
our services & qualifications





Introduction



Our objectives are to serve our clients well, to meet their needs with thoughtful, creative and relevant counsel, and to do so as cost effectively as possible.

Waronzof Associates, Inc. is a Los Angeles-based land economics and real estate consulting firm formed in early 2000. The firm provides land economics and real estate consulting services to private, public institutional and fiduciary clients in four service areas - **Consulting, Complex Valuation, Litigation Support** and **Asset Management**.

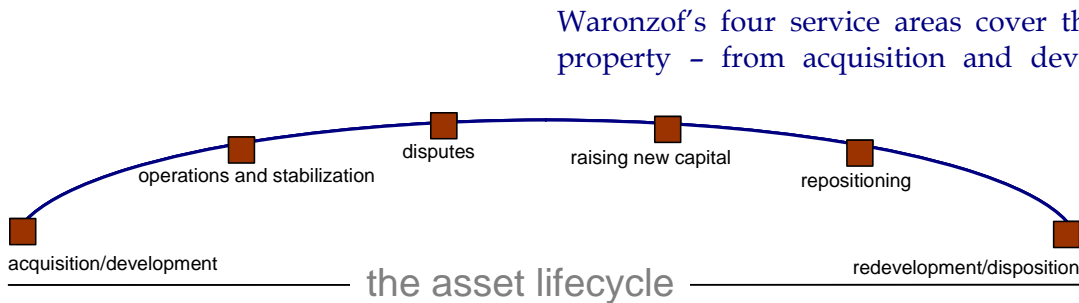
Land economics is the study of land and its improvements in terms of its productivity, profitability and utility for a specific use. We consider the properties and problems we encounter in the context of their surroundings and economic relationships - private or public, direct or indirect and monetary or non-monetary.

Since formation, the firm has served a variety of clients, among them Latham & Watkins, Kilroy Realty Corporation, Rus, Miliband & Smith, Morrison & Foerster, California State Teacher's Retirement System, Segerstrom Companies, Allen, Matkins, Leck, Gamble & Mallory LLP, Trammell Crow Company, PerkinElmer, Edward's Theatres, Deloitte & Touche, Cygnion Corporation, the City of Tukwilla, Billet, Kaplan, Sokol & Dawley, Pulte Homes, City of Chula Vista Redevelopment Agency, the Worldwide Church of God, Sisters of Social Service, Blue Cross & Blue Shield of Louisiana, Hellmuth, Obata & Kassabaum (HOK) and others.

Our work in different venues, with a wide variety of clients and complex properties, gives us a unique perspective on real estate problems, solutions, benefits and opportunities.



Our Services



The elements

common to each of the service areas are the analytical tools of the real estate industry - property analysis, market analysis, real estate finance, operations, due diligence and strategy. These tools are fundamental to each service area, but are used in different ways and contexts. The specific work undertaken for a particular assignment depends upon the objectives for the project, client needs, industry practices and regulatory requirements.

In most markets today, the best performing properties create great places where people can gather, work, collaborate and recreate in an environment that is exciting, vibrant and very well managed. Properties that perform this way provide superior returns and value creation. Companies that develop and operate these kinds of properties provide superior returns.

Consulting covers the broad array of real estate problem solving for individual properties, portfolios and for real estate enterprises. *"How do we best use it?" "What kind of tenants should we seek?" "What do we do with it now?"* are consulting kinds of questions. We tailor our approach based on the specific needs and goals of the property or portfolio owner. Our consulting assignments help define strategy, position properties in the market, refine concept plans, assist in transactions, and help real estate owners and developers make decisions about their properties.

Complex Valuation includes property and portfolio valuation services, including appraisals and specialized forms of value reporting such as Financial Valuation or Fair Compensation. Our practice concentrates in valuation problems involving very large, unique or complex assets - such as the valuation of a major office building or regional shopping complex - as well as the valuation of real estate partnerships, holding companies or other partial interests.

Litigation Support includes analysis of properties, projects and real estate entities in the context of litigation, dispute or in avoidance of litigation. Our services include economic analysis leading to conclusions of lost profits, economic damages, property value, loss of economic viability and estimates of fair compensation. We also serve as consultants and facilitators on behalf of parties involved in settlement discussions, in mediation or arbitration. We may serve as a neutral arbitrator. Since the litigation environment is so complex and costly, and owing to the practices and requirements that result from case law and jurisdictional rules, property analysis, valuation and estimation of damages in litigation is a specialized discipline.

Asset Management describes the services that we provide related to the acquisition, disposition and operation of commercial and investment property. These services include assisting buyers acquiring property and investors evaluating the proposed plans and acquisitions of project promoters, completing detailed due diligence for property acquisition, assisting owners in the preparation and search for debt and equity investment, analyzing the financial impacts of differing development or deal structure alternatives, assisting in negotiations for lease or purchase, preparation for disposition or redevelopment and the search for prospective buyers or bidders for specialized properties. To facilitate some of these services, Waronzof has an affiliate, Waronzof Realty, Inc. that provides certain select services for which a brokerage license is required. Waronzof Realty, Inc. does not provide traditional commission-based brokerage services.

- Complex financial analysis
- Highest & best use
- Market studies
- Investment analysis
- Real estate finance
- Tax increment analysis
- Strategic planning
- Best practices analyses
- Peer analysis
- Enterprise models
- Negotiations assistance
- Transaction structuring
- Acquisition due diligence
- Disposition services
- Asset management
- Economic damages
- Lost profits
- Lease disputes
- Litigation support
- Complex valuation
- Partial interest valuation
- Partnership interest valuation
- Eminent domain
- Fiscal impact



Our People & Resources

We have an outstanding group of professionals at Waronzof. Each is highly skilled as a real estate consultant and analyst and each has diverse experience:

- **Timothy R. Lowe, MAI, CRE, FRICS, Principal & Founder**

Real estate consultant and appraiser with 30 years experience in property and portfolio level analysis, real estate enterprises; practice emphasizes real estate litigation and counseling.

- **Joseph P. McNulty, Senior Associate**

Former Deloitte & Touche partner specializing in real estate debt and equity transactions, real estate capital markets; sub-specialty in real estate information systems. Co-founder and managing member of Edgewood Realty Partners, LLC. MBA from USC.

- **Eric Dicus, Associate**

Wharton Bachelor's degree, four years experience in corporate real estate at Deloitte & Touche, UC Irvine MBA (2003), five years experience at Waronzof. Eric is a candidate for the CFA designation and has passed his level one examination.

- **Brian Gross, Associate**

Brian has three years experience at Waronzof, two years experience in environmental analysis, and two years in construction cost estimating and project management. Master's in Urban Planning from UCLA (2002) and MBA from UC Irvine (2004). Brian is a LEED Accredited Professional.

Waronzof relies upon the use of a variety of resources and specialized forms of analysis to accomplish its consulting and advisory work. Among these resources are the following: extensive use of financial modeling and project analysis software, including Excel, Access, Microsoft Project, Argus and Pro-ject; the use of geographic information systems (“GIS”) (computerized mapping analysis) such as MapInfo and Arcview for project and market analysis; and the use of databases of financial, legal, real estate and market information through sources such as Westlaw, Thomson Financial SDC, Dialog, Dunn & Bradstreet, Investext, Metroscan, Costar. and other data providers. We pride ourselves on our use of very current and sophisticated sources of financial and property information in all of our engagements. As an adjunct to its consulting activities related to property acquisition and disposition, and in compliance with California law, Waronzof has as an affiliate, Waronzof Realty, Inc., which is a licensed real estate broker. Waronzof Realty, Inc. does not undertake or provide conventional agency services, but allows Waronzof to provide certain acquisition or disposition services.

- Waronzof Realty, Inc.
- The Muldavin Company
- Barrett Sports Group, LLC
- Discovery Economics
- Clarion Associates
- Consensus Planning Group
- HOK Advanced Strategies
- Bard Consulting

Waronzof Associates also maintains alliances with other professional service providers providing public accounting, tax, finance, systems consulting, litigation support and real estate and business valuation services. We maintain close alliances with three firms in particular -

The Muldavin Company, Inc.

Discovery Economics

Barrett Sports Group LLC

These firms provide consulting in real estate finance and economics, litigation support and accounting, and specialized consulting and advisory services for sports and entertainment facilities.



Engagements

The engagements Waronzof and its professionals have completed for its clients demonstrate the strengths of our firm - a commitment to creative, thorough and discriminating analyses, a willingness to work hard meet challenging deadlines, and effective communication of our findings and conclusions. We take great pride in our work, and we are mindful that our analyses and conclusions compete with the opinions of others and must be persuasive and effective. Our clients retain us during times of great need to provide analyses and recommendations that have real consequence and meaning - whether in a courtroom, a negotiation, before a public body or around a conference table.

Consulting

Kilroy Realty Corporation
City of Long Beach
Redevelopment Agency
Blue Cross & Blue Shield of
Louisiana
City of Tukwilla
Calais Company
Municipality of Anchorage
Worldwide Church of God
Cockrell Interests
City of San Diego
Redevelopment Agency

- Analysis of corporate strategy alternatives for a 45 year old closely-held real estate holding company in transition.
- Analysis of agency best practices and project-specific evaluation for a California redevelopment agency.
- Reconnaissance and evaluation of light rail transit alternatives in Tukwilla, Washington (Seattle metro area).
- Evaluation of the 53 acre Ambassador College campus in Pasadena for reuse and redevelopment.
- Project assessment for the \$400 million Tren de La Costa transit/retail project in Buenos Aires, Argentina.
- Residential Housing Study for the nation of Argentina for a New York investment bank.
- Financing alternatives study for a major health insurance provider for a \$100 million headquarters facility in Southern California.
- Absorption analysis of a proposed business and industrial park located on the US/Mexico border at a new commercial border crossing.
- Financial analysis for a combined headquarters expansion and association community center development on behalf of a health care insurer located in Louisiana.

Litigation Support

- Estimation of the value of a partnership interest in a general partnership subject to California's Revised Uniform Partnership Act and its "dissociation" provisions.
- Analysis of the impact on economic viability and profitability of a local community zoning ordinance on residential development land for purposes of a regulatory takings challenge.
- Estimation of fair compensation for a partial taking of a large residential development in Hawaii for municipal redevelopment purposes.
- Estimation of value, interest rate analysis and reorganization plan feasibility for a bankruptcy involving a large apartment complex in north Los Angeles County.
- Services as a consultant overseeing the breakup of two development ventures controlling \$250 million in development land and completed office buildings in San Diego.
- Estimation of fair compensation for a partial taking of a newly-developed residential project in Phoenix.
- Estimation of economic damages alleged to have occurred arising from the breach of fiduciary duty by a timber manager of Indian-owned timberlands.
- Estimation of "intrinsic" value and economic damages arising from a judicial foreclosure action under California's 1938 intrinsic value definition.
- Estimation of value and fair rent in actions brought against pension fund trustees for failure to act as a fiduciary in real estate transactions involving training facilities and convenience stores.
- Estimation of value for property tax purposes in property tax disputes involving hotel-resort-golf properties in Orange County.
- Estimation of fair compensation for full and partial takings involving airport lands.
- Economic damages analysis arising from a breach of a purchase and sale agreement for a large-scale residential development.
- Estimate of fair compensation arising from the taking for and construction of a high voltage transmission line.
- Estimate of damages arising from attorney malpractice involving a failure to disclose the presence of lead-based paint in a residential apartment complex.

Morrison & Foerster
O'Melveny & Myers
Rus, Miliband & Smith
Latham & Watkins
Sheppard Mullin Richter &
Hampton
Gibson, Dunn & Crutcher
Greenwald, Pauly, Foster &
Miller
Newmeyer & Dillion
US Dept. of Justice
Brown Law Group
Farmer & Case
Christensen, Glaser
Stoel Rives LLP
Gilchrist & Rutter



Engagements

Segerstrom Companies
Alberta Treasury Branches
City of Cleveland
King County, Washington
DMB
Kilroy Realty Corporation
Orange County
Transportation Authority
Pulte Homes
Barratt American Homes
Lennar Corporation
PerkinElmer
Trammell Crow
Pacific Motor Trucking
Edwards Theatres
City of Auburn Hills
San Francisco Giants
Harvard University
University of Chicago
Cal-Poly Pomona Foundation

Complex Valuation

- AT&T Park (San Francisco Giants), San Francisco
- South Coast Plaza Complex, Costa Mesa
- The West Edmonton Mall, Edmonton, AB
- Cleveland Hopkins International Airport, Cleveland
- The Stratosphere Casino, Las Vegas
- 2 Wall Street, New York
- Skywalker Ranch, Marin County
- The Desert Inn, Las Vegas
- The Mission Bay Project, San Francisco
- Boeing Field, Seattle
- MetroCenter Project, Foster City
- Emerald River Project, Laughlin, NV
- Sun Lakes Residential Project, Phoenix
- Ritz Carleton Hotel, Marina del Rey
- The Beverly Rodeo Hotel
- DC Ranch, Phoenix
- San Francisco-San Jose Commute Corridor
- Riverpark Residential Community, Oxnard
- Ambassador College Campus, Pasadena
- Large Scale Solid Waste Transfer Facilities, Los Angeles & Huntington Beach
- The Palace of Auburn Hills (Detroit Pistons)
- The Rose Garden (Portland TrailBlazers)

Asset Management

- Disposition management services for residential development land in Pasadena, including preparation of an offering document and supervision of a formal bidding process, culminating in a \$40 million transaction.
- Solicitation and placement of a land-secured \$18.5 million bridge financing facility for a non-profit organization.
- Acquisition due diligence and lease abstracting for a \$20 million office complex in Los Angeles.
- Disposition assistance, including preparation of an offering document and pre-bid activities for a residential facility owned by a non-profit.
- Complex cash flow forecasting, budgeting and financial evaluation for property disposition.
- Preparation of enterprise financial models for real estate enterprises, culminating in forecasts of enterprise income, tax obligations, cash flows, dividend payments and share values for real estate holding companies.
- Transaction due diligence for development venture investments by a state pension fund.

California State Teachers
Retirement System

Sisters of Social Service

Bantry Holdings

Worldwide Church of God

Calais Company

Mani Brothers



Professional Qualifications Summaries

timothy lowe
joe mcnulty
eric dicus
brian gross



TIMOTHY LOWE, MAI, CRE, FRICS
WARONZOF ASSOCIATES, INC.
Principal

As Principal with Waronzof, Mr. Lowe is responsible for directing real estate consulting and valuation engagements including strategy and best practice analyses, market and highest & best use studies, market value and fair compensation appraisals; acquisition due diligence; economic feasibility analysis; and advanced financial analyses for large-scale project development. Mr. Lowe's practice includes emphasis in litigation, investment analysis and counseling. His experience includes appraisal and consulting engagements across the continental United States, Alaska and Hawaii, Canada and Argentina, and includes such notable properties and projects as the West Edmonton Mall (Edmonton), South Coast Plaza Shopping Center (Costa Mesa), AT&T Park (home to the San Francisco Giants), Belmont Learning Center (Los Angeles), the Kapolei City development in Hawaii, the Tren de la Costa project in Buenos Aires, a 5 million acre natural resource portfolio in Washington State, Ambassador College (Pasadena) redevelopment, Two Wall Street (New York), Boeing Field (Seattle), the Skywalker Ranch facility of director George Lucas (San Francisco), the three million square foot Air Force Plant #19 (San Diego), the 40 mile long Peninsula Commute Rail Corridor (San Francisco to San Jose), and the 4,000 acre Girdwood Development & Disposal Plan project (Anchorage). Mr. Lowe is a member of the Green Building Finance Consortium, an industry group working to establish underwriting and valuation guidelines for sustainable buildings.

Prior to founding Waronzof, Mr. Lowe was a Director in the Real Estate Consulting and Litigation Practice with Deloitte & Touche in Los Angeles, and earlier a Vice President and Chief Appraiser with Arthur Jimmy International in San Francisco. He began his career and an appraiser and consultant in Anchorage. Mr. Lowe has been accepted as an expert witness in state and federal courts in the areas of real estate and going concern valuation, project feasibility and plan feasibility. Mr. Lowe is a designated member of the Appraisal Institute (MAI), a member of The Counselors of Real Estate (CRE) and a Fellow of the Royal Institute of Chartered Surveyors (FRICS). Additionally Mr. Lowe is an associate member of the Urban Land Institute and a member of Lambda Alpha, the Land Economics Society.

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JOSEPH P. MCNULTY
WARONZOF ASSOCIATES, INC.
Senior Associate

Joe McNulty is a Senior Associate with Waronzof Associates, Inc. serving as a real estate consultant and advisor with an emphasis in real estate finance, capital markets and asset management. Joe is also a founder and managing member in Edgewater Realty Partners, LLC, a Pasadena-based real estate investment manager. Associated with Waronzof since 2003, Joe provides specialized asset management, acquisition and disposition services and related special services. He is an expert in complex property and portfolio dispositions and work-outs.

With the Real Estate and Management Solutions Practice of Deloitte & Touche in Los Angeles for 15 years, Joe led a wide variety of real estate consulting and real estate technology engagements serving property owners and investors, financial institutions and investment banks, and other significant stakeholders. Joe was D&T's Real Estate Capital Markets leader on the West Coast, and was instrumental in the development of the Firm's Investment Value Analysis methodology for the valuation of distressed commercial real estate debt and property portfolios. He led many of the Firm's largest loan portfolio valuation engagements, on behalf of financial institutions and life insurance companies. Prior to joining Deloitte & Touche in 1987, Joe was with two savings institutions, as a real estate acquisitions & dispositions officer and analyst.

Joe is a resident of South Pasadena and was raised in San Marino. He is a graduate of the University of Southern California, holding both a Bachelors of Science in Finance and a Masters of Business Administration.

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ERIC DICUS
WARONZOF ASSOCIATES, INC.
Associate

As an Associate of Waronzof Associates, Mr. Dicus is responsible for conducting real estate consulting and valuation engagements including real estate strategy studies, market value appraisals, market analysis, and real estate financial and disposition analyses. While with Waronzof Associates, notable projects include a valuation of South Coast Plaza (Costa Mesa), disposition of the Ambassador College (Pasadena), a real estate financial and disposition study of a proposed project (Anchorage), and a strategy study for a private, family-owned \$60 million real estate portfolio (Anchorage).

Mr. Dicus' prior professional experience includes site selection consulting services, real estate appraisal, lease consulting, operating cost management, and facility strategy engagements. The scope of his experience includes projects throughout North and Central America and Europe, focusing on real estate costs, labor market analysis, logistics, and overall operations. Notable clients included Sun Microsystems, Nestle, Gap Inc., the State of Wyoming, and the San Bernardino County.

Prior to joining Waronzof Associates, Mr. Dicus was a senior member with Deloitte & Touche's Real Estate Consulting practice. Mr. Dicus received a B.S. degree in Economics from the Wharton School at the University of Pennsylvania and a Master in Business Administration from the University of California - Irvine.

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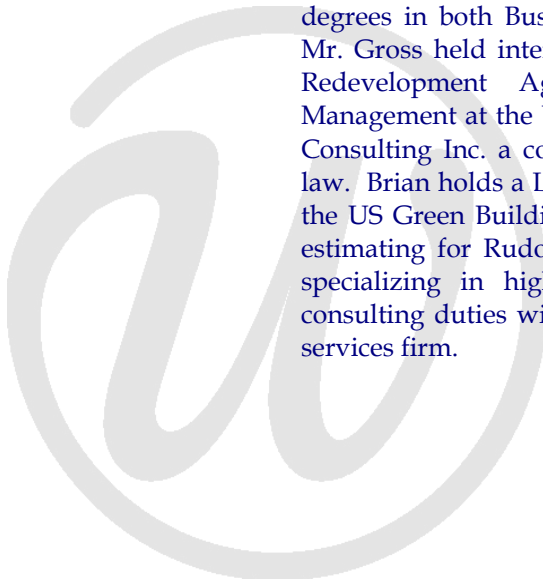




BRIAN GROSS
WARONZOF ASSOCIATES, INC.
Associate

As an Associate with Waronzof, Mr. Gross' practice emphasizes strategic consulting in the fields of economic development and urban planning. Mr. Gross' strategic consulting assignments include a wide range of feasibility studies and performance assessments, ranging from the evaluation of the World Bank's Heavily Indebted Poor Countries (HIPC) initiative in Uganda to the assessment of redevelopment practice and performance of the City of Long Beach Redevelopment Agency. Notable feasibility studies include the analysis of land reuse strategies for a closed military base; and creation of a new real estate program at a major research university.

Prior to joining Waronzof Associates, Mr. Gross cultivated a broad base of professional and educational experience throughout the real estate industry. While obtaining masters degrees in both Business Administration and Urban Planning, Mr. Gross held internship positions at the City of Culver City Redevelopment Agency, The Program in Real Estate Management at the University of California Irvine; and Requejo Consulting Inc. a consulting practice focusing on international law. Brian holds a LEED Accredited Professional designation of the US Green Building Council. Prior experience includes cost estimating for Rudolph and Sletten, Inc. a General Contractor specializing in high-tech and biomedical construction; and consulting duties with TRC Solutions, a turnkey environmental services firm.



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