250 EAST PONCE DE LEON AVENUE

| CASE STUDY

| PHYSICAL ASSET

Description	Nine-story office building located in the heart of downtown Decatur
Size	134,353 rentable square feet
Location	Decatur, GA (5 miles east of Downtown and Midtown Atlanta)
Land Area	1.3 acres
Year Built	1962

| CAPITAL STRUCTURE

Total Investment	$15,825,031	Includes acquisition costs and $540,000 earn-out paid to seller in 2007
Equity	$1,565,551	APG internal equity
Preferred Capital	$1,350,000	Local high-net-worth individuals
First Mortgage	$12,369,480	Assumption of existing CMBS loan at 79.7% loan-to-cost

| VALUE CREATION

	Purchase	**Sale**
Date	March, 2004	March, 2008
Purchase Price	$15,540,000 ($116/sf)	$22,077,000 ($164/sf)
Occupancy	90.5%	95.0%
Avg. Lease Term In-Place	4.6 years	6.0 years
Net Operating Income	$1,753,593 (Yr 1 Proforma)	$1,928,028 (CY 2008 Budget)

ATLANTA | PROPERTY | GROUP

Two Securities Centre
3500 Piedmont Road NE, Suite 610 | Atlanta, GA 30305
P | 404.442.6110 | **atlantapg.com**

250 EAST PONCE DE LEON AVENUE

| CASE STUDY

| EXCEPTIONAL RETURNS

IRR (4-year hold)	46.2%	After all fees, before promote
Investment return multiple	3.74x	After all fees, before promote
Distributions During Hold	$1.1M	(70% of equity investment)
Preferred Capital Investment Return Multiple	2.2x	

| EXCELLENT REAL ESTATE

In the heart of amenity rich downtown Decatur less than two blocks to MARTA rail and proximate to Dekalb County courthouse

| OPPORTUNISTIC PURCHASE

Purchased for 11.7% cap rate at a time when downtown Decatur was gaining momentum

Seller was not an office operator and the building was receiving little attention

Utilized innovative preferred capital structure to maximize depreciable basis and provide other tax benefits for equity, which was completing a §1031 exchange

250 EAST PONCE DE LEON AVENUE

| CASE STUDY

| VALUE ADD OPERATING STRATEGY

Reduced operating expenses by $2.00 per square foot in the first year of ownership

Increased rentable area by more than 10,000 square feet (8% of building total) by re-measuring the building in accordance with BOMA standards and by putting basement space into production

Proactively allowed Wachovia to decrease its square footage in exchange for a 10-year extension on remaining space, dramatically increasing average lease term for the building and decreasing risk for a future buyer

Created 9,000 square feet of retail space on the street level and leased it for 10-year lease terms at retail rates to strong tenants

Maintained exceptionally high occupancy through a combination of building improvements, attentive management, spec suites and a renewal rate in excess of 90%

Controlled capital expenditures despite significant leasing and the age of the building through careful planning and effective leasing strategies (retail space, spec suites)

| OPPORTUNISTIC SALE

Once achieved 95% occupancy and an average remaining lease term of over six years, sold for nearly $165 per square foot

Atlanta | Property | Group

Two Securities Centre
3500 Piedmont Road NE, Suite 610 | Atlanta, GA 30305
P | 404.442.6110 | **atlantapg.com**