DealPoint Merrill is an owner and operator of value-added and redevelopment assets, as well as a sponsor of real estate co-investment offerings. For more than 30 years, the principals and its affiliated companies have earned a reputation for client-centric management services from a broad range of financial institutions and individuals.

Family Office: Headquartered in Los Angeles.

Value-added and opportunistic investment philosophy. Owner and operator of value-added retail conversions and adaptive reuse properties with an emphasis on self-storage.

Highly evolved management team. 30+ year average tenure of senior management team with highly disciplined internal systems control and accounting infrastructure.

In addition to our retail shopping centers, DealPoint Merrill has extensive in-house self-storage redevelopment/construction, land entitlement, asset management expertise with a national development portfolio of approximately 15,000 “Class A” institutional quality units, branded and managed by CubeSmart, [See NYSE: CUBE].

MISSION STATEMENT

We seek to significantly add value to each property that we acquire which may include: (a) new capital improvements to include modifying tenant mix, redevelopment of the exteriors to include modernization of building facades, new development of well-located out parcel “pad” tenants and so forth; (b) adding value that can be enhanced by new ownership, replenished capital structure, aggressive leasing and marketing, strong property management and lowering of operating costs; and (c) changing the property use or modification/change in zoning through entitlement. Rezoning appeals can be a lengthy and time-consuming process but also create significantly higher land values.
“Exceeding Our Client’s Expectations for Service and Performance”

“Our mission is to provide service and performance beyond our client’s expectations by creating real estate investment strategies delivered with the highest standards of excellence and integrity. We meet these expectations by creating and implementing client-focused real estate investment strategies, staying centered on what we know and understand, while maintaining ethical standards in our business practices.”

**INVESTMENT OBJECTIVES**

**REDEVELOPMENT, GROWTH AND INCOME**

With our priority being capital preservation, our investment philosophy is focused on redevelopment of distressed commercial property investments that offer near-term upside through the prospect of stabilized income. We look for assets that can be acquired at the lowest price, thereby creating an immediate margin of safety and value for our investors, then strive to secure a prompt return of capital through sale or refinancing.

Our growth and income co-investment objectives generally prefer the purchase of “off market” projects where we can: (a) quickly maximize land value through entitlement; (b) create redevelopment opportunities; (c) generate superior cash on cash returns; (d) provide for return of capital through refinance or sale; (e) create relatively short holding periods of 3 to 5 years; and (f) provide minimal development risk and quick market exit.
FROM INTUITION TO EXECUTION

Our investment philosophy is rooted in acquiring value added properties at prices below replacement value, thereby creating an immediate margin of safety for our clients. We then add value by adaptive reuse or repositioning of each property we acquire. Adaptive reuse includes modifying tenant mix, redevelopment of the exteriors to include modernization of the facade, new development of well-located out parcel tenants and so forth. We sell our properties, once we stabilize operating performance, and when market conditions make sense.

“With taxation in mind, our exit strategy is keenly focused on keeping what we have made. Consequently, we provide exit strategies designed to protect our investor’s hard won profits.”

~Sterling McGregor
President

- Strategic Investments
Our goal is not only to outperform in good markets, but more importantly, to provide investment strategies that protect our investors during economic downturns as more fully described below:

- Cautious Entrepreneurs
We are not only cautious and entrepreneurial investors focused on our market niche, but we also stay focused on what we know and understand, while maintaining the highest ethical standards in our business practices.

- We are Cautious Contrarian Investors
  - Niche investors with focused experience
  - We buy direct from institutions and/or “off market” or “closely held” offerings
  - Exploit market misalignments
    - Out of favor sectors or markets
    - Poorly managed properties
    - Distressed sellers

- Control Risk
We control risk by meticulous due diligence and purchase assets priced well below replacement cost in sub markets that feature strong amenities, central locations and sturdy infrastructure. We also look to exploit market misalignments and quickly acquire and restore to profitability poorly managed properties in the hands of distressed or time-constrained sellers.

- We look for ways to Control Risk in Every Aspect of our Business
  - Acquire assets supported by neighborhood amenities and infrastructure
  - Seek to acquire off market properties from institutional sellers
  - Purchase assets below replacement cost
  - Acquire multi-tenant properties only
  - Deploy meticulous research and due diligence

- Hands On
As the manager of our capital, we have owned and operated properties over the years using our own internally-generated profits to contribute to our long term growth. One of the key ingredients sustaining our long-term growth and consistent financial performance has been strict adherence to maintaining quality in every area of our operation, coupled with “lean operations” and staying within our area of expertise.
- **Add Value**
  Our properties are internally managed to maximize performance, where value is created by the continuous cycle of tenant recruitment, building renovation and tenant repositioning. Assets are sold when profitable.

- **We only acquire properties where we can add value and implement an optimal exit strategy**
  - Create value by lease-up, renovation, repositioning tenancy and vigilant management
  - Strong internal “day to day” asset management by company principals
  - Properties are internally managed for maximum performance
  - Disciplined to sell when we can make a profit

- **Reporting Transparency**
  We provide investors with timely and transparent financial reporting within a public reporting format designed to meet both entrepreneurial and institutional requirements.

- **We seek to create an alignment of Investor Interests**
  - Company principals are also investors
  - Audited Financials
  - Full Reporting Transparency
  - Use third party transfer agent and investor services
  - Real time web based online financial reporting

“We understand the financial and reporting needs of investors who have charged us with managing complex real estate assets and strive to provide the highest level of professional service and client fidelity.”

~David Frank
Chief Executive Officer
REDEVELOPMENT AND ADAPTIVE REUSE BUSINESS MODEL

- Is more conservative than development; eliminates construction and other types of discovery risks
- Provides access to locations with high visibility that can be bought at deeply discounted prices substantially below the cost of new construction
- Provides stable cash flows upon property stabilization
- We focus on proven market concepts that will provide economic stability in both strong and weak economic markets

INVESTMENT STRATEGIES

- Use of leverage to enhance returns
- Refinance when feasible to return 100% of investor capital and enjoy long term cash flow
- Three (3) to five (5) year typical holding period, but may invest for shorter or longer periods depending upon market conditions
- Provide geographic diversification where possible
- Lease and market aggressively; control and lower operating expenses

DealPoint works diligently to increase cash flow by tightly controlling operating and redevelopment expenses, aggressive use of our proprietary marketing and branding platform, and securing attractive financing to generate the best cash flow. Lastly, we dispose of properties when market conditions are compelling.

INVESTMENT OBJECTIVES

Our Investment objectives with each asset we acquire include the following: (i) preserve capital investment; (ii) realize income and capital appreciation through a combination of building or new space renovation, lease up of vacancy, tenant repositioning and strong management; (iii) making quarterly distributions until stabilization; (iv) achieve targeted annual rate of returns in the range of 15% to 30%; (v) provide a partially sheltered cash on cash return; and (vi) seek to reduce our cost basis through the sale or redevelopment of excess land.

AT A GLANCE: ADAPTIVE REUSE AND REDEVELOPMENT INVESTMENT STRATEGIES

Our adaptive reuse and redevelopment investment objectives require projects where we can: 1) quickly maximize values; 2) generate superior cash on cash returns; 3) provide for prompt return of capital through refinance; 4) create relatively short holding periods of three to five years; 5) provide for minimal development risk and quick market entry.

TARGETED PROPERTY TYPES

With our first priority being capital preservation, our investment strategy is focused on investments that can offer near term security through stabilized income. On a risk-adjusted basis, we prefer apartments, multi-tenant retail and self-storage properties. We look for properties located in supply-contained markets on an opportunistic basis as discussed below:

Self Storage: Adaptive Reuse of Big Box Properties. Adaptive reuse of well-located corporate manufacturing, distribution warehouses and vacant "big box" anchored retail properties which can be acquired at a deep discount to replacement cost, then redeveloped into climate controlled self-storage "super centers" augmented by onsite business amenities and retail tenancy.
Targeted Property Types (continued)

Multi-Tenant Retail: Value Added Renovation and Addition of Bank Pads. Value-added or adaptive reuse of grocery or shadow anchored multi-tenant shipping centers with vacancy, excess land, poor tenant mix or other value added components on an opportunistic basis. Value must be quickly realized through redevelopment to include new facades and landscaping features, new anchor and in-line tenants, addition of investment grade tenancy on excess land, coupled with aggressive leasing and marketing.

Medical Office: Adaptive Reuse of Hospitals. Our adaptive reuse of well-located vacant hospital properties capitalizes on rebranding refurbished hospital assets into "medical malls" anchored by large floor plate niche medical and surgical tenancy requiring specialized hospital type amenities and services, as well as a campus setting within a central business district milieu. The balance of the space is then leased to smaller medical groups.

Multi-Family: Redevelopment and Cap Rate Arbitrage. This strategy includes new construction of multi-family housing, or refurbishing older properties with vacancy in supply constrained markets on an opportunistic basis that will provide strong incremental arbitrage returns from refurbishment and upgrades.
The Company and its construction and development affiliates is managed by a long term seasoned, cohesive team of real estate and investment professionals with expertise in deal structure, finance, acquisition and management.

DAVID FRANK
CEO

David, CEO and Co-founder of DealPoint Merrill started his Career in real estate development after attending law school. In 1985, Mr. Frank founded The Merrill Companies, a privately held development, asset management, and leasing firm in Southern California. During this time the Company completed 10 retail developments, and managed over 1 million square feet of retail shopping centers.

In 1992, Mr. Frank began to handle bankruptcy matters and business reorganization as a Court Appointed Receiver; worked with the Federal Deposit Insurance Corporation with over 75 public or institutional clients, and appointed to over 400 cases. By working with banks and lending institutions nationwide on their default loan portfolios, Mr. Frank’s expertise had enabled the Company to diversify its management portfolio. Mr. Frank’s background in Real Estate development, law, construction, asset and property management, and as a licensed General Contractor, positioned the Company to become one of the largest Federal and State Court Appointed Receivers in the nation for receivership and property management distressed portfolios.

In 1997, he co-founded NewMark Merrill Companies, which acquired millions of square feet of retail shopping centers and development projects. The Company was ranked “Top 10 Property and Development Firms” in the Los Angeles area by the LA Business Journal.

Continuing his retail, commercial, and multifamily development program in 2005, The Merrill Group of Companies developed anchor tenant shopping centers in established communities, bringing its hands-on approach to planning and developing commercial and retail projects to their full potential. Nationwide the Company currently manages over 4 million square feet of commercial, retail, and multifamily units. Mr. Frank has been a member of ICSC (International Council of Shopping Centers) since 1985 and continues to support philanthropic organizations.

STERLING MCGREGOR
PRESIDENT

As the Chief Investment Officer and Co-founder of the Company, Mr. McGregor is responsible for acquisitions and operations to include formulation of offering structures and products. Mr. McGregor has over 20 years of commercial real estate experience and capital markets experience. Over the past decade, he has acquired and financed 20+ million SF of commercial and multi-family properties with values in excess of $2.5 billion in structured real estate securities transactions.

Mr. McGregor was previously the President and Managing Director for a regional self-storage redeveloper and storage operator of about 4,000 units. Previously, he was a founding shareholder and Chief Operating/Investment Officer of CORE Realty Holdings, a national real estate sponsor, with responsibilities for acquisitions, financing, asset and property management where he acquired $1.2 billion in real estate investments to include redevelopment of over 6,000 multi-family units. Mr. McGregor was also the Chief Operating/Investment Officer for several prominent national real estate sponsors to include a founding shareholder of a national real estate securities sponsor and successor in interest to Grubb and Ellis where he served as board of director for several of the company sponsored public REIT’s. Prior to his experience in the real estate securities industry, he was responsible for the management of several institutional quality portfolios with values in excess of $5 billion for Wells Fargo Bank; and due diligence, financing and acquisitions for Cal Fed Syndications, a $1 billion publicly-traded NYSE-listed REIT.

Mr. McGregor is a licensed California Real Estate Broker and a Certified General Appraiser (inactive) with a Bachelor’s Degree in Business Management and Finance.