DANIEL CAPITAL MANAGEMENT

REAL ESTATE DISTRESSED DEBT INVESTMENTS

September 2009

Private & Confidential

Disclaimer

- The information contained in the Preliminary Presentation concerning the establishing of Property Distressed Debt Investments platform should be considered as strictly confidential.
- All info presented and Writers Opinions expressed are current opinions as of the date appearing in this material
- The attention of recipients is drawn to the fact that this Presentation contains information of a sensitive, confidential and private manner ("Information") and recipients are therefore requested to keep it under confidentiality obligation. No part of this material may, without Writers prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person.
- The reproduction of any element of this Presentation or use of such copies for other purposes than considering business opportunity presented by the Writers is expressly forbidden.
- The Information contained in this Presentation is preliminary and subject to amendments and addenda. No reliance should be placed on any Information contained in the Presentation and no representation or warranty, expressed or implied, is or will be made and no liability is or will be accepted by the Writers as to the accuracy, adequacy or completeness of such Information.
- Prior to making an investment decision, each investor must consider and review the detailed and final documents. This presentation is provided in order to allow skilled prospective investors to draw upon relevant preliminary information regarding the proposed investment in making a decision to proceed with a more thorough analysis and evaluation of prospective commitment.
- The Writers decline all responsibility in the event of errors posted in this Presentation.

About us – The Company

Daniel Capital Management Inc. provides comprehensive advisory services, working with investors to develop and execute sophisticated M&A and real estate transactions. Services include financing, financial, tax, business plan, legal and accounting advice, as well as drafting of legal instruments and negotiations with counterparts.

Daniel Capital Management Inc. also specializes in buyouts, recapitalizations, real estate development and acquisitions, change of ownership transaction, corporate divestitures, industry consolidation and expansion capital investments.

Daniel Capital Management Inc.'s founder, Ran Daniel, is an experienced professional who provides objective financial advice and analysis, transaction support and strategy consulting to clients.

About us – Ran Daniel, Principal

Ran Daniel has a rich background in finance and international business management. He served as chief financial officer of start-up companies (in the software and medical device fields). Prior to that, he served as the international chief financial officer of Ness Technologies, Inc., where he controlled global reporting and finance-related activities for international operations and played leading roles in planning and executing the company's extensive cross-border M&A activities. Before working at Ness Technologies, Inc., Ran Daniel was a senior manager in the audit and corporate finance division at Ernst & Young LLP in Israel and an analyst at the Bank of Israel.

Ran Daniel is licensed as a Certified Public Accountant (CPA) in the United States and Israel and is admitted to practice law in New York. He also is a certified Financial Risk Manager (FRM), Chartered Financial Analyst (CFA), and an active member of the CFA Institute, the New York Society of Security Analysts (NYSSA), the Global Association of Risk Professionals (GARP) and the New York State Bar Association. Ran Daniel holds a Bachelor of Economics, a Bachelor of Accounting and an MBA in Finance from the Hebrew University as well as a Graduate Degree in Law from the University of Bar Ilan.

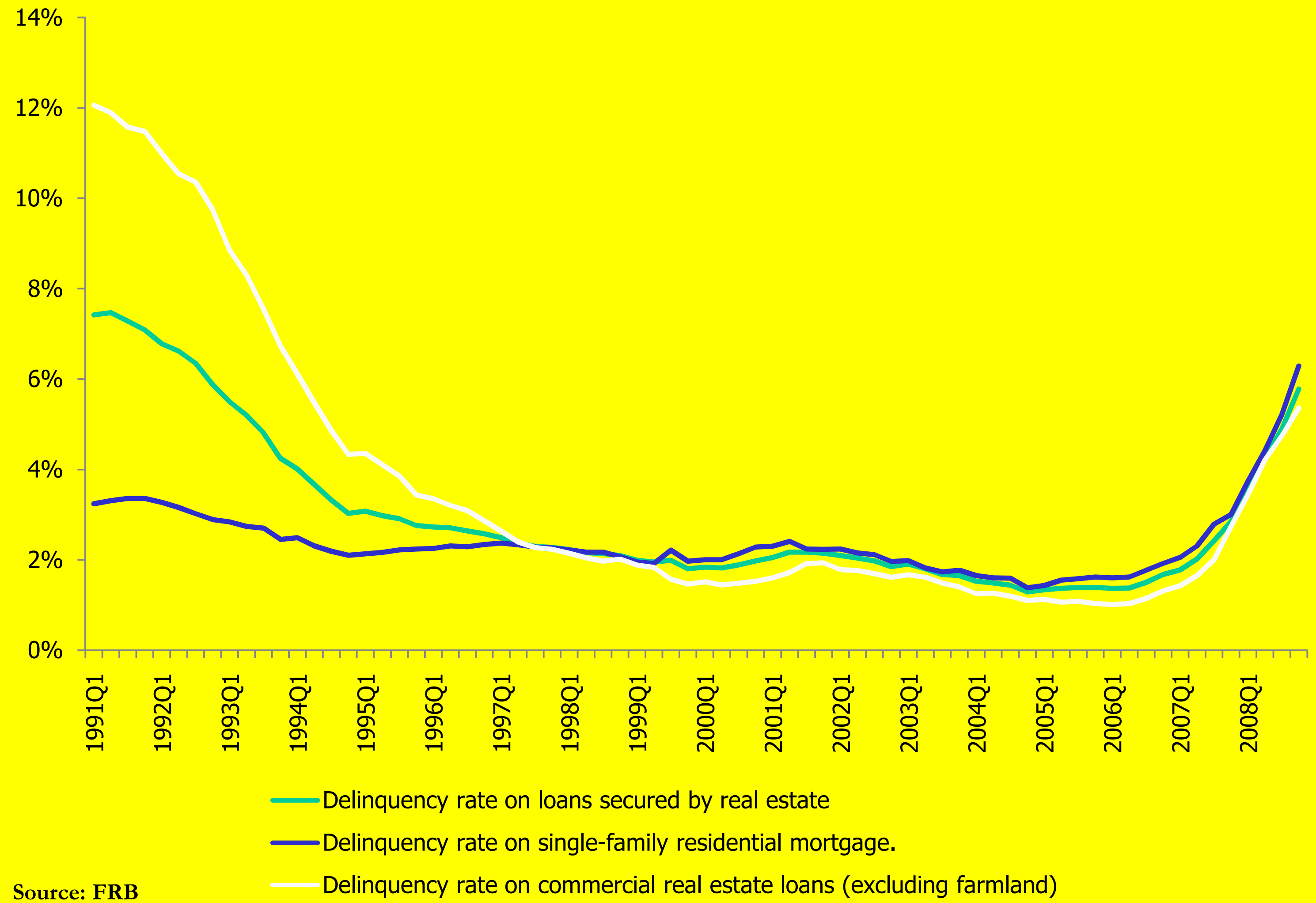
The Opportunity

- For the past several years, commercial real estate investors have used as much cheap debt as they could to buy properties. Many of those loans made their way into pools of mortgages behind commercial mortgage-backed securities (CMBS). Declining prices and a weakened economy, those borrowers may run into difficulties paying their loans while the lenders may unload loans due to problems with their balance sheet.
- Due to the economic downturn many lenders, who are not experts in managing commercial real estate, may find themselves in a control position, which may further accelerate the selling those mortgages and depress their price even further.
- Prices are below the intrinsic value due to the economic downturn, excess leverage, stress selling and force liquidations.

The Opportunity

- The outcome is that buying bargain-basement distressed debt is a great idea when it can be done at prices that are below intrinsic value with a potential for highly outstanding returns through bargain-basement purchases are approachable.
- We will identify and analyze the problems of the distressed property by the market (i.e. oversupply vs. lack of demand, lack of liquidity, etc.), the capital structure (i.e. over-leverage, high loan-to-value ratios (LTVs) and low debt-service-coverage ratios. Etc.), the management (i.e. good or poor) and other problems.

The Opportunity – Delinquency rates on residential and commercial loans



Source: FRB

The Investment Approach

Being an opportunity driven investment platform, DCM will focus on the higher-end of the risk-return profile, investing in distressed debt secured by commercial real estate, such as: residential rental, new developments, offices and retail.

We will focus on most promising areas of opportunity: A. Real estate owned (REO) B. Nonperforming loans C. recapitalizations D. Inefficiencies between public-market and private market pricing E. strategic partnerships.

Our goal is to provide an ultra high yield investment for private individuals and institutions by purchasing debt linked to performing properties at significant discount.

The Execution Model

Founders and Investors

Principals

Investment Company

Property Management Company

Service Providers

Lenders (Banks, PE firms, etc.)

Note (Collateralized with income-generating property)

Borrowers (REITS, Developers, etc.)

Pension Funds

Insurance Companies (Nostro and policies)

Wealth Individuals

Other investors with long time horizon *

(at least 7 years) with 5-10% allocation of alternative assets

The Investment Strategy

- We search and find the opportunities, negotiate the terms, coordinate to manage the due diligence (at the loan and property levels), collect debt payment, manage the property if necessary and structure the exit strategy.

- Investors can perform due diligence at both the **loan, borrower, project management and the property** level per specific deal. The outcome is **full transparency** as oppose to investing in a pool of assets via REITs, funds, CMBS, CDO's and other investment vehicles.

- The investor **OWNS** the debt instrument and is entitled to foreclose on the collateral, which is an income-generating property.

The Deal Structure

- 1-3 Investors per deal
- Debt Pricing: 60-80% of par value. Term: 3-10 years. Effective Yield: 8-15% (institutional lenders demand 7.5% to 9% for secured loans; unsecured debt, when available, can cost in the double digits);
- Stable cash flow and a potential for an increased NOI;
- Collateral: residential and commercial projects;
- Location: First Priority, New York City; Second Priority, various locations throughout metropolitan areas in the United States, with strong market fundamentals (such as: sustainable rental and employment markets);
- Right of first refusal/call option on the collateral; and
- Foreseeable exit strategy.

The Competitive Edge

- High quality of deal flow.
- Strong team at all levels (financial (accounting and taxation), real estate and legal).
- A deep understanding of the capital and real-estate markets.
- Analysis capabilities.

The Exit Strategy

- Ultra high yield when the note held to maturity
- Sell the note as a debt but not distressed
- Gain control of the asset and capture the income
- Sell the assets at profit when the market recovers
- Sell it to groups of upfront-buyers

Fee Structure

- Not the traditional 2/20
- 2-4% per transaction
- Call option to purchase 5% of the assets at cost (The option is extensible only when the investor capture the collateral)
- De minimis fee during the holding period

Contact Details

Inquiries regarding the proposed Distressed Debt Investment Platform including further relevant services should be directed to:

Ran Daniel

Tel: +1-212-982-0269

Fax: +1-646-852-6697

Ran@dcapitalmanagement.com

101 West 79th st. Suite 11E

New York, NY

10024 USA

www.dcapitalmanagement.com