net proceeds from the sale of the Golden State Portfolio and to ensure the closure of the transaction in the shortest time possible.*** The team has considerable experience in managing the challenges related to State-owned real estate acquisition and financing, including direct experience in the privatization and financing of state buildings. Our team's unique knowledge of the Properties and their current financial structure gained through their direct personal experience acting on behalf of the Department of General Services and the State of California in underwriting the bond sales that financed them (including financing four of the Properties in the Golden State Portfolio) will prove invaluable in ensuring that this transaction is closed in the shortest possible time frame.

***On behalf of California First, Colin Shepherd and Rich Mayo will serve as managing partners, coordinating the purchase and transition of operational control of the Golden State Portfolio. They have worked together since 1986, collaborating on several large scale real estate investment and development projects in California.***

**Colin Shepherd** heads the business activities of Hines in a variety of metropolitan areas within the West Region, including Los Angeles, Seattle, Portland, Las Vegas and Salt Lake City. Since joining the firm in 1982, he has supervised all phases of development, management, leasing and/or acquisition of more than 21 million square feet of commercial real estate valued at more than \$6 billion.

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**Rich Mayo** has over 25 years experience in the California real estate industry and has been personally responsible for nearly \$5 billion in real estate transactions, including nearly 20 million square feet of commercial office properties. As an appointee of former Governor Pete Wilson to the State Department of General Services, Mr. Mayo was responsible for overseeing the consolidation and privatization of the State of California's 35 million square foot real estate portfolio.

**Grover McKean** has substantial experience with financing real estate for the State of California as the former official in charge of all debt issuance for the State, and later as an investment banker for three major firms that served the State of California and its debt issuing agencies. Mr. McKean served as Deputy State Treasurer of California for six years. During this time he supervised the structuring and sale of California's entire general obligation, revenue and lease purchase bond program, totaling several billions of dollars. He was the State Treasurer's liaison to all state agencies, including the Department of General Services, seeking to issue debt obligations encumbering the State of California. On behalf of the Treasurer he served on 21 boards and commissions dealing with the state's General Obligation and Revenue Bond Obligations.

Mr. McKean has intimate knowledge of the State of California's perspective on credit, budgetary concerns, real estate debt obligations, and the financing formulas that were used to create the State's lease purchase revenue bond programs, particularly through his extensive experience supervising the issuance and sale of all State securities. After leaving state government, Mr. McKean served as the senior banker on the financings for four of the Properties in the Golden State Portfolio, with his responsibilities including structuring and liaison with the various State Office Building Authorities and the Department of General Services. Mr. McKean also has had considerable success raising investment funds from institutional investors, helping to raise over \$3 billion. He was appointed President of Trust Fund Advisors, a SEC registered investment advisor for union pension funds. TFA had \$4 billion dollars under management and served over 80 separate union pension funds.

**Paul Dougherty** has over 20 years of private equity real estate investment and financing experience. He is the founder and President of Washington, DC based Perseus Realty Partners and served as Managing Director of the Eastern Region of CBRE Capital Markets and as the national director of the Finance Capital Markets Group for Insignia/ESG. Over his career, he has been directly involved in the financing and structuring of over 100 real estate transactions, totaling more than \$10 billion in property value.

**Chandra Patel** has over 18 years experience in cross-border investment transactions. He has significant experience in structuring the acquisition of government-owned assets and innovative capital market transactions. Mr. Patel founded Antarctica's private equity business, and raised its first real estate fund from institutional investors and a sovereign wealth fund.

**Jim Bonham** is responsible for asset management services for approximately eight million square feet of commercial office buildings in California. Since joining Hines in 1988, Mr. Bonham has provided asset and property management services to more than 10 million-square-feet of commercial real estate valued at over \$2.5 billion.

**Thomas M. Kruggel** currently oversees the operational activities of over almost 29 million square feet of real estate projects throughout the Western United States. Since joining Hines in 1984, Mr. Kruggel has contributed to the management of over 40 million square feet of commercial real estate and has directly served as Manager of over 5 million square feet of high rise office space representing over \$1.5 billion of value.

**Skip Weiss** is Manager responsible for overseeing all engineering operations for Hines West Region that includes 34 properties totalling over 18 million square feet. Since joining Hines in 1976, Mr. Weiss has been involved in all aspects of office building start-up, operations, maintenance and

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assessment. He continues to provide experience, leadership, direction and training to 26 engineering managers and assistant engineering managers in the West Region.

**Brian Plymell** is responsible for overseeing property management operations for over 12 million square feet of office property in California. Since joining Hines in 1993, Mr. Plymell has been responsible for the management of over 20 million square feet of commercial office space in major Los Angeles, Orange County and San Diego County submarkets for a variety of Hines- and institutional- owned real estate ventures.

**Tom Dunphy** has successfully structured and marketed over \$3 billion of California tax-exempt and taxable debt involving significant capital improvement projects. He also possesses extensive experience with innovative debt structuring features related to infrastructure financing. In his banking and advisory capacity, he served as senior banker to the California Community College System, the University of California Regents, and performed advisory and banking services for the University of California (Berkeley Campus) as an investment banker. Mr. Dunphy's banking and advisory clients have included the State of California, various cities and counties in California, special financing entities such as the San Francisco Building Authority, Los Angeles State Building Authority, LA Metropolitan Transit Authority, and a number of specially created joint venture entities whose mission is to encourage community economic development.

**Lindsay Stroud** focuses on debt and equity financing opportunities. He has held senior positions at Perseus Realty Capital and Phillips Realty Capital responsible for providing real estate advisory and capitalization services to real estate developers and investors. He has been involved in the underwriting, sourcing and placement of debt and equity capital of over \$2 billion in transactions. Previously, Mr. Stroud served in various capacities of the Clinton Administration including as White House Liaison to the Environmental Protection Agency and Assistant Chief of Protocol to the President.

**Alex Pop-Lazic** has concluded various financial advisory and structuring engagements totaling over \$25.5 billion in financing, including representation of the State of California Department of Finance. Transactional experience includes strategic financial planning, public offerings, working capital/deficit financing, private placements of equity and debt, project finance, debt restructuring, derivatives – evaluation and implementation, lease-backed, toll, tax increment, public utility, and revenue debt as well as GOs.

**Brad Schlaak** has over 17 years of experience in the commercial real estate industry and is responsible for over \$750 million in real estate transactions. Mr. Schlaak's background includes extensive experience in acquisitions /dispositions, leasing, asset management, portfolio services, market analysis, valuation, and financial modeling. Mr. Schlaak's analytical approach and diverse background gives him the ability to navigate complex transaction structures and successfully manage assets for optimal yields.

## CONSULTANTS AND ADVISORS

### Legal Counsel

California First has engaged as counsel the law firms of **White and Case, LLP** as general counsel and **Allen Matkins Leck Gamble Mallory & Natsis LLP** as its real estate counsel.

A name partner of the firm of Allen Matkins Leck Gamble Mallory & Natsis LLP, **Tony Natsis** is the chairman of the firm's 125-attorney Real Estate Department, and is one of the top real estate attorneys in the United States. He specializes in development, leasing, purchase and sale, and portfolio investment sales transactions, involving office, retail, and industrial projects.

# **CALIFORNIA FIRST, LLC**

## **PROPERTY INSPECTIONS & DUE DILIGENCE**

**DPPM** and **Rudolph and Sletten** was engaged by California First to perform property inspections and physical due diligence of the Golden State Portfolio. Over the past several weeks, representatives of the California First management team and its consultants have toured each of the Golden State Portfolio properties, inspecting the physical plant and interviewing on-site management and engineering personnel. Additionally, the team has thoroughly reviewed all of the reports and documents provided by the State and CBRE.