

1200 ASHWOOD

| CASE STUDY



| PHYSICAL ASSET

| | |
|--------------------|---|
| Description | 5-story office building plus a terrace level |
| Size | 198,431 rentable square feet |
| Location | Central Perimeter submarket one mile north of the Ashford Dunwoody/I-285 Interchange and one mile east of the Abernathy/GA400 Interchange |
| Land Area | 11.64 acres |
| Year Built | 1985 |

| CAPITAL STRUCTURE

| | | |
|------------------------------|--------------|---|
| Total Investment | \$10,600,000 | Includes acquisition costs, working capital and interest reserve |
| Equity | \$7,000,000 | \$5M from APG Fund plus \$2M from sidecar investors |
| Initial Debt Proceeds | \$3,600,000 | Bank loan at 34% loan-to-cost |
| Additional Committed | \$5,500,000 | For tenant improvements, leasing commissions and building capital |

| VALUE CREATION

| | Purchase | Sale |
|---------------------------------|---------------------------|--|
| Date | December 2011 | May 2015 |
| Purchase Price | \$9,800,000 (\$49/sf) | \$27,000,000 (\$136/sf) |
| Occupancy | 46.0% | 93.0% |
| Avg. Lease Term In-Place | 1.8 years | 5.5 years |
| Net Operating Income | \$126,222 (Yr 1 Proforma) | \$1,901,239 (CY 2015 Budget + add back of contractual free rent) |

ATLANTA | PROPERTY | GROUP

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| EXCEPTIONAL RETURNS

| | | |
|-----------------------------------|--------|---|
| IRR (3.5-year hold) | 30% | Before asset management fees and promote |
| Investment Return Multiple | 2.3x | Before asset management fees and promote |
| Distributions During Hold | \$4.5M | 64% of equity invested, includes proceeds from mortgage refinance in August 2014 at 61% loan-to-appraised value |

| EXCELLENT REAL ESTATE

Located in the heart of the amenity rich Central Perimeter submarket

Functional asset with floor plate that allows Property to compete effectively for tenants in the 5,000 to 35,000 SF range

Within walking distance of several restaurants and retail stores including Perimeter Mall, a well-established regional mall

A MARTA rail station is located less than one mile from the Property and offers tenants easy access to public transportation

| OPPORTUNISTIC PURCHASE

Purchased out of foreclosure at onset of strong Atlanta and Central Perimeter office market recovery

The Seller, LNR, as special servicer, foreclosed on the Property in July 2010 and gave the Property little attention

Acquired the Property at a total cost of \$53/sf, a 58% discount to the 2004 acquisition price of \$127/sf and over a 75% discount to replacement cost

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| VALUE ADD OPERATING STRATEGY

The Property had been controlled by capital constrained ownership and, as a result, had largely been out of the leasing market. APG implemented extensive renovations and utilized its strong reputation in the brokerage community to reintroduce the Property to the marketplace. In the first year of ownership, increased occupancy by 22% and renewed over 40,000 SF of existing tenants

Marketed the Property at very aggressive lease terms and still achieved excellent returns due to the compelling cost basis

Invested over \$1M in common area renovations and completed significant deferred maintenance to increase the aesthetic appeal and functionality of the building

In conjunction with signing a 40,000 SF, 11.5 year lease with anchor tenant, activated over 8,000 SF of basement space for storage and data center use creating nearly \$1 million of additional revenue over the life of the lease

| OPPORTUNISTIC SALE

Sold for nearly \$136/sf, which equates to approximately a 7% cap rate, after achieving 93% occupancy and an average remaining lease term of over 5.5 years