

*Confidential*  
*Real Estate Investment Memorandum*

# Thor Urbana Capital



GrupoInmobiliario



THOR EQUITIES

**DISCLAIMER:**

THE INFORMATION CONTAINED HEREIN IS PROVIDED AND HAS BEEN PREPARED SOLELY AS PRELIMINARY MATERIALS TO DETERMINE PROSPECTIVE INVESTOR INTEREST IN A TO-BE-FORMED VEHICLE (THE "INVESTMENT") TO PURSUE A RETAIL AND MIXED-USE INVESTMENT STRATEGY. THESE PRELIMINARY MATERIALS ARE FOR INFORMATIONAL AND DISCUSSION PURPOSES ONLY AND ARE NOT, AND MAY NOT BE RELIED ON IN ANY MANNER AS, LEGAL, TAX OR INVESTMENT ADVICE OR AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY AN INTEREST IN THE INVESTMENT. A PRIVATE OFFERING OF INTERESTS IN THE INVESTMENT WILL ONLY BE MADE PURSUANT TO A CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (AS AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THE "OFFERING MEMORANDUM") AND THE INVESTMENT'S OPERATING DOCUMENTS AND SUBSCRIPTION DOCUMENTS, WHICH WILL BE FURNISHED TO QUALIFIED INVESTORS ON A CONFIDENTIAL BASIS FOR THEIR CONSIDERATION IN CONNECTION WITH SUCH OFFERING. THE INFORMATION CONTAINED HEREIN WILL BE QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE OFFERING MEMORANDUM, WHICH SHALL CONTAIN ADDITIONAL INFORMATION ABOUT THE INVESTMENT OBJECTIVE, TERMS AND CONDITIONS OF THE INVESTMENT AND ALSO CONTAIN TAX INFORMATION AND RISK DISCLOSURES THAT ARE IMPORTANT TO ANY DECISION REGARDING THE INVESTMENT. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY STATEMENT CONCERNING THE INVESTMENT AND ANY SUCH STATEMENTS, IF MADE, MAY NOT BE RELIED UPON. THE INFORMATION CONTAINED HEREIN MUST BE KEPT STRICTLY CONFIDENTIAL AND MAY NOT BE REPRODUCED OR REDISTRIBUTED IN ANY FORMAT WITHOUT THE APPROVAL OF THOR. NOTWITHSTANDING THE FOREGOING, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT THEREOF) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE INVESTMENT AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO SUCH PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE, PROVIDED, HOWEVER, THAT SUCH DISCLOSURE SHALL NOT INCLUDE THE NAME (OR OTHER IDENTIFYING INFORMATION NOT RELEVANT TO THE TAX STRUCTURE OR TAX TREATMENT) OF ANY PERSON AND SHALL NOT INCLUDE INFORMATION FOR WHICH NONDISCLOSURE IS REASONABLY NECESSARY IN ORDER TO COMPLY WITH APPLICABLE SECURITIES LAWS.

THE INVESTMENT WILL INVOLVE SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT. THE INVESTMENT WILL BE ILLIQUID, AS THERE IS NO SECONDARY MARKET FOR INTERESTS IN THE INVESTMENT AND NONE IS EXPECTED TO DEVELOP, AND THERE WILL BE RESTRICTIONS ON TRANSFERRING INTERESTS IN THE INVESTMENT. THE INVESTMENT MAY BE LEVERAGED. THE INVESTMENT PERFORMANCE MAY BE VOLATILE AND RETURNS ON INVESTMENTS ARE OFFSET BY THE INVESTMENT'S ADVISORY FEES, OTHER INVESTMENT LEVEL EXPENSES AND CARRIED INTEREST DISTRIBUTIONS. BEFORE DECIDING TO INVEST IN THE INVESTMENT, PROSPECTIVE INVESTORS SHOULD READ THE OFFERING MEMORANDUM AND PAY PARTICULAR ATTENTION TO THE RISK FACTORS CONTAINED IN THE OFFERING MEMORANDUM. INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISK CHARACTERISTICS OF THE INVESTMENT. PROSPECTIVE INVESTORS SHOULD RELY SOLELY ON THEIR OWN INVESTIGATIONS AND EVALUATIONS OF THE INFORMATION CONTAINED HEREIN. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISER AND TAX ADVISER AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE INFORMATION CONTAINED HEREIN AND SUCH OFFERING.

IN CONSIDERING ANY PERFORMANCE DATA CONTAINED HEREIN, YOU SHOULD BEAR IN MIND THAT PAST OR TARGETED PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE INVESTMENT WILL ACHIEVE COMPARABLE RESULTS OR THAT TARGETED RETURNS WILL BE MET. IN ADDITION, THERE CAN BE NO ASSURANCE THAT UNREALIZED DEALS WILL BE REALIZED AT THE VALUATIONS SHOWN AS ACTUAL REALIZED RETURNS WILL DEPEND ON, AMONG OTHER FACTORS, FUTURE OPERATING RESULTS, THE VALUE OF THE ASSETS AND MARKET CONDITIONS AT THE TIME OF DISPOSITION, ANY RELATED TRANSACTION COSTS, AND THE TIMING AND MANNER OF SALE, ALL OF WHICH MAY DIFFER FROM THE ASSUMPTIONS ON WHICH THE VALUATIONS CONTAINED HEREIN ARE BASED. THE IRRS PRESENTED ON A "GROSS" BASIS DO NOT REFLECT ANY MANAGEMENT FEES, CARRIED INTEREST, TAXES AND ALLOCABLE EXPENSES BORNE BY INVESTORS, WHICH IN THE AGGREGATE MAY BE SUBSTANTIAL. ALL IRRS PRESENTED ARE ANNUALIZED AND CALCULATED ON THE BASIS OF DAILY, MONTHLY OR QUARTERLY INVESTMENT INFLOWS AND OUTFLOWS. NOTHING CONTAINED HEREIN SHOULD BE DEEMED TO BE A PREDICTION OR PROJECTION OF FUTURE PERFORMANCE OF THE INVESTMENT.

EXCEPT WHERE OTHERWISE INDICATED HEREIN, THE INFORMATION PROVIDED HEREIN IS BASED ON MATTERS AS THEY EXIST AS OF THE DATE OF PREPARATION AND NOT AS OF ANY FUTURE DATE, AND WILL NOT BE UPDATED OR OTHERWISE REVISED AND THE INVESTMENT AND THOR EXPRESSLY DISCLAIM ANY OBLIGATION TO UPDATE OR OTHERWISE REVISE THE INFORMATION CONTAINED HEREIN TO REFLECT INFORMATION THAT SUBSEQUENTLY BECOMES AVAILABLE, OR CIRCUMSTANCES EXISTING OR CHANGES OCCURRING AFTER THE DATE HEREOF.

THE FINANCIAL INFORMATION CONTAINED HEREIN IS BELIEVED TO BE ACCURATE, HOWEVER NO REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED) IS MADE BY THOR AS TO THE ACCURACY, RELIABILITY OR COMPLETENESS OF SUCH INFORMATION. CERTAIN INFORMATION CONTAINED IN THIS PRESENTATION CONSTITUTES "FORWARD-LOOKING STATEMENTS", WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY SUCH FORWARD-LOOKING STATEMENTS ARE INHERENTLY SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT MAY CAUSE ACTUAL EVENTS OR RESULTS OR THE ACTUAL PERFORMANCE OF ANY THE INVESTMENT TO DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, INTEREST RATE RISK, DELIQUENCY AND DEFAULT RATES, CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, CUSTOMER PREFERENCES AND VARIOUS OTHER MATTERS WHICH ARE BEYOND THE THOR'S CONTROL.

## ***TABLE OF CONTENTS***

A.	Executive Summary.....	4
B.	Overview of Venture Sponsors.....	5
C.	The Case for Mexico.....	7
D.	State of the Market.....	8
E.	Targeted Real Estate Segments.....	9
F.	Organizational Structure .....	12
G.	Thor Urbana’s Competitive Advantages.....	13
H.	Investment Strategy.....	14
I.	Acquisitions Process.....	15
J.	Biographies -Executive Management Team .....	17
K.	Illustrative Examples: GFa’s Developments in Mexico.....	22
L.	Illustrative Examples: Thor’s Investments in Mexico.....	27
M.	Past Performance Table – Thor Equities LLC.....	30
N.	Past Performance Table – Thor Equities LLC.....	32

## **A. EXECUTIVE SUMMARY**

Thor Urbana Capital (the “Company”), a joint-venture between U.S. based Thor Equities LLC and Mexico based GFa Grupo Inmobiliario (“GFa”), was recently formed to capitalize on Mexico’s strong economic growth and real estate fundamentals amid limited institutional competition.

The Company seeks to create value for its investors through the sourcing, acquiring, developing, repositioning, leasing, managing, and disposing of uniquely located, underperforming or vacant retail, office and mixed-use assets in Mexico’s principal urban markets. The depth and reach of the Company’s sponsors and executive team, with relationships developed over decades of active real estate development and investment throughout Mexico and the US, uniquely positions Thor Urbana Capital for success in the opportunistic and value-add commercial real estate arena.

Thor Urbana Capital is a natural extension of Thor Equities’ proven value-add retail and mixed-use urban real estate platform. When coupled with GFa, a leading developer, owner, and manager of first-class real estate assets in Mexico, the Company immediately leaps ahead of the competition on the strength of its strategic local know-how, world-class development capabilities and premier real estate expertise.

### **Why Mexico?**

The time for targeted investment in Mexico’s developed, populated areas is now. With the exception of Brazil, Mexico remains the only other country in the Latin American region with the potential to achieve scale. This fact is expected to draw foreign institutional investors to Mexico again in the future, especially as Brazil becomes overpriced and Mexico’s security issues are progressively resolved. This eventual shift in investor sentiment is certain to translate to increased liquidity and transaction activity, improved operating results and a compression of exit cap rates that may allow material gains to be realized by property owners and developers such as Thor Urbana Capital that were active investors in Mexico at a much earlier date.

While Mexico’s urban markets have remained largely unaffected by the headline issues on the north concerning violence that have broadly impaired the world’s perception of Mexico, and regardless of the fact that 95% of the violence is concentrated in just 3% of the country, institutional capital sources have nonetheless elected to focus on other world markets leaving a void of opportunity for Thor Urbana Capital. In the absence of significant competition, Mexico’s major urban markets are all the more attractive to us, especially given their strengthening economic conditions, favorable demographic trends, and high barriers to entry.

Thor Urbana’s management team is committed to actively participating in the momentum of this cycle, and plans to maximize investor’s equity returns through the acquisition and development of quality commercial real estate in underserved niches offering significant growth potential. We are seeking to achieve a leveraged internal rate of return (“IRR”) of 18% to 25% on a gross, compounded basis, and plan to realize such returns through the use of reasonable debt financing representing approximately 50% of cost.

## ***B. OVERVIEW OF VENTURE SPONSORS***

### **GFa Grupo Inmobiliario**

Having developed more than 25 million square feet of real estate and invested over \$2 billion since its formation in 1964, GFa Grupo Inmobiliario is now one of the largest, most stable and active developers, owners and managers of first class real estate in Mexico.

Focused on the development of high quality office, residential, retail, resort and cultural spaces, GFa has become widely recognized for its outstanding dedication to quality and unique functional and efficient developments. And in those markets that prove challenging for new development, such as Mexico City, Guadalajara and the Mayan Riviera, GFa stands out as a recognized leader in the planning and approvals process. Throughout its history, the office, residential and resort developments developed by GFa have become obligatory architectonic and urban landmarks. And above all else, GFa has consistently delivered solid returns to its partners and investors.

Since inception, GFa has successfully addressed the needs of the market in each successive generation by accurately interpreting them and incorporating in each aspect of its developments, whose functionality transcends fads and fashion. Moreover, GFa's properties embrace and explore new technological possibilities for a contemporary lifestyle while providing a sophisticated blend of private, public and commercial spaces. These qualities have allowed GFa to become a leader in luxury residential real estate, developing over 2,500 units.

Key to its success: GFa's vertical integration of multi-disciplinary teams that are able to envision a broader array of possibilities than competing developers. GFa's professionals have the skills and experience necessary to complete all aspects of the deal, from acquisition through planning, design and development, financing and construction, property and investment management, leasing, tax planning and risk management.

### **Thor Equities, LLC**

Thor Equities, LLC ("Thor") is a fully-integrated real estate investment and management company founded by Joseph J. Sitt, Chief Executive Officer. Thor specializes in urban real estate projects and public/private partnerships, with an emphasis on acquiring, repositioning, developing, leasing and managing retail and mixed-use real estate assets in urban locations throughout the United States and select international cities.

Mr. Sitt began acquiring real estate in the mid-1980s, targeting urban in-fill locations that would benefit from redevelopment or repositioning. Despite his success at increasing the value of urban retail properties through capital improvements, increased visibility and heightened security, Mr. Sitt found many retailers remained reluctant to establish a presence in such markets. Capitalizing on the apparent shortage of retailers focused on the urban ethnic population, Mr. Sitt founded Ashley Stewart Ltd. ("Ashley Stewart"), followed by the acquisition of Marianne and Kidspot, two specialty retail companies, which, together with Ashley Stewart, became divisions of Urban Brands,

Inc. (“Urban Brands”). Mr. Sitt ultimately grew Urban Brands to more than 380 stores nationwide, with sales in excess of \$400 million and approximately 6,000 employees.

After the profitable sale of his controlling interest in Urban Brands in 1998, Mr. Sitt formed Thor, bringing a unique competitive advantage of retail expertise and extensive industry contacts to the real estate industry. Thor has since completed 65 acquisitions, representing a total projected capitalization of more than \$3 billion. Thor and its affiliated private equity real estate funds, with equity in excess of \$1 billion raised from pension funds, investment banks, top-tier college endowments, foundations and high net worth individuals, now holds a retail, office, hotel and residential portfolio comprised of more than 15 million square feet.

#### *The Thor Team*

Headquartered in New York City, Thor has 59 real estate professionals in the United States and Mexico. Thor’s senior professionals have over 250 years of combined real estate investment experience, over 150 years of combined development & construction experience and over 175 years of combined urban operating and leasing experience.

During the course of their careers, Thor’s acquisition team has been involved in over \$13 billion of real estate investments, Thor’s development and construction team has managed 34 million square feet of new building and renovation projects, and Thor’s leasing professionals have negotiated and executed over 5,500 leases representing approximately 22 million square feet.

Thor’s in-house skills and key contacts in each discipline provide a unique advantage in successful investing. In the course of their work, Thor’s professional team has worked with and established professional relationships across the spectrum of the real estate industry, both in the U.S. and internationally.

#### ***Affiliated Businesses***

##### **Thor High Street Advisors**

Thor High Street Advisors (“High Street”) is a real estate services firm created to address the increasing global demands of retailers and retail property owners. High Street delivers a wide spectrum of services including tenant representation and strategic planning. Its client base includes major international retailers seeking prime retail locations and major real estate owners seeking third party leasing services.

##### **Town Residential, L.L.C.**

Town Residential, L.L.C. (“Town”) is a residential brokerage venture between Thor and Buttonwood Development, a NYC-based real estate development firm. Specializing in luxury sales, new development, marketing and rentals, Town’s business philosophy is based on an unwavering commitment to provide the most exceptional services and impactful resources to clients and representatives. Town currently has six state-of-the-art offices located throughout Manhattan, represented by more than 300 licensed real estate professionals and staff.

### C. THE CASE FOR MEXICO

With many emerging markets now outperforming traditional industrialized nations, their real estate values are rapidly inflating causing some concern as to sustainability. Mexico however remains one of the few emerging economies with solid macroeconomic fundamentals and unrealized growth potential:

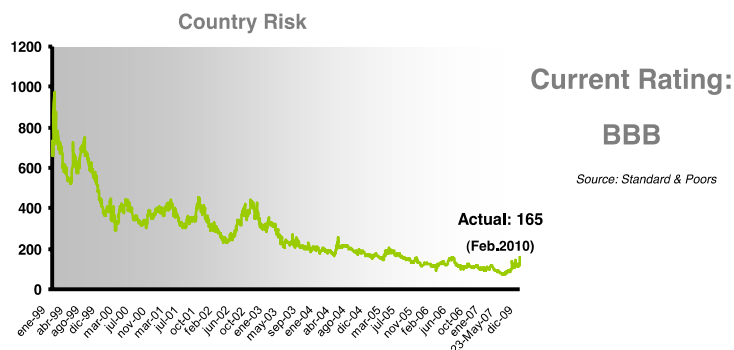
1. In somewhat of a reversal from recent experience, Mexico is growing at a faster pace than Brazil, which is just starting to experience the effects of the uncertain global economic outlook:
  - The World Bank forecasts Mexico's economy will be the world's 5<sup>th</sup> largest by 2050
  - Higher disposable incomes, strong domestic demand, and strong manufacturing growth are driving Mexico's recovery and growth
  - Growth in Mexico surprised on the upside in 2011, with GDP expanding 3.8% year-over-year and year 2012 GDP expected around 3.6%
  - Mexico's GDP growth is expected to be steady at ~4.0% and inflation at ~3.5% through 2015

#### Economic Forecast Rankings

2010			2050		
Rank	Country	GDP (millions of USD)	Rank	Country	GDP (millions of USD)
1	United States	14,799,564	1	China	70,710,000
2	China	5,364,869	2	United States	38,514,000
3	Japan	5,272,943	3	India	37,668,000
4	Germany	3,332,803	4	Brazil	11,366,000
5	France	2,668,794	5	Mexico	9,340,000
6	United Kingdom	2,222,629	6	Russia	8,580,000
7	Italy	2,121,119	7	Indonesia	7,010,000
8	Brazil	1,910,495	8	Japan	6,677,000
9	Spain	1,424,687	9	United Kingdom	5,133,000
10	India	1,367,216	10	German	5,024,000

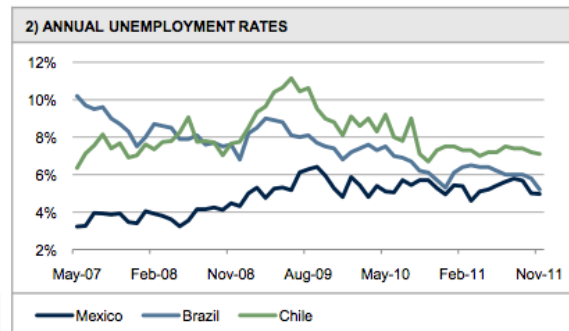
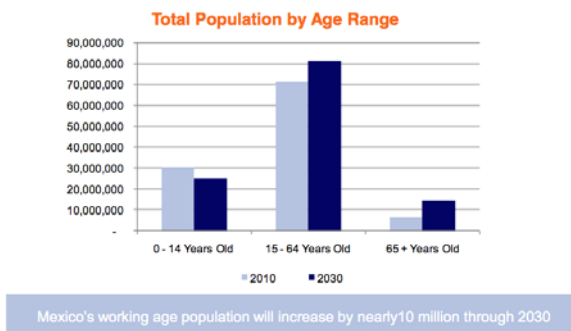
Source: IMF (2010 numbers), World Bank (2050 numbers)

2. Investment liquidity is improving as more sophisticated capital structures such as REITS (fibras) and CKDs (local pension money) are introduced
3. Investment grade since 2000, Mexico has a well-capitalized finance sector and was ranked the easiest place in Latin America to do business (ahead of Brazil)



### C. THE CASE FOR MEXICO (continued)

4. With over 112 million people and growing, Mexico's demographics (average age of 26 yrs) suggest significant potential for scale
  - A boost in demand for low- and middle-income housing is expected in the wake of reforms recently passed by the government
  - Mexico's employment rate has been fairly steady in recent months with unemployment at ~5%



Source: ING Clarion Research and Investment Strategy, CONAPO

5. The Mexican economy benefits from a competitive exchange rate, record-high exports, moderately positive interest rates and record high international reserves
6. Broad-brush concerns about crime and violence have artificially limited foreign investment

### D. STATE OF THE MARKET

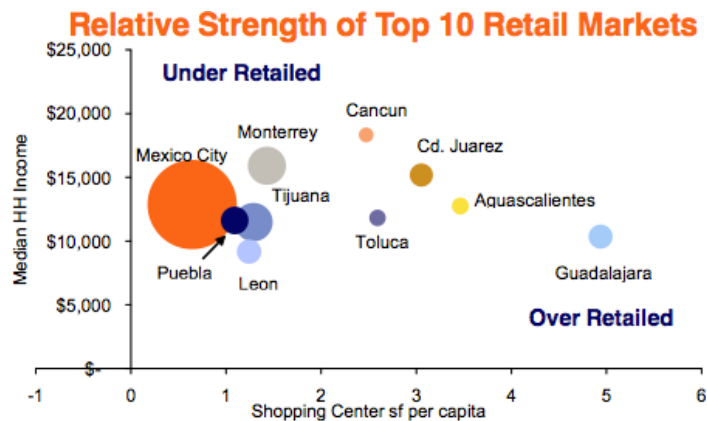
1. Consumer confidence is positive in Mexico
2. Mexico's manufacturing sector is leading the market; highly sensitive to US demand
3. Bank credit to consumers and businesses is returning and expanding
4. New capital structures are also improving liquidity making exit strategies more predictable
5. Accordingly, real estate activity in Mexico City has increased 14 percent over 2010:
  - Increased transparency and tax-efficient structures are making real estate investment more attractive to a growing population of investors
  - Focus is currently on new development over the acquisition of existing properties
  - \$3.5 billion of projects are planned for Mexico City's Paseo de la Reforma, including 16 skyscrapers
  - 657 projects were approved for development in Mexico City in 2011



## E. TARGETED REAL ESTATE SEGMENTS

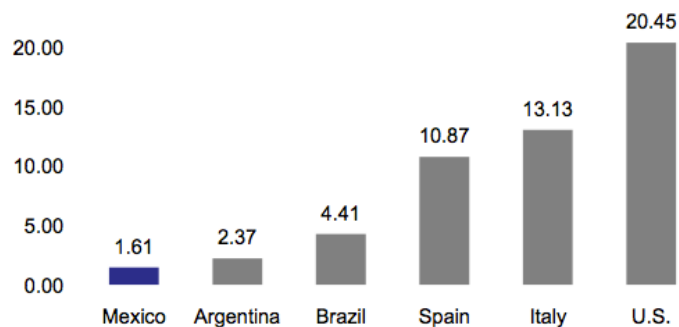
### Retail

1. Mexico City remains a key target for incoming retailers due its large population (22 million people), concentration of wealth and under-retailed state:
  - Mexico City accounts for 34% of national GDP
  - As import tariffs with China start shrinking in 2012, an influx of new international retailers is expected to come into the Mexican market
  - The Mexican government launched a nationwide four-day retail sale in November similar to the US's "Black Friday" in order to encourage consumers to shop in Mexico. Some retailers, such as Liverpool, are implementing special marketing campaigns to boost customer loyalty and increase sales



Source: ING Clarion Research and Investment Strategy

2. Mexico's consumers are underserved with just 1.6 sq ft of retail per capita compared to 4.4 sq ft in Brazil and 20.5 sq ft in the US



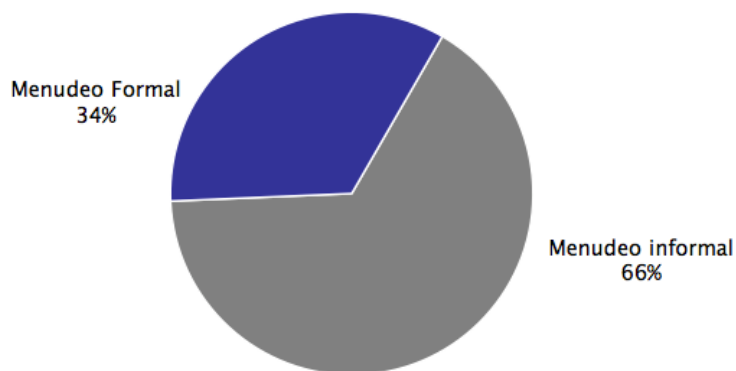
Fuente: ICSC / Cushman & Wakefield / Estrategias y Tendencias

Source: ICSC, C&W

## ***E. TARGETED REAL ESTATE SEGMENTS***

### **Retail (continued)**

3. More than 200 cities, with populations in excess of 60K people, have no permanent retail:
  - The informal retail sector still accounts for 66% of the market and \$241B in sales
  - Walmart and Soriana plan to open 365 and 200 stores, respectively, over the next 2-3 years



*Source: Wal-Mart*

4. A sustained and gradual improvement of retail sales in Mexico has translated into some news of rising rents and new retail development:

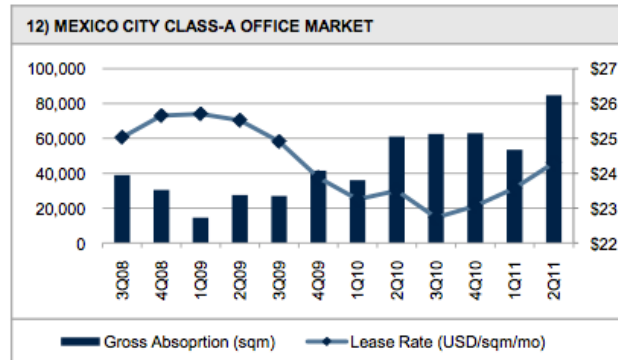
PRIME RETAIL RENTS – 2Q11		
LOCATION	RENT	SHORT TERM
	USD/SQM/MONTH	TREND
Masaryk Ave.	\$66	Up
Madero St.	\$62	Stable
Altavista St.	\$36	Stable
Santa Fe shopping mall	\$54	Stable
Perisur shopping mall	\$60	Stable

*Source: INEGI*

## E. TARGETED REAL ESTATE SEGMENTS

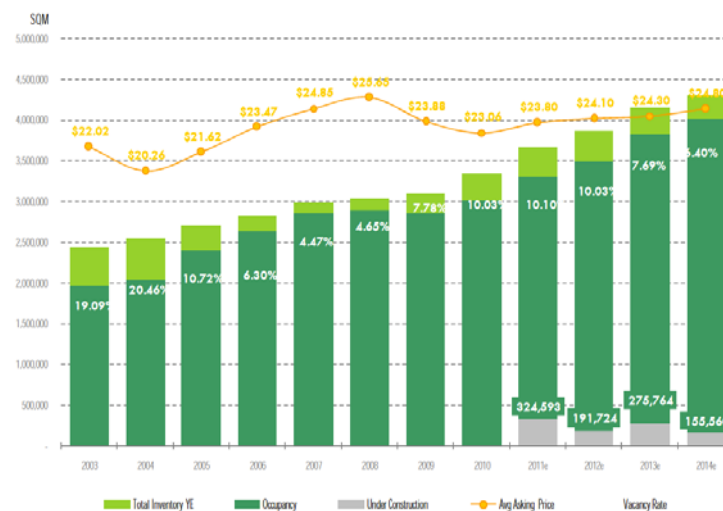
### Office

1. Absorption is improving and rent growth has been steady over the past year:



2. Mexico's expanding services sector is driving demand for office space; professional services employment has already surpassed pre-crisis levels
3. Mexico City now has 10 office submarkets, representing 6.9 million square meters (SQM)
  - Lomas has the lowest vacancy rate among the submarkets; there is very limited new supply to match demand
  - Class A+/A inventory represents only 49% of total office inventory
  - 90% of all leases executed in 2010 are slated to expire in five years or less
  - 30% of current leases in the combined submarkets are slated to expire in 2015; 26% are slated to expire in 2013
  - Leases for 10 or more years represent only 9.3% of all lease executions in 2010
4. Debt for new construction and refinancing has returned at competitive rates supporting anticipated growth in new development:

### Mexico City Office Market Projections for Class A/A+

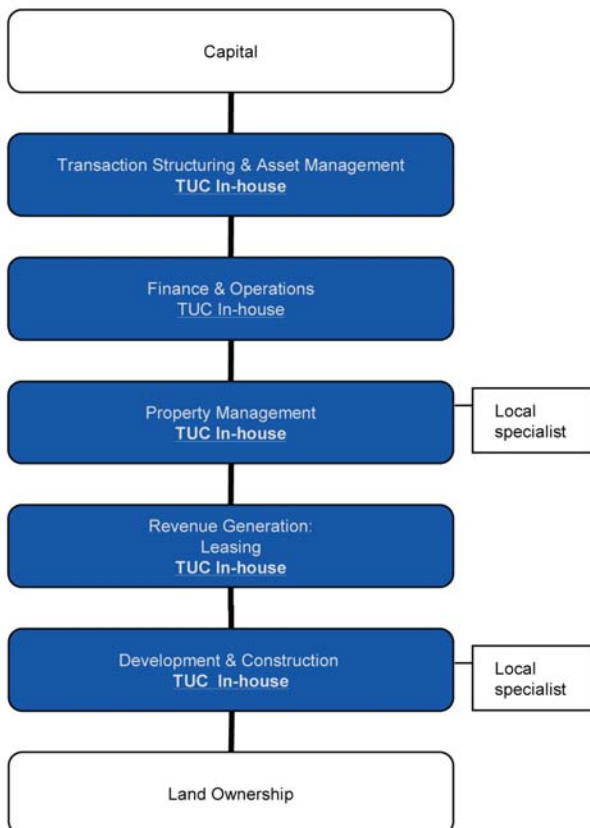


## F. ORGANIZATIONAL STRUCTURE

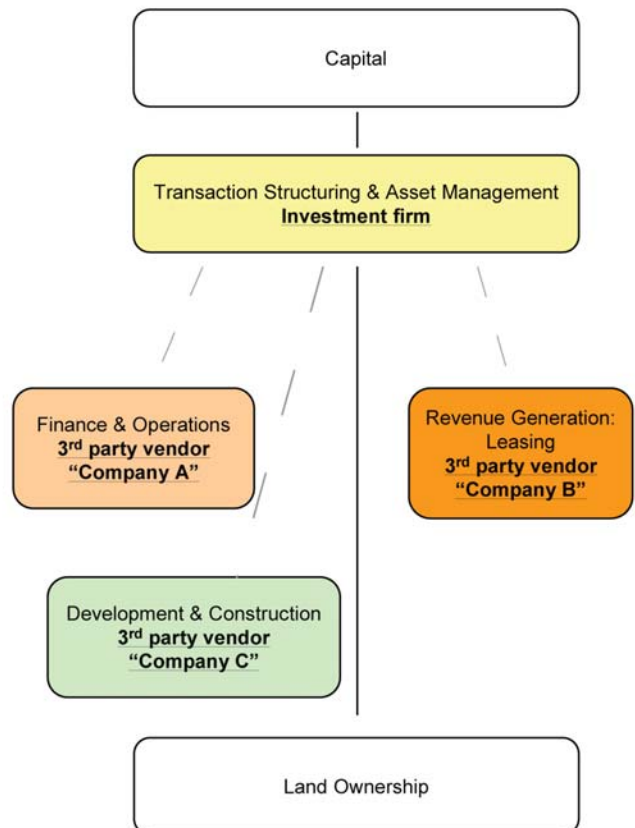
### Vertically Integrated Platform

Thor Urbana Capital will provide in-house expertise across the entire real estate investment value chain: from acquisitions and financings, to development, leasing, and property operations. While many capital managers rely on third-party providers for their key real estate functions, Thor Urbana will rely on its in-house professionals with proven expertise across all asset classes. This integration will be a key competitive advantage for the Company, since the day-to-day experience from one function increases the accuracy of the decisions in every other department. Instantaneous communication and transparency will allow the Thor Urbana team to effectively minimize risk while moving decisively on opportunities. At Thor Urbana, the team that will invest in the deal is the team that will EXECUTE on it.

#### Thor Urbana Capital Vertically Integrated Platform



#### Typical Private Real Estate investment manager Platform



Thor Urbana's platform and execution will provide maximum transparency and efficiency to investors and partners. Also, because Thor Urbana has the requisite expertise in-house, there will be no "Double Promote" required in its investment structuring and management.

## ***G. THOR URBANA's COMPETITIVE ADVANTAGES***

### **Extensive Relationships**

- Relationships developed through more than four decades of developing, investing, leasing, and retailing in the urban markets of both the US and Mexico
- Thor Urbana maintains a database of targeted urban properties and contacts (owners, developers and third parties) across Mexico that it has leveraged to generate a growing pipeline of new investment opportunities

### **Executive Retail Operating Experience**

- Thor Urbana's management team has an insider's perspective and understanding of what matters to retailers and their customers in urban markets
- Direct relationships with the CEO's of major retailers will give Thor Urbana a keen sense of where retailers want to expand
- Value-add investments in vacant properties will benefit from interim tenants directly sourced by Thor Urbana

### **In-House Expertise and Capacity**

- Sound underwriting: Thor Urbana's acquisition and asset management teams are well informed and supported by staff with the knowledge of day-to-day conditions within their markets and trades; our financial underwriting is able to capitalize on unseen opportunity and to better anticipate risk
- Local development expertise: Thor Urbana leverages the local development experience of its sponsors and management team to identify and negotiate attractive development sites, conduct highest and best use analysis, maneuver the local permitting process, and strive to build projects on time and within budget
- Redevelopment expertise: Thor Urbana capitalizes on its local development expertise to undertake substantial capital improvements, to address deferred maintenance issues and to enhance the marketability of its real estate assets
- Property and Asset Management: Thor Urbana's extensive experience in repositioning and redeveloping previously mismanaged, poorly merchandised and/or capital constrained assets quickly unlocks value for our investors
- Dedicated leasing team: Coupled with Thor High Street Advisors, Thor Urbana's in-house leasing team consistently seeks to improve a property's tenant mix, occupancy and consumer traffic to drive profitability and real estate valued higher

## ***H. INVESTMENT STRATEGY***

Thor Urbana's objective is to provide investors with superior risk-adjusted returns by developing and acquiring underperforming or undervalued retail, office, and mixed-use properties located in Metropolitan Mexico City and other Mexican urban centers.

In executing on its strategy, Thor Urbana will:

1. Focus on urban markets with high population density and significant barriers to entry
2. Seek investments with repositioning/remerchandising opportunities
3. Target poorly managed and inadequately maintained family-owned assets
4. Capitalize on development/redevelopment opportunities
5. Implement creative marketing initiatives
6. Aggressively manage assets to maximize cash flow
7. Utilize prudent levels of leverage

**Urban Market Focus:** Thor Urbana will focus exclusively on urban markets with high population density and significant barriers to entry. In addition to placing a high emphasis on Mexico City and its urban neighborhoods, the Company will target other densely populated urban centers around the country, as well as urban inner-city markets or "inner-ring" suburbs situated just outside of inner cities.

**Insider's Perspective in Asset Selection:** Thor Urbana's professionals are uniquely experienced in identifying investment opportunities in top urban markets. Having conducted business in multiple urban markets as retailers, and currently providing tenant representation services through affiliated Thor High Street Advisors, the Company will lend valuable insight into retail location selection from the tenants' perspective, very often identifying investment opportunities other investors will miss.

**Ground-Up and Redevelopment Opportunities:** Thor Urbana will pursue ground-up retail, office and mixed-use development projects while simultaneously seeking opportunities to invest in existing properties that would benefit from expansion, physical improvements or changes in use. Thor Urbana's in-house development and construction team has over 150 years of combined work experience at such firms as GFa, Thor Equities, Vornado, Jones Lang LaSalle, Grupo Alhel, The Mills Corporation, Bovis and Pavorini.

**Marketing Strategy:** A project's ultimate success is often determined by envisioning and effecting alternative uses, by generating a sense of excitement and "place," and by proactively marketing a project both within its community and to a broader customer base. Thor Urbana's ability to envision a property's potential is often the deciding factor in setting the acquisition bidding at a level that will ensure success.

**Financing and Structuring:** Thor Urbana will underwrite investment returns around the assumed use of debt financing, typically targeting 50% of cost.

## ***I. ACQUISITIONS PROCESS***

Thor Urbana will follow a rigorous and proven investment process that benefits from the management team's unique combination of experience in the retail, office, and urban real estate sectors:

**Deal Sourcing.** Thor Urbana's sponsors and management team will exhaust their respective networks of local and international contacts to source and identify attractive investment opportunities, and will perform extensive research in key markets so as to stay current on demographic shifts and changes in retail spending power that often point to underserved markets and urban assets with strong upside potential.

While many of the investments Thor Urbana considers may ultimately be sold through a competitive auction process, such deals are also often acquired preemptively as a result of Thor Urbana's deep relationships with sellers and brokers, its outstanding track record, and its proactive upfront due diligence that position the Company as the buyer of choice, even where it may not be the highest bidder. Owners balance price with surety and speed of closing, as well as deal terms, and this is where Thor Urbana stands out among its peers.

**Highest and Best Use Evaluation.** Thor Urbana will leverage the significant experience and relationships of its sponsors and management team to reveal the value potential of a property that others may overlook. To unlock value, the team will:

- Perform extensive market analysis to verify demand for the optimal permitted use or optimal mix among uses
- Introduce the most efficient or marketable physical layout that will better meet the demands of the top retail and office tenants in the market
- Reconfigure points of access to maximize prime ground level GLA
- Consider the renovation or demolition of existing spaces
- Attempt the assemblage of adjacent sites or properties to increase density, improve access and exposure, or achieve more efficient layouts
- Buy-out undervalued tenant leases remaining in place after acquisition

**Comprehensive Due Diligence.** All investment opportunities are analyzed relative to market fundamentals affecting an asset's sub-market. Key metrics such as competitive vacancy rates, occupancy costs, and new construction are evaluated, and the surrounding area is canvassed to identify any potential risk factors not clearly indicated by market research. Thor Urbana's proprietary due diligence checklist is closely followed to ensure all relevant underwriting criteria is evaluated, including tenant sales, competition, lease expirations, rent rolls, comparable rent summaries and the overall condition of the property. The team will then supplement this information with "real time" data generated through extensive site visits.

## ***I. ACQUISITIONS PROCESS (continued)***

**Development.** Thor Urbana will leverage the talents of its sponsors and management team in the local markets to maneuver the local permitting process, and strive to build projects on time and within budget. Thor Urbana's development scope includes:

- Permits and Licenses
- Construction Budgeting
- Architecture Coordination
- Construction Management
- Construction Accounting

**Asset & Property Management.** Simultaneous with a property's acquisition, Thor Urbana's asset management and property management teams will work together to create a strategic business plan for each property that will successfully align ownership goals with market demand and tenant objectives. Thor Urbana's asset managers will monitor leasing activity, oversee day-to-day property management and play a lead role in project repositioning and redevelopment. The use of market-based assumptions in projecting cash flows, along with detailed financial analysis, will allow for a careful assessment of possible downside risks. The asset and property managers will closely monitor and control all tenant relation issues including leasing, lease administration, strategic planning, budgeting, capital improvements and non-reimbursable expenses. Asset managers are also responsible for making recommendations concerning the optimal timing for asset disposition, gaining insight by closely monitoring market conditions and asset performance.

**Asset Dispositions.** During the initial acquisition/development underwriting process, Thor Urbana will consider multiple disposition strategies and will evaluate each asset continually to assess the viability of a given strategy as a part of the due diligence process. Thor Urbana believes that premium disposition pricing can be achieved through a combination of single asset sales, portfolio sales, refinancing or the sale of the entire portfolio or a subset of the portfolio to a public company. The Company will focus on maximizing value and returns by carefully evaluating all investment, financing and portfolio management options relative to this objective.

We foresee at least two viable exit strategies for the real estate investments made by Thor Urbana:

- Asset or Portfolio sale: sales to domestic and foreign "core" strategic institutional buyers
- Public REIT (Fibra): The first REIT in Mexico (Fibra Uno) was launched in March 2011, selling roughly \$300 million worth of shares with about a third bought by foreigners and the rest by domestic investors. Fibra Uno's shares have since appreciated approximately 28% over the past year and the Fibra has just successfully carried out its second offering of roughly \$700 million. Mexico's 15 private pensions and their \$130 billion in assets growing at above 15% per year are likely to continue to be a source of funding for REIT investments.



## ***J. BIOGRAPHIES - EXECUTIVE MANAGEMENT TEAM***

**Jaime Fasja, *Managing Partner.*** Over the last decade, Mr. Fasja has been involved in the construction and financing of more than US\$1.1 billion of office, residential, resort, and retail real estate property in Mexico, most recently as Director of Acquisitions and New Development at GFa Grupo Inmobiliario, a leading Real Estate Development Company based in Mexico City. Since 2010, Mr. Fasja successfully raised more than USD\$130 million of equity for the development of multiple projects in Mexico City and Guadalajara. While at GFa, Mr. Fasja was also responsible for strategic oversight, investment structuring, development site evaluation, acquisitions and the negotiation of joint venture agreements, overseeing the development and construction of more than 3 million sq ft of projects during his tenure. Jaime previously worked in the United States at two prominent New York private real estate investors: The Moinian Group and Circle Peak Capital.

Having established strong relationships with top construction firms such as Bovis Lend Lease, ICA, ADTec, and Grupo SYASA, and financing sources such as Inbursa, Bancomer, HSBC, and Banco Santander, Mr. Fasja is expected to bring immediate market influence and execution capabilities to Thor Urbana. Mr. Fasja is a member of the board of directors of the Urban Land Institute “Young Leaders Group”, a board member of the ADI (Mexican Real Estate Developers Association) and a member of the International Council of Shopping Centers. Jaime has also been a speaker at numerous industry conferences in the USA and Mexico. Born and raised in Mexico City, and educated both in Mexico and the United States, Jaime is fluent in English and Spanish. Mr. Fasja holds a BA in Architecture and Urbanism from the Universidad Iberoamericana in México City and an MBA with a concentration in Real Estate Finance from Columbia Business School in New York.

**Jimmy Arakanji, *Managing Partner.*** Thor Equities’ expansion into Mexico in 2006 was initiated and led by Jimmy, and he has since been leading Thor’s continuing investment and business development efforts in Mexico, with broad responsibility for the origination, execution, and management of prime retail real estate acquisitions on Mexico City’s famous Masaryk Avenue.

Previously Mr. Arakanji worked at Grupo Inmobiliario Alhel, a leading family-controlled Mexican real estate development group and the largest landlord of Class A office space in the country with more than 20 million square feet of space under ownership. Jimmy handled all aspects of real estate investment and management including acquisitions, leasing, development, and property management for a portfolio of office, retail, and resort projects located throughout Mexico. During this time, Jimmy established strong personal and professional relationships with major players in the real estate industry which are expected to translate to substantial deal flow to Thor Urbana Capital. Born and raised in Mexico City and educated in the USA, Jimmy is fluent in both English and Spanish. He holds a BA in Business Administration from Boston University, where he graduated Magna Cum Laude, and an MBA with concentration in Real Estate from Columbia Business School. In addition, Jimmy is a member of several industry associations such as the International Council of Shopping Centers and the Urban Land Institute.

## ***J. BIOGRAPHIES - EXECUTIVE MANAGEMENT TEAM (continued)***

**Joseph J. Sitt, Chairman.** Mr. Sitt is the founder and owner of Thor Equities and Thor High Street Advisors and also serves as Chairman and CEO of Thor Urban Property Fund I and II. Launched in 2004, Thor Urban Property Funds have raised approximately \$1 billion to date from numerous pension funds, investment banks, prestigious top-tier college endowments, foundations and high net worth individuals.

Mr. Sitt began acquiring real estate in the mid-1980s, targeting urban in-fill locations that would benefit from redevelopment or repositioning. Despite his success at increasing the value of urban retail properties through capital improvements, increased visibility and heightened security, Mr. Sitt found many retailers remained reluctant to establish a presence in such markets. Capitalizing on the apparent shortage of retailers focused on the urban ethnic population, Mr. Sitt founded Ashley Stewart Ltd. (“Ashley Stewart”), followed by the acquisition of Marianne and Kidspot, two specialty retail companies, which, together with Ashley Stewart, became divisions of Urban Brands, Inc. (“Urban Brands”). Mr. Sitt ultimately grew Urban Brands to more than 380 stores in more than 100 cities nationwide, with sales in excess of \$400 million and approximately 6,000 employees. After the profitable sale of his controlling interest in Urban Brands in 1998, Mr. Sitt formed Thor.

Previously, Mr. Sitt managed and developed sourcing plants for Novelty Philippines, Inc., a subsidiary of a U.S. manufacturer with operations in Manila (Philippines), Bandung (Indonesia), Istanbul (Turkey), Shanghai (China) and Dayton, New Jersey (USA).

Mr. Sitt is a member of the Real Estate Board of New York Board of Governors, the New York City Partnership, the Real Estate Roundtable and the Young Presidents Organization. Mr. Sitt also serves on the board of Baruch College’s Department of Real Estate, and Bedford-Stuyvesant Community Preservation Corporation (founded by Robert F. Kennedy and former Senator Jacob Javits), serves as chairman of the Sephardic Heritage Museum and the Kings Highway Neighborhood beautification and Safety Association, and as vice chairman of the SFF Food Fund. Additionally, Mr. Sitt previously served on the board of the Downtown Brooklyn Council Economic Development Advocacy Group, and as co-chairman of The New York City Fulton St. Business Improvement District.

Mr. Sitt is frequently quoted on televised business news programs and in global news and real estate publications, and has been a featured speaker at numerous prestigious universities and professional organizations including the National Retail Federation, Pension Real Estate Association (PREA), Information Management Network (IMN), and The International Council of Shopping Centers (ICSC). The Initiative for a Competitive Inner City (ICIC), led by Harvard University’s renowned Professor Michael Porter, honored Mr. Sitt with the 2007 Inner City Economic Leadership Award, and the Clinton Administration featured Mr. Sitt’s Urban Brands on its New Markets Revitalization Tour and in the Administration’s Welfare to Work initiative. Mr. Sitt is a graduate of New York University’s Stern School of Business.

## ***J. BIOGRAPHIES - EXECUTIVE MANAGEMENT TEAM (continued)***

**Elias Fasja**, *Board Member and Chief Development Officer*. Mr. Fasja is the CEO and Co-owner of GFa Gupo Inmobiliario, a leading Real Estate Development Company based in Mexico City. GFa has developed over 25 million square feet of real estate since 1964, representing a cumulative investment of over \$ 2 billion USD. Since joining GFa in the late-1970s, Mr. Fasja has transformed the company from an architecture and construction firm to one of the largest real estate development firms in Mexico, attracting domestic and international investors for the development of more than 120 projects encompassing nearly all sectors of the real estate industry.

Throughout his real estate career, Mr. Fasja founded, led and sold several companies that had provided complimentary services to those of GFa, including Architectura GF+G, an architecture firm with more than 50 architects, Mexico Alive, one of the largest real estate sales and marketing company in the country, and Constructora Structura, a firm specialized in the construction of high end residential and office properties. Mr. Fasja is also a founder and the current president of the Mexican Real Estate Association (ADI), which is comprised of companies representing more than 70% of the real estate developed in Mexico, and previously was a founder, investor and board member of Hipotecaria Nacional, the most successful mortgage company in the country before its sale to BBVA Bancomer in 2005. He is an active member of El Colegio de Arquitectos de la Ciudad de Mexico, as well as a board member in several other industry boards as ADI president.

Mr Fasja has been a featured speaker at numerous prestigious universities and professional organizations including Universidad Iberoamericana, Universidad Anahuac, Colegio de Arquitectos de la ciudad de Mexico and Expo ADI The Real Estate Show. Over the years Mr. Fasja has received numerous honors for his business, civic and philanthropic activities, most recently winning The National Interiorism award in 2005, an honorary distinction at the Bienal de Arquitectura Mexicana in 2004 and the Cemex Construction Award in 2006. Mr. Fasja's philanthropic activities include the design, construction and funding of "Eliahu Fasja" Synagogue in Mexico City, the design and construction of CIM school, Yavne school and Beit Hayladim school in Mexico City as well as the design of the largest community center in Latin America, Maguen David Community Center in Mexico city which design was awarded to him in a national competition.

Mr. Fasja holds a BA in Architecture and Urbanism from the Universidad Iberoamericana in México City and a Masters in Top Management of Real Estate and Construction Firms from the Politecnico de Madrid and Universidad Anahuac de Mexico.

## ***J. BIOGRAPHIES - EXECUTIVE MANAGEMENT TEAM (continued)***

**Arnulfo Garcia**, *Executive Vice President of Construction*, Mr. Garcia is responsible for managing all construction activity at GFa Grupo Inmobiliario, including both ground-up development and renovations of existing properties in the company's real estate portfolio. Mr. Garcia joined GFa in 2010 and is currently managing the construction of over 2.5 million square feet in different developments throughout the country. Mr. Garcia has had an extensive career of over 25 years in construction and construction management. Before joining GFa, Mr. Garcia founded AGM construction, where he built over 3 million square feet of mixed use, retail, residential and hotel projects in Los Cabos and Rocky Point, he was also the managing partner at COBBASSA, a construction firm founded as a JV between GFa and Mr. Garcia to build over 3.5 million square feet at GFa's Punta Ballena development in Los Cabos. Prior to that Mr. Garcia worked as a construction manager at Banorte and Maseca, two of the most prominent companies in Latin America. Mr. Garcia holds a BA in architecture from the Universidad Regiomontana in Monterrey as well as several industry certifications such as technical auditor from the ITESM and Integral valuator from the UANL in Monterrey.

**Jonathan Cohen**, *Executive Vice President – Permits and Licenses*. Mr. Cohen is responsible for most general permits and licenses matters impacting all of GFa's developments, including negotiations with neighbor associations, urban planning departments as well as all government affairs at the municipal, state and federal level. Since 2007 Mr. Cohen has been involved in multiple round tables discussing and updating the urban plans for most of the municipalities in Mexico City as well as several other states throughout the country. Prior to that Mr. Cohen served as project manager at several ground up developments at GFa where he was responsible for overseeing all legal, construction, architecture and leasing aspects of each development. Prior to joining GFa, Mr. Cohen founded MDA a design and construction firm focused on both residential and office interior design and construction  
Mr. Cohen is a member of the Mexican Real Estate Association (ADI) and holds a BA in Architecture and Urbanism from Universidad Iberoamericana in Mexico City.

**Jose Askenazi**, *Executive Vice President of Architecture/Design*. Reporting directly to the CEO, Mr. Askenazi is responsible for the management of architecture and design at GFa Grupo Inmobiliario, including both ground-up and redevelopments as well as renovations and/or conversions of existing properties in the company's real estate portfolio. Mr. Askenazi joined GFa in 1998. Mr. Askenazi has over 17 years experience in architecture and construction management, including mixed use, residential, retail, office and commercial projects. Since joining GFa Mr. Askenazi has overseen and coordinated the architecture and construction of over 9 million of square feet over the last 14 years. Prior to joining GFa, Mr. Askenazi worked for Constructora Miraros and Marcos Arquitectos as a construction project manager. Mr. Askenazi holds a BA in Architecture from Universidad Anahuac in Mexico City and is a member of the Mexican Real Estate Association (ADI).

## ***J. BIOGRAPHIES - EXECUTIVE MANAGEMENT TEAM (continued)***

**Michael M Schurer**, *Chief Financial Officer*. Mr. Schurer is responsible for managing and reporting on the performance of Thor Urbana as well as Thor Equities, Town Residential, and Thor High Street Advisors, overseeing all aspects of the respective companies' finance, accounting, risk management, legal, information systems and investor relations functions. Mr. Schurer joined Thor in January 2008 with significant experience in the retail, office, industrial, lodging and residential segments of the real estate industry. Prior to joining Thor, Mr. Schurer was the Chief Financial Officer of privately owned Lightstone Group LLC and its publicly registered REIT, the Lightstone Value Plus REIT Inc. Lightstone owned and operated a portfolio of more than 20 million square feet of commercial space, 18,000 apartments and 685 hotels geographically distributed over 46 states, Puerto Rico and Canada. Mr. Schurer also held the position of Chief Financial Officer for Grand Heritage Hotel Group LLC, Humphrey Hospitality Trust, Inc. (NASDAQ: SPPR) and Crown Golf Properties LLC. Prior to that, Mr. Schurer was with Marriott International for eight years, most recently in the role of Division Controller at its timeshare development business. Mr. Schurer holds a Bachelor degree in Accounting from Rutgers University and is a Certified Public Accountant.

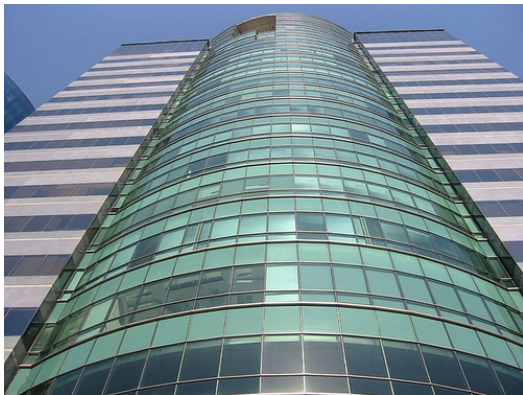
**David Israel**, *Managing Director*. Mr. Israel is responsible for executing and financing Thor's new acquisition and joint venture transactions. Mr. Israel joined Thor in June 2005 with more than 10 years of experience in various areas of real estate investment and management, and having completed over \$1 billion of acquisition transactions. Prior to joining Thor, Mr. Israel worked at Real Estate Capital Partners, a manager of several commingled funds for European institutions and family offices, where his responsibilities included sourcing, negotiating, structuring and closing real estate transactions, and formulating and implementing business plans for acquired assets in the western region of the United States. Mr. Israel also served as the acquisitions manager for Louis Dreyfus Property Group, an owner and developer of commercial properties across the United States, where his responsibilities included sourcing, negotiating and closing transactions on behalf of the company's corporate and joint venture partners. Mr. Israel holds a Bachelor of Science degree in Global Management from the University of San Francisco.

## ***K. ILLUSTRATIVE EXAMPLES OF GFA'S MEXICO DEVELOPMENTS***

### **REFORMA PLUS, MEXICO CITY**

---

<b>DEVELOPMENT</b>	OFFICE/MIXED USE	<b>TOTAL DEVELOPMENT SIZE:</b>	520,000 SQ. FT.
<b>TYPE:</b>			
<b>COMPLETION DATE:</b>	1999	<b>TOTAL CAPITALIZATION:</b>	\$40 MILLION
		<b>REALIZED PROCEEDS:</b>	\$50 MILLION
		<b>UNREALIZED PROCEEDS:</b>	\$66 MILLION
		<b>EQUITY MULTIPLE;</b>	4.2 X



### **FORUM, MEXICO CITY**

---

<b>DEVELOPMENT</b>	OFFICE/MIXED USE	<b>TOTAL DEVELOPMENT SIZE:</b>	235,000 SQ. FT.
<b>TYPE:</b>			
<b>COMPLETION DATE:</b>	1992	<b>TOTAL CAPITALIZATION:</b>	\$25 MILLION
		<b>REALIZED PROCEEDS:</b>	\$47 MILLION
		<b>EQUITY MULTIPLE;</b>	2.1 X





## ***K. ILLUSTRATIVE EXAMPLES OF GFA'S MEXICO DEVELOPMENTS (continued)***

### **SANTA FE #50, MEXICO CITY**

---

<b>DEVELOPMENT TYPE:</b>	OFFICE/MIXED USE	<b>TOTAL DEVELOPMENT SIZE:</b>	200,000 SQ. FT.
<b>COMPLETION DATE:</b>	2009	<b>TOTAL CAPITALIZATION:</b>	\$18 MILLION
		<b>REALIZED PROCEEDS:</b>	\$3.5 MILLION
		<b>UNREALIZED PROCEEDS:</b>	\$28 MILLION
		<b>EQUITY MULTIPLE;</b>	2.5 X



### **PRIVADA DEL BOSQUE, MEXICO CITY**

---

<b>DEVELOPMENT TYPE:</b>	RESIDENTIAL	<b>TOTAL DEVELOPMENT SIZE:</b>	1,150,000 SQ. FT.
<b>COMPLETION DATE:</b>	2007	<b>TOTAL CAPITALIZATION:</b>	\$87.35 MILLION
		<b>REALIZED PROCEEDS:</b>	\$102.2 MILLION
		<b>EQUITY MULTIPLE;</b>	2.5X



## K. ILLUSTRATIVE EXAMPLES OF GFA'S MEXICO DEVELOPMENTS (continued)

### PUNTO POLANCO, MEXICO CITY

DEVELOPMENT TYPE:	OFFICE/MIXED USE	TOTAL DEVELOPMENT SIZE:	1,100,00 SQ. FT.
COMPLETION DATE:	UNDER DEVELOPMENT/2014	TOTAL CAPITALIZATION:	\$96 MILLION
		UNREALIZED PROCEEDS:	\$166.7 MILLION
		EQUITY MULTIPLE;	2.5 X



### PRIVADA 14, MEXICO CITY

DEVELOPMENT TYPE:	RESIDENTIAL	TOTAL DEVELOPMENT SIZE:	635,000 SQ. FT.
COMPLETION DATE:	UNDER DEVELOPMENT/2013	TOTAL CAPITALIZATION:	\$75 MILLION
		REALIZED PROCEEDS:	\$85 MILLION
		UNREALIZED PROCEEDS:	\$10 MILLION
		EQUITY MULTIPLE;	21X





## ***L. ILLUSTRATIVE EXAMPLES OF THOR'S MEXICO INVESTMENTS***

### **MASARYK PORTFOLIO, MEXICO CITY**

---

<b>MARKET:</b>	MEXICO CITY, MEXICO	<b>TOTAL TRANSACTION SIZE:</b>	32,206 SQ. FT.
<b>INVESTMENT DATE:</b>	AUGUST 2007-2008	<b>TOTAL INVESTED EQUITY:</b>	\$18.8 MILLION
		<b>TOTAL INVESTED/ PROJECTED CAPITAL:</b>	\$22.6 MILLION

---

#### **TRANSACTION SUMMARY**

Beginning in August 2007, Thor acquired these properties through solicitations of the property manager and owners. Thor staff included a full-time employee who is based in Mexico City, and Thor's team has considerable market knowledge and contacts. Thor recognized the incredible opportunity in the Masaryk market, which is the best-performing luxury shopping district in all of Latin America. Despite increases in international capital seeking premium returns in emerging markets such as Mexico and South America, the Masaryk market has been overlooked, and remains a market with single property owners and no unified merchandising plan. Thor was able to close on the deals ahead of luxury retailers interested in purchasing the property themselves, and then turn around and sign a lease with one of same retailers, Salvatore Ferragamo. The properties benefit from prominent corner locations, adjacencies to excellent co-tenants such as Gucci, and the ability to offer new buildings and onsite parking to a market with very high demand and extremely constrained supply.





**Masaryk at Lafontaine property**

**Gucci**

**Masaryk at Calderon property**



## TRANSACTION SUMMARIES

### Masaryk 426

Thor purchased Masaryk 426 in August of 2007 through a direct solicitation of the property manager. These two combined existing buildings were owned by an absentee landlord living in Europe, and under-used. Thor purchased the building and onsite parking vacant, and immediately began negotiating with the international retailers who were previously in competition to buy the property. Thor has leased half the space to Farragamo for their Latin American flagship store and subdivided the remaining space into three stores which are currently fully leased.

### Masaryk at Lafontaine

Thor acquired Masaryk & Lafontaine in April of 2008 through a direct negotiation with the family who owned the property. This is a prime example of the under-developed potential of the market: it was a home right next to the Gucci store, and on a corner of the best-performing luxury shopping district in all of Latin America. Thor negotiated a staged-closing to allow the owner to build a new home elsewhere, and to allow time for Thor to design and market a brand new retail building to luxury retailers trying to enter this supply-constrained market.

The prior structure has been demolished and a new luxury retail building is under construction with plans to deliver spaces by May 2012. Thor is in discussions with several tenants but has decided delay lease signings to take advantage of the rising rents on the street.

### Masaryk at Calderon

Thor acquired Masaryk & Calderon in August of 2008 through a direct negotiation with the owner. This existing building was previously rented to a restaurant and café. Thor's acquisition was conditioned on the termination of these tenants, whose rents were below market levels. The property was redesigned to enclose outdoor terrace area and increase luxury retail area. Located at the intersection of Avenida Presidente Masaryk and Calle Calderon de La Barca, the property benefits from prominent visibility, direct adjacency to the Gucci building, and allows Thor to exert control over this important block in Masaryk. Thor has leased up 70% of the building to Cornelian and Porcelanosa as their flagship stores in Mexico. Thor is close to signing a lease for the remainder of the space with Gucci, a major international luxury brand.

## ***L. ILLUSTRATIVE EXAMPLE OF THOR'S MEXICO INVESTMENTS (continued)***

### **STRATEGY**

- Acquire under-managed prime corner properties, free of any tenancy, establish new ownership and utilize Thor's professional leasing and development teams to re-position properties.
- Secure corner properties at Lafontaine and at Calderon, to gain control of entire block surrounding Gucci.
- Demolish existing structures to allow construction of state-of-the-art luxury retail building with on-site parking at Masaryk and Lafontaine
- Renovate existing retail building at Masaryk and Calderon, including the enclosure of an open-air terrace, increase additional revenue generating leasable area

### **VALUE ADDED BY THOR**

- Terminate existing leases with below market rents
- Secured new lease with Salvatore Ferragamo for corner building at 426 after out-maneuvering them in their attempt to acquire the property. Lease is one of the highest known rents per square meter on Masaryk
- Reached agreement with two additional well-known luxury tenants, bringing the 426 property to over 80% leased before construction has even begun
- Demolished existing residential property and constructing a luxury retail building on Lafontaine
- Thor has achieved rents well in excess of what was originally projected upon acquisition. In addition, Thor has set record rents on Masaryk with several of their recent lease signings

## M. PAST PERFORMANCE

### Thor Equities, LLC

**Performance Summary**<sup>(1) (2) (3)</sup>  
As of July 31, 2011  
(\$ in thousands)

Investment Status	No. of Investments	Invested/ Projected Equity <sup>(4)</sup>	Invested/ Projected Capital <sup>(5)</sup>	Realized Proceeds <sup>(6)</sup>	Unrealized Proceeds <sup>(7)</sup>	Equity Multiple <sup>(8)</sup>	Gross IRR <sup>(9)</sup>
<b>FUND I</b>							
Realized	2	\$ 18,501	\$ 75,501	\$ 33,116	\$ -	1.8 x	25.8%
Unrealized	15	464,359	1,125,053	149,634	418,824	1.2 x	5.4%
<b>Total Fund I Investments</b>	<b>17</b>	<b>\$ 482,860</b>	<b>\$ 1,200,554</b>	<b>\$ 182,750</b>	<b>\$ 418,824</b>	<b>1.2 x</b>	<b>6.0%</b>
<b>FUND II</b>							
Realized	3	\$ 53,957	\$ 60,673	\$ 67,474	\$ -	1.3 x	35.9%
Unrealized	7	426,871	710,178	57,811	564,755	1.5 x	9.1%
<b>Total Fund II Investments</b>	<b>10</b>	<b>\$ 480,828</b>	<b>\$ 770,851</b>	<b>\$ 125,285</b>	<b>\$ 564,755</b>	<b>1.4 x</b>	<b>9.7%</b>
<b>Non-Fund</b>							
Realized	17	\$ 149,066	\$ 564,509	\$ 385,758	\$ -	2.6 x	39.4%
Unrealized	24	448,454	1,000,665	105,088	1,137,111	2.8 x	15.2%
<b>Total Non-Fund Investments</b>	<b>41</b>	<b>\$ 597,520</b>	<b>\$ 1,565,174</b>	<b>\$ 490,816</b>	<b>\$ 1,137,111</b>	<b>2.7 x</b>	<b>23.8%</b>
<b>Investments Total</b>	<b>68</b>	<b>\$ 1,561,208</b>	<b>\$ 3,536,579</b>	<b>\$ 798,851</b>	<b>\$ 2,120,690</b>	<b>1.9 x</b>	<b>15.0%</b>

\* All IRRs presented are annualized and calculated based on the actual dates the investments were made and the related distributions were received. Gross figures do not take into account the effect of investment-level expenses, including advisory fees and carried interest distributions, which in the aggregate may be substantial and will reduce any investor returns. In addition, prospective investors should bear in mind that past performance is not necessarily indicative of future results. There is no assurance that future investments will be profitable or will achieve comparable results or that a to-be-formed investment vehicle will be able to successfully implement its investment strategy. There is no assurance that investments of a comparable type in comparable instruments or industries may be found. Future investments will be made under different economic conditions, and may occur in other geographic regions. The IRRs, average holding periods, and realization rates shown should not be viewed as indicative of how future investments will perform. Further, projected returns are inherently subject to significant business, economic, competitive, market and regulatory uncertainties, risks and contingencies that are beyond Thor's control. Accordingly, there can be no assurance that estimated returns or projections will be realized, that actual returns will not be significantly lower than those shown or that losses will not result. The Performance Summary is calculated in U.S. dollars.

## ***M. PAST PERFORMANCE (continued)***

### **Thor Equities, LLC (continued)**

#### **Endnotes to Thor's Past Performance Table**

1. Includes all investments completed by Thor between May 1, 2000 and July 31, 2011 in the case of Non-Fund investments, between April 1, 2005 and July 31, 2007 in the case of Fund I investments and between May 1, 2008 and July 31, 2011 in the case of Fund II investments.
2. All calculations have been presented using actual (through July 31, 2011) and estimated quarterly property-level cash flows on a leveraged basis, if applicable. Estimated cash flows are based on assumptions from Thor's current business plan for each investment and presented through the estimated date of sale, which is generally estimated to be the date of stabilization.
3. It has been assumed that upon disposition of the properties, outstanding loans are repaid or assigned. Unless otherwise noted, the costs associated with prepayment or assignment have not been taken into account in the calculation of IRRs. In addition, any potential gain or loss arising from circumstances wherein the assignment or defeasance is consummated at a value other than the carrying cost has similarly not been taken into account. Further, it has been assumed that all pre-conditions shall be met to enable pre-payment, assignment or defeasance as the case may be.
4. Unless otherwise noted, "Invested/Projected Equity" includes actual amounts invested through July 31, 2011 ("Invested Equity") plus amounts committed to be invested over the term of the investment as of July 31, 2011. Amounts contributed to fund entity level expenses, corporate overhead (to the extent such costs were not recoverable from tenants, JV partners or syndicate investors) and corporate taxes were excluded.
5. "Invested/Projected Capital" includes Invested/Projected Equity plus principal amounts of initial debt secured by properties and/or total amounts funded under construction loans as of July 31, 2011 secured by properties under development plus additional debt projected to be secured by the property to fund development plans.
6. "Realized Proceeds" represent (i) actual distributions, and (ii) actual net proceeds from capital transactions, including asset sales and debt refinancings, in excess of existing debt and transaction costs, as of July 31, 2011.
7. "Unrealized Proceeds" represents the remaining projected proceeds to be received from operating cash flows and asset sales. Projected asset sales are based on preliminary indications of value from the market, management estimate of value, or stabilized NOI (as defined below) divided by capitalization rates based on current market conditions and property-specific characteristics. Net Operating Income ("NOI") represents income less expenses. Entity level expenses, corporate overhead, corporate taxes, debt service, capital expenditures, tenant improvements and leasing commissions were excluded from the determination of NOI. Actual proceeds may differ from Unrealized Proceeds due to, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transactional costs, the availability and cost of financing and timing and manner of sale, all of which may differ from the assumptions in which Unrealized Proceeds contained herein are based.
8. "Equity Multiple" is calculated by dividing the sum of Realized Proceeds and Unrealized Proceeds by Invested/Projected Equity.
9. "Gross IRR" calculations are presented on a gross basis, after the deduction of property level expenses, real estate taxes, interest expense and debt amortization, and do not otherwise take into consideration incentive distributions, entity level costs, corporate overhead (to the extent such costs were not recoverable from tenants, JV partners or syndicate investors) or corporate taxes. If the Investment were to achieve returns similar to the Gross IRR reflected in the Investment Performance Summary, the net returns to the investors would be lower. For the purpose of calculating Gross IRR, distributions and contributions are assumed to occur at quarter-end. The formula used to calculate Gross IRR does not include the re-investment of distributed proceeds.

## N. PAST PERFORMANCE GFa Grupo Inmobiliario

### GFa Grupo Inmobiliario

#### GFa's Transaction Summary (\$ in thousands) since 1980

Property	Property Type	Location	Development Date	Current Status	GLA/GSA (SQ FT)	Invested/Projected Equity	Total Capitalization	Realized Proceeds	Unrealized Proceeds	Equity Multiple	Gross IRR
Punto Polanco	Mixed Use	Mexico City	2011	Under Development	505,000	\$ 48,000	\$ 96,000		\$ 166,700	2.5	23.0%
Centro Kia	Mixed Use	Guadalajara	2011	Under Development	605,000	\$ 9,000	\$ 69,000		\$ 81,500	2.4	28.0%
Periferico Sur	Mixed Use	Mexico City	2011	Under Development	445,000	\$ 32,000	\$ 68,000		\$ 99,000	2.0	22.0%
Santa Fe #50	Office	Mexico City	2009	Under Management	100,000	\$ 9,000	\$ 18,000	\$ 3,500	\$ 28,000	2.5	12.0%
Reforma Plus	Office	Mexico City	1999	Under Management	255,000	\$ 24,000	\$ 40,000	\$ 50,000	\$ 66,000	4.2	19.0%
Torre Metepec	Office	Toluca, MX	1996	Sold	172,000	\$ 35,960	\$ 35,960	\$ 30,000		0.8	0.0%
Corporativo Forum	Office	Mexico City	1992	Sold	118,200	\$ 20,000	\$ 25,000	\$ 47,000		2.1	35.0%
Corporativo Cuernavaca I	Office	Mexico City	1980	Sold	170,000	\$ 22,100	\$ 22,100	\$ 36,100		1.6	15.0%
Corporativo Cuernavaca II	Office	Mexico City	1980	Sold	170,000	\$ 22,100	\$ 22,100	\$ 41,000		1.9	12.0%
Corporativo Homero I	Office	Mexico City	1980	Sold	175,000	\$ 24,000	\$ 24,000	\$ 40,000		1.7	21.0%
Corporativo Homero II	Office	Mexico City	1980	Sold	175,000	\$ 24,000	\$ 24,000	\$ 48,000		2.0	20.0%
Privada 14	Residential	Mexico City	2011	Under Development	452,000	\$ 1,000	\$ 75,000	\$ 85,000	\$ 10,000	21.0	992.0%
Residencial Privada de los Principes	Residential	Mexico City	2011	Under Development	210,000	\$ 200	\$ 35,000	\$ 3,800	\$ 39,000	40.0	274.0%
Residencial Alarcos	Residential	Mexico City	2007	Sold	345,000	\$ 5,000	\$ 44,850	\$ 50,200		2.1	18.0%
Residencial Punto Sur	Residential	Mexico City	2006	Sold	116,250	\$ 2,000	\$ 23,250	\$ 32,875		5.8	98.0%
Residencial 4 puntos	Residential	Mexico City	2006	Sold	285,000	\$ 8,000	\$ 46,000	\$ 44,000		0.8	0.0%
Residencial Domus	Residential	Mexico City	2005	Sold	120,500	\$ 1,000	\$ 20,500	\$ 23,800		4.3	30.0%
Residencial Acacias	Residential	Mexico City	2004	Sold	332,000	\$ 5,000	\$ 42,500	\$ 52,000		2.9	22.0%
Residencial Amatepec	Residential	Mexico City	1997	Sold	145,000	\$ 2,000	\$ 27,550	\$ 33,550		4.0	32.0%
Residencial Royal Reforma	Residential	Mexico City	1996	Sold	585,000	\$ 20,000	\$ 108,225	\$ 131,225		2.2	26.0%
Residencial Trianon	Residential	Mexico City	1990	Sold	353,000	\$ 15,000	\$ 56,480	\$ 76,480		2.3	23.0%
Delcanto	Residential/Resort	Puerto Vallarta, MX	2007	Under Development	581,251	\$ 24,000	\$ 105,000	\$ 80,000	\$ 17,000	0.7	0.0%
Torre Acqua	Residential/Resort	Acapulco, MX	2004	Sold	114,000	\$ 4,000	\$ 17,600	\$ 22,000		2.1	66.0%
Residencial Maralago	Residential/Resort	Cancun, MX	1999	Sold	181,600	\$ 10,000	\$ 37,500	\$ 54,500		2.7	28.0%
Torre Mikonos	Residential/Resort	Acapulco, MX	1998	Sold	52,500	\$ 200	\$ 8,500	\$ 10,085		8.9	100%+
Torre Ibiza	Residential/Resort	Acapulco, MX	1991	Sold	100,000	\$ 500	\$ 13,500	\$ 15,835		5.7	100%+
Torre Palma	Residential/Resort	Acapulco, MX	1990	Sold	114,000	\$ 500	\$ 15,500	\$ 18,225		6.5	100%+
Torre Mallorca	Residential/Resort	Acapulco, MX	1990	Sold	114,000	\$ 500	\$ 15,500	\$ 18,225		6.5	100%+
Torre Costa	Residential/Resort	Acapulco, MX	1986	Sold	110,900	\$ 240	\$ 14,000	\$ 16,700		12.3	100%+
Torre Perla	Residential/Resort	Acapulco, MX	1986	Sold	110,900	\$ 240	\$ 14,000	\$ 16,700		12.3	100%+
Torre Olympus	Residential/Resort	Acapulco, MX	1984	Sold	82,800	\$ 150	\$ 10,000	\$ 11,950		14.0	100%+
Punta Ballena	Resort/ Mixed Use	Los Cabos, MX	2002	Under Development	3,455,000	\$ 50,000	\$ 380,000	\$ 30,000	\$ 530,000	4.6	13.0%
Incom Plaza Las Aguilas	Retail	Mexico City	2011	Under Development	4,200	\$ 450	\$ 770		\$ 2,320	4.4	32.0%
Incom Plaza Sria. De Marina	Retail	Mexico City	2010	Under Management	4,500	\$ 384	\$ 570	\$ 250	\$ 1,486	4.0	25.0%
Incom Plaza Chapultepec	Retail	Mexico City	2008	Under Management	6,500	\$ 380	\$ 615	\$ 300	\$ 1,235	3.4	21.0%
<b>Total</b>					<b>10,866,101</b>	<b>\$ 420,904</b>	<b>\$ 1,556,570</b>	<b>\$ 1,123,300</b>	<b>\$ 1,042,241</b>		

note- Developed and built over 3 million sqft of non profit projects in mexico city