

NewMark Merrill Companies

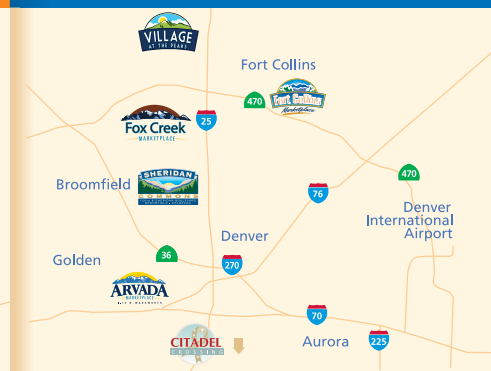
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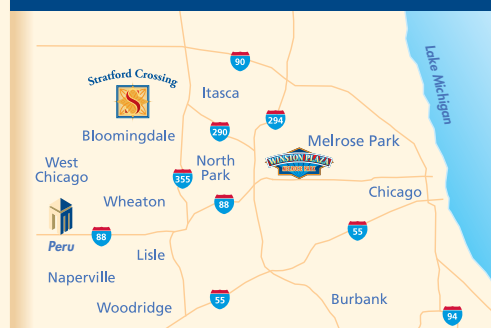


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NewMark Merrill Companies

2017 NEWSLETTER



NewMark Merrill Companies turns 20 and we're celebrating!

Twenty years ago, Sandy Sigal, Brad Pearl, and Jim Patton launched NewMark Merrill with one development deal, three management projects, two potential acquisitions, and a boundless passion for building shopping centers.

"We saw there was a need in the industry for an integrated firm that is 100 percent dedicated to developing, managing and building shopping centers that actually succeed," recalls Sigal, the company's CEO. "We knew this would require a long-term vision, and an in-depth understanding of what it takes to help retailers thrive."

Over the next two decades, Sigal, Pearl and Patton accomplished what they set out to do by identifying often over-looked, under-performing properties and centers that had the potential to become vital community resources. And responding to challenges of retailers struggling to compete and survive. In the process, they've grown from a company with five properties and four employees, to a leading firm with a portfolio of 73 properties and a team of 93 professionals.

While the company started out building shopping centers from the ground up, they've seen great success in acquiring and reviving existing centers as well. The company has also expanded the reach of its services beyond Southern California into additional geographic areas including Northern California, Ventura County, San Diego, Colorado and Illinois.

"Even though we've gone into markets further away, we still continue to take the time and effort to visit the shopping centers we invest in, and to get know to the communities those centers serve," explains Sigal. "This has been key to our success as well as the success of retailers."

While making sure they understand the communities in which their properties are located, NewMark Merrill has also made a concerted effort to understand and address the needs of the tenants who are vital to the success of shopping centers. This strategy led the company to launch its technology division, BrightStreet Ventures. BrightStreet connects shopping center owners to advanced analytical tools, and provides the technology retailers need to maintain and grow their online presence.



In the process of acquiring new properties, markets and technology, NewMark Merrill has actively been acquiring new strategic partnerships as well. This spirit of collaboration has been critical to the success of many of the company's projects. Sigal points to centers like NewMark Merrill's Anaheim Town Square, an underperforming property that was only 75 percent leased at the time the company purchased it. NewMark Merrill remodeled and rebranded the center, repositioned its tenant mix, and turned the center around. In a model of true partnership between the company's internal team, the center's anchor tenants, and the city of Anaheim, the center has steadily leased between 95 and 100 percent of its retail space over the past 14 years.

These types of collaborative projects have become NewMark Merrill's hallmark over the past 20 years. Successfully negotiating with the City of Ontario, the company transformed a strawberry field into the Marketplace on Grove, a shopping center anchored by Lowe's with an apartment component included. "Our partnership with the City enabled us to complete this project despite extremely challenging timing issues," says Brad Pearl. "Building on the success of this project, we're

Story continued inside >

About NewMark Merrill Companies

- Over 73 Retail Assets
- California, Colorado & Illinois
- Over 10 million SF

Integrated approach includes:

- **Development:** a development team with a combined experience of over 100 years in developing commercial retail projects.
- **Acquisitions:** expertise to evaluate existing shopping centers or land for development within 24 hours, close quickly and pay all cash.
- **Property Management:** complete center maintenance operations, regular site visits, in-house property management team.
- **Leasing:** cold calling, tenant leasing/pre-leasing, lease negotiations, and tenant/contractor coordination.
- **Financial Services:** monthly financial reporting and long-term financial planning, including loan restructuring and refinancing.
- **Design & Construction:** control all aspects of structural development (tenant improvements to total redevelopment).
- **Marketing:** cost-effective marketing programs, Wi-Fi analytics, mobile ad campaigns, onsite promotions and tenant assistance.



NewMark Merrill
COMPANIES
1997 to 2017

NEWMARK MERRILL COMPANIES PORTFOLIO • 2017



Crenshaw Imperial Plaza – Continued

a \$34.4 million senior loan for the recapitalization of the project. The new loan was provided by PCCP, LLC and was arranged by David Pascale of George Smith Partners.

Phase 1 includes the extensive remodel of the dd's Discounts and 99¢ Only Stores; converting the ground floor of the office building to retail; and infrastructure improvements. Phase 2 of the center, which includes the remodel of the remainder of the retail center and office building, will include Mission View Charter School, where a new 15,000 SF premise is scheduled to be completed by mid 2017. In addition, a new 20,000 SF Planet Fitness will join the center.

Since NewMark Merrill's acquisition of the center in 2015, the firm along with CBRE and the City of Inglewood has been instrumental in securing 75,552 SF of leases. New tenants to the center include Planet Fitness, Chipotle, Five Guys and Ono Hawaiian BBQ. CSI Construction Company is the general contractor with Hany Malak of McKenty Malak Architects serving as the architect on the project.

"Crenshaw Imperial Plaza has seen a significant amount of leasing interest and activity over recent months as we finalize a major redevelopment of the property," stated Sandy Sigal, President and Chief Executive Officer, NewMark Merrill Companies. The center is nearly 100 percent leased in both the retail and office portions.



Janss ramps up with new entertainment use and retail store openings



In January, NewMark Merrill Companies refinanced the Janss Marketplace shopping center, a 458,000 SF neighborhood shopping center located on the Northwest corner of Moorpark Road and Hillcrest Drive in Thousand Oaks, CA. The new loan has been provided by Ladder Capital Finance LLC, facilitated by Ryan Jantzen and arranged by Bryan Gortikov of Gortikov Capital.

Janss Marketplace also welcomes five great tenants to the mix. **ULTA Beauty** will open in late 2017, signing a 10-year lease for over 10,900 SF. ULTA is the largest beauty retailer in the United States and the premier beauty destination for cosmetics, fragrance, skin, hair care products and salon services. ULTA Beauty also offers a full-service salon in every store featuring hair, skin and brow services.

In addition, NewMark Merrill Companies recently signed a 10 year lease with **Circus Trix** for over 37,700 SF. Circus Trix, opening later this year, is the one of the country's largest operators of trampoline centers. This until will bring the thrill of extreme trampoline and aerial action that can be enjoyed by all ages.

NewMark Merrill Companies is excited to welcome **Petco** to Janss this fall as they signed a 10 year lease for over 9,400 SF. With more than 50 years of service to pet parents, Petco is the leading pet specialty retailer that focuses on nurturing powerful relationships between people and pets. They accomplish this by providing the products, services, advice and experiences that keep pets physically fit, mentally alert, socially engaged and emotionally happy.

In 2016, **The Dudes' Brewery** opened at Janss, offering a laid-back atmosphere, where beer lovers can enjoy a brew poured from one of The Dudes' 20 tap handles that include 3 nitro handles and 6 pilot-brew handles. And in November, **Jan Chi Korean BBQ** opened a new 5,650 SF restaurant and has been receiving rave reviews online for their amazing creations.

First phase of \$15 Million Redevelopment completed at Crenshaw Imperial Plaza



NewMark Merrill Companies is excited to announce the completion of Phase 1 of the \$15 million redevelopment of Crenshaw Imperial Plaza, a 304,755 square-foot neighborhood shopping center located on the southwest corner of Crenshaw Boulevard and Imperial Highway in Inglewood, California. Additionally, the firm has secured

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NewMark Acquires Southgate Plaza

In late 2016, NewMark Merrill Companies acquired Southgate Plaza Shopping center located at the corner of Florin Road and Franklin Boulevard in Sacramento, CA. This 339,369 SF property was purchased from Wrightwood Financial for \$42.1 million. This is our third acquisition in the Sacramento area in the last two years.

Story continued inside >



Walmart Supercenter Opens at Rialto Marketplace

NewMark Merrill Companies is elated to announce Walmart Supercenter opened on Wednesday, April 5, 2017 in the soon to be completed Rialto Marketplace shopping center. This 239,552 SF neighborhood shopping center is located on the Southwest corner of San Bernardino Avenue and Riverside Avenue in Rialto, CA. As the Rialto Marketplace continues to take shape, it's increasingly clear that the new retail destination will be an exciting retail, dining and service-based destination with many of the stores, restaurants and services people in Rialto want.

"It took us over 13 years to secure the site, entitlements, and development plan for the new Wal-Mart Supercenter and our other stores. But the hard work of our entire development team, our partnership with Pacific Retail Partners and the City of Rialto, along with Wal-Mart's commitment to the City, has paid off with a project which will employ over 200 full-time employees, revitalize the south portion of Rialto, and bring significant tax income to the community. I am very proud that in such a competitive retail environment we will be delivering a nearly 100% leased project with a strong mix of national, regional and local tenants." stated, Sandy Sigal, Chief Executive Officer, NewMark Merrill Companies.

By June, a great mix of retail tenants will join the Walmart Supercenter. These tenants include: Starbuck's, Juice it Up!, Jersey Mike's Subs, Chipotle, Carl's Jr., Pieology, Les Schwab Tires, GNC, T-Mobile, Menchie's Frozen Yogurt, Sprint, and Ono Hawaiian BBQ. Once completed, Rialto Marketplace will be the largest shopping center in the City of Rialto, CA.

The project financing was arranged by Bryan Gortikov and overseen by Gary Baker and Joe Cecala of Pacific Western Bank. NewMark Merrill's development team included Brad Pearl, Luca Giovanardi, Darren Bovard and Greg Giacomuzzi who joined with Pacific Retail Partners, lead by Joe Meyer and Jay Marconi. Tim Mayeda with Lyle Parks Jr. Construction is the general contractor.



NewMark Acquires Southgate Plaza - Continued



NewMark Merrill was initially hired by Wrightwood to oversee property management after foreclosing on the center over five years ago. As part of overseeing the redevelopment and repositioning effort, the Company leased space to 99 Ranch Market, Walmart Neighborhood Grocery, 99c Only Stores, Ross Dress for Less and a variety of other local, regional, and national tenants. In addition, the company added Wi-Fi and several digital reader boards, which are frequently used to promote merchant specials and attract tenants to Southgate Plaza, reconfigured the parking lot, and remodeled multiple large street monument signs, repainted the center, improved security and safety.

"Southgate Plaza is ideally located in an infill location with high barriers to entry for new development," stated Sandy Sigal, President and Chief Executive Officer of NewMark Merrill Companies. "It offered us a prime opportunity to own a stabilized property with key daily needs tenants in place for the long-term. We look forward to continuing the process of adding new tenants and events that will focus on improving the community and add to the customer experience."

We're celebrating! - Continued

now setting our sites on completing more mixed-used properties as the next frontier of our company."

One of the company's most recent projects provided the perfect opportunity to push the shopping center envelope. "In developing the Village at the Peaks in Longmont, CO, we took a mostly vacant enclosed center and transformed it into a unique outdoor experiential community center," says Jim Patton. "This project really let us show the community that a shopping center can be more than a place to shop, but a place to gather with friends and neighbors."

The Village at the Peaks project is a reflection of a constantly evolving industry. Since launching in 1997, NewMark Merrill has also continued to evolve. From expanding into development and acquisition services, to adding a technology division, to exploring mixed-use, the company remains forward-looking. "We strive to anticipate not only changes in the market landscape, but also the changing needs of tenants who face tougher competition from discount retailers as well as online retailers," explains Pearl.

Agility and adaptability have played a critical part in the company's growth and success over the years. But so has the team of professionals and partners they've brought together. "We've been fortunate enough to find the right people at the right time," says Sigal. "Our people and partners have the creativity and vision to see value where others don't, and the sheer stubbornness that won't let us give up on a project we know has the potential to succeed."

While the industry has undergone many changes, NewMark Merrill's core values and mission still hold true — and will for decades to come. Says Sigal, "We plan to keep doing what we love to do: Creating great retail experiences that add to the surrounding community, and opening up opportunities for retailers and the consumers who shop with them."



BrightStreet Ventures, the technology affiliate of NewMark Merrill Companies, was launched back in 2013 on a simple premise. Technology is transforming the real estate business.

BrightStreet is focused on four core efforts:

- 1. NMC Technology Bets:** The benefit of being an affiliate with one foot in the real estate business, and one foot in the technology business means that BrightStreet can act as industry focused "honest broker" in helping NMC evaluate: A) Which of the many technology options NMC should embrace; B) The metrics for gauging success or failure; and C) What has to go right for a given initiative to succeed.
- 2. Technology Test Tube:** With a portfolio of 73 shopping centers, 1,500 merchants and 10M square feet of retail in three different states, NMC offers real estate technology entrepreneurs a focused "proving ground" to test out and refine their value propositions. Towards that end, BrightStreet acts as a dedicated resource to get the entrepreneur's market targets on-boarded on an initial pilot.
- 3. Value Add Platforms:** Being data focused, our notion is to overlay pre-existing property management and accounting data stores, and integrate with and extend them into a high value, user-friendly client experience. Datex and BlueList are our two primary in house platform examples.
- 4. Industry Focused Network of Like Minds:** The constituent base of BrightStreet Ventures is a cross section of Owners, Investors, Managers, Service Providers, Tenants, Lenders and other Vendors. We are already doing several data related plays, and will always look for ways to leverage best practices, and share the wealth of ideas with our network of shared stakeholders.

NewMark Merrill Milestones - Thank you for the Years of Dedication!

- 20+ YEARS**
 Jessica Ramirez
 Jim Patton
 Brad Pearl
 Jae Chung
- 15-19 YEARS**
 Heather Danko
 Sandra Kist
 Paula Mandel
 Ghulam Zamani
 Darren Bovard

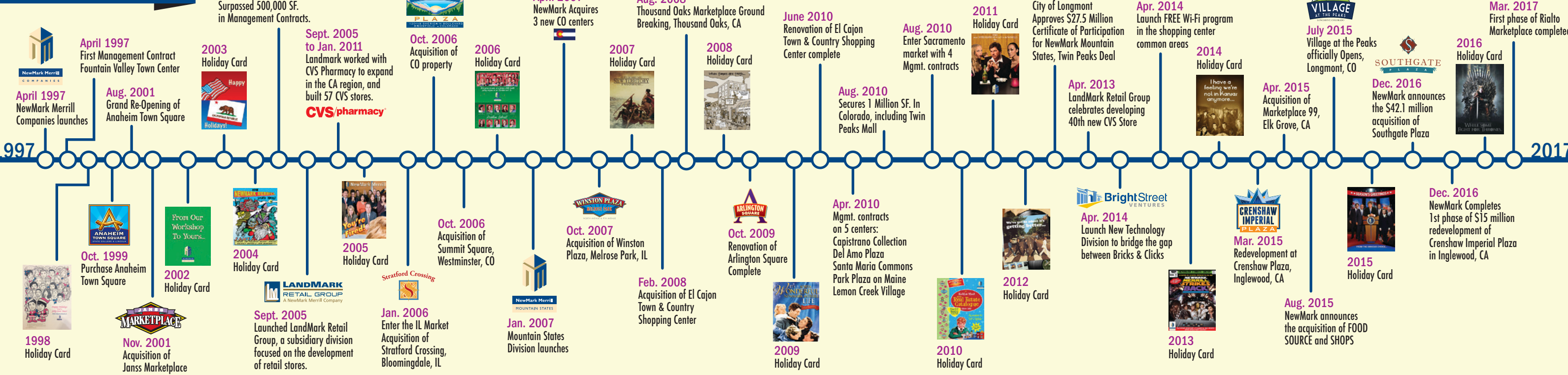
- 10-14 YEARS**
 John Hickman
 Allen Ginsborg
 Michael Mendez
 Don Chappell
 Kenneth Hiatt
 Gloria Carter
 Jose Pena
 Gary Abeleda
 Elaine Weiss

- 5-9 YEARS**
 Catrina Brannon
 Faviola Resendiz
 Marian Sloan
 Cynthia Gonzalez
 Larrissa Harris
 Brent Sherman
 Christine Chaffee
 Andrew Cowan
 Kyle Koch
 Betina Marche
 Greg Giacomuzzi
 Ross Carpenter
 Luca Giovanardi

Recently Joined the Team

- | | |
|-------------------|--------------------|
| Teresa Ruffin | Mariane Santos |
| Catonya Merkens | Christopher Berman |
| Penelope Brown | Chuck Fleming |
| Marja Price | Abul Rayhan |
| Holly Grzywacz | Chantal Zivari |
| Julee Rich | Willy Soriano |
| Josephine Coronel | Danaria McCoy |
| JoAnn Matzorkis | Geoff Fischer |
| Rita Ryno | |

20 YEARS AT A GLANCE



- MAJOR AWARDS**
- Jan. 2000 & 2001 Ranked Fastest Growing Company in LABJ & SFVBJ
 - Feb. 2007 Ranked Fastest Growing Company in LABJ
 - May 2007 Earned International Council of Shopping Centers, U.S. Maxi Awards, Silver Award for Business To Business advertising
 - Feb. 2008 Ranked Top 10 Shopping Center Development and Property Management Company
 - May 2010 Earned International Council of Shopping Centers, U.S. Maxi Awards, a Gold Award for Traditional Marketing
 - Nov. 2010 Ranked Fastest Growing Private Company (LABJ)
 - Mar. 2014 NewMark Merrill Companies brings home the GOLD for LABJ's Best 2013 Retail Project in Baldwin Park, California
 - April 2015 Acquisition Vista Village and Redevelopment of Bev Mo in Vista, California
 - May 2015 Earned International Council of Shopping Centers, U.S. Maxi Awards, a Silver Award for Twin Peaks Mall Opens Doors to Flood Relief for Devastated Northern Colorado, Twin Peaks Mall, Longmont, Colorado
 - May 2015 Sandy Sigal, named CSQ Visionary for Real Estate & Finance
 - June 2016 Sandy Sigal, CEO received the EY Entrepreneur of The Year® 2016 Award in the Services category for Greater Los Angeles
 - Sept. 2016 Sandy Sigal named as LABJ Top 500 Influential people
 - Dec. 2016 Sandy Sigal named as SFVJ Top 200 Most Influential People