

HP INVESTORS 

OVERVIEW

Overview

HP Investors, LLC is a private real-estate firm focusing on investments in urban and infill real estate-related assets. The firm benefits from its unique combination of local market knowledge and capital markets expertise.

Investment Strategy

HP Investors is focused on urban and infill real estate investments, with an emphasis on the retail and hospitality sectors. Our research suggests that these sectors are best positioned to benefit from changing demographics and increasing location scarcity in the urban environment. The firm evaluates investment opportunities based on the following criteria:

Retail

- High density and well-trafficked retail corridors
- Favorable demographic trends
- Cash-flow driven with superior long-term fundamentals

Hospitality

- Supply-constrained coastal markets
- Superior office and tourism characteristics
- Distressed and value-add opportunities

Other

- Residential development
- Location-driven distressed acquisitions

INVESTMENT METHODOLOGY

HP Investors achieves superior returns by emphasizing a research-based methodology to identify acquisition opportunities and executing its business plan through intensive asset management. The firm's investments include the following attributes:

Research-Based Approach

- Employing data-driven research to identify industry and market trends that are poised to create significant long-term value

Exploiting Market Inefficiencies

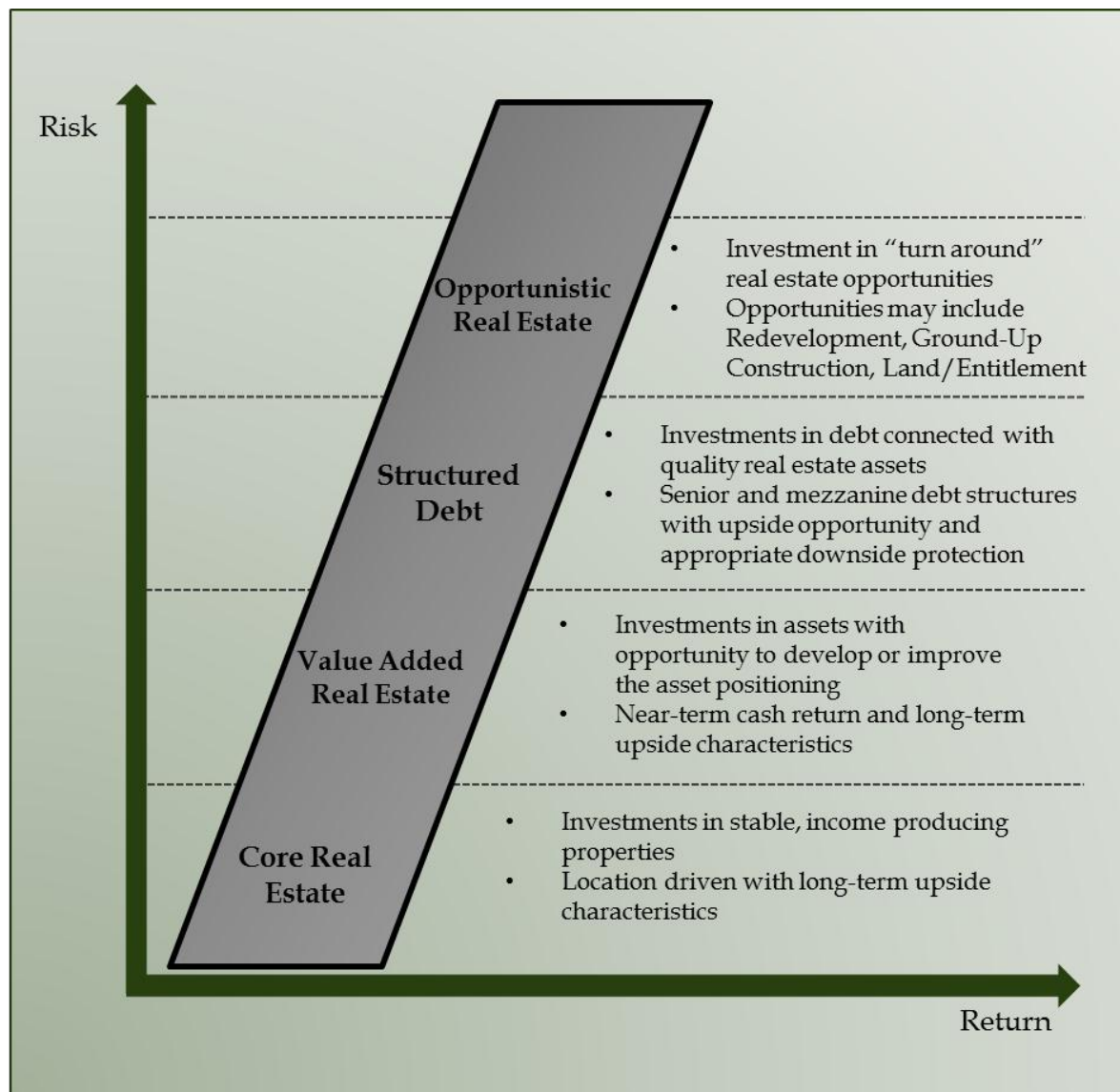
- Focusing on deal complexity and/or information advantages to secure investments on favorable terms

Value-Added Management

- Creating capital appreciation through asset repositioning, restructuring, development, and active management

PROJECT EXECUTION

HP Investors seeks investments that provide superior risk adjusted return, providing investors the ability to take advantage of opportunities across the risk-return spectrum.



RECENT TRANSACTIONS

Since implementing the Urban Retail Platform one year ago, HP Investors has completed or is in the process of completing five transactions valued at over \$20M. Our investment emphasis is as follows:

- Focus on Southern California and New York with plans to expand into other high-density urban locations
- Principal focus on retail condominiums or stand-alone buildings
- Superior risk-adjusted return with an emphasis on near-term cash flow and long-term upside

Representative Transactions

157 Chambers (New York)

- **Closed Jan 2011**
- Acquisition Price -- 6.2M
- Value-Add with long-term upside
- Strong and improving demographics



85th and 2nd Ave (New York)

- **Closed April 2010**
- Acquisition Price - 4.0M
- Off-market / distressed acquisition
- Value add and long-term upside



RECENT TRANSACTIONS

Representative Transactions - Continued

First Bank (San Diego)

- Closed Feb 2011
- Acquisition Price-1.8MM
- Off-market/ distressed transaction
- Ground-lease structure
- Strong Demographics



Hollywood and Vine (Los Angeles)

- In progress - LOI Submitted
- Acquisition price-6.5M
- Value add strategy
- Trophy location
- Long term upside



345 6th Ave (San Diego)

- In progress - In contract
- Acquisition Price-\$1.3M
- Off-market transaction
- Value-add strategy
- Trophy location
- Long term upside



HP INVESTORS PROFILE

HP Investors' professionals combine real estate, financial, and corporate expertise, proving the firm with the resources to execute complex real estate transactions.

Harki Parekh – Founder

- Has acquired or developed over \$300 million in real estate assets across retail, hotel, and multifamily sectors
- Was Co-Founder and CFO of BRE Commercial, one of the most successful commercial brokerage firms in San Diego
- Holds an MBA from Southern Methodist University, JD from University of Bombay, and a B.Com from University of Bombay

Sumeet Parekh – Principal

- Helped acquire, structure, and manage over \$3 billion in real estate investments for The Carlyle Group, one of the largest private equity real estate investors in the world
- Prior to joining The Carlyle Group, worked as a real estate investment banking associate at Merrill Lynch
- Holds an MBA from Wharton School at the University of Pennsylvania and a BA from the University of Southern California

Isaac Abid – Vice-President

- Helped acquire, structure, and manage over \$2 billion in US real estate assets for AIG Investments, spanning across various asset classes and project lifecycle phases
- Prior to joining AIG Investments, worked as private equity associate at The LeFrak Organization, a New York based developer
- Holds an MBA and MS Architecture from Columbia University and a BA from UCLA

Dennis Bradstreet – Vice-President

- Has held principal construction management for all ground-up and redevelopment activity for HPI since 2005, including oversight of gut renovation of a 211 room hotel.
- Holds a BA in Architecture from Washington State University