

280 INTERSTATE NORTH

| CASE STUDY



| PHYSICAL ASSET

Description	Six-story office building
Size	125,037 rentable square feet
Location	Cumberland/Galleria submarket in the northeast quadrant of the I-75/I-285 interchange
Land Area	11.08 acres
Year Built	1982

| CAPITAL STRUCTURE

Total Investment	\$8,950,000	Includes acquisition costs, working capital and fees
Equity	\$4,750,000	100% from APG Fund
Initial Debt Proceeds	\$4,200,000	Bank Loan at 47% loan-to-cost
Additional Committed Debt Proceeds	\$2,000,000	For tenant improvements, leasing commissions and building capital

| VALUE CREATION

	Purchase	Sale
Date	July 2012	May 2015
Purchase Price	\$8,650,000 (\$69/sf)	\$15,500,000 (\$124/sf)
Occupancy	68.0%	85.0%
Avg. Lease Term In-Place	3.5 years	3.8 years
Net Operating Income	\$453,689 (Yr 1 Proforma)	\$1,106,569 (CY 2015 Budget + add back of contractual free rent)

ATLANTA | PROPERTY | GROUP

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| EXCEPTIONAL RETURNS

IRR (3-year hold)	27%	Before asset management fees and promote
Investment Return Multiple	2.0x	Before asset management fees and promote
Distributions During Hold	\$1.9M	39% of equity invested, includes proceeds from mortgage refinance in August 2014 at 59% loan-to-appraised value

| EXCELLENT REAL ESTATE

Located at the intersection of I-285/I-75 in the heart of the Cumberland/Galleria submarket

Location provides great access to tenants in a unique, wooded setting

Historically institutionally owned and relatively well maintained with no major systems issues at acquisition

Highly efficient and functional for target tenant base including free and abundant parking of over 4.5 spaces per 1,000 SF

| OPPORTUNISTIC PURCHASE

Purchased at onset of strong Atlanta and Cumberland/Galleria office market recovery

Forced sale related to the Lehman estate and a pending loan maturity - Seller was slow or unwilling to complete lease transactions in the months leading up to the sale

Acquired the Property at a total cost of \$72/sf, a 30% discount to the 2007 allocated acquisition price of \$102/sf and over a 70% discount to replacement cost

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| VALUE ADD OPERATING STRATEGY

Used extensive renovations as well as strong reputation in the brokerage community to reintroduce the Property to the marketplace and create strong leasing momentum which raised occupancy by 19% in the first eighteen months of ownership

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

Invested \$320,000 during the first year of ownership in common area renovations to increase the aesthetic appeal of the building

Worked with hotel developer to develop a site plan for a limited service hotel on a ±2-acre portion of the site to justify the potential land value prior to sale

| OPPORTUNISTIC SALE

Sold for nearly \$124/sf, which equates to approximately a 7% cap rate, after achieving 85% occupancy

Maximized sale price by executing a user sale to the largest tenant, a privately held company, who occupied 19,500 SF (15.7% of the building)