

THE PARK AT PERIMETER CENTER EAST

| CASE STUDY



| PHYSICAL ASSET

Description	Two (2) six-story office buildings and one (1) adjacent five-story office building
Size	284,538 rentable square feet
Location	Central Perimeter submarket one-half mile north of the Ashford Dunwoody/I-285 Interchange, across from Perimeter Mall
Land Area	19.4 acres
Year Built	1972-1974

| CAPITAL STRUCTURE

Total Investment	\$15,662,000	Includes acquisition costs, working capital and fees
Equity	\$6,000,000	\$5M from APG Fund plus \$1M from sidecar investor
Initial Debt Proceeds	\$9,662,000	Assumed bank loan at 62% loan-to-cost
Additional Committed Debt Proceeds	\$5,165,845	For tenant improvements, leasing commissions and building capital

| VALUE CREATION

	Purchase	Sale
Date	June 2010	July 2015
Purchase Price	\$14,865,000 (\$52/sf)	\$32,650,000 (\$115/sf)
Occupancy	47.0%	85.0%
Avg. Lease Term In-Place	3.2 years	3.3 years
Net Operating Income	\$495,570 (Yr 1 Proforma)	\$2,193,096 (CY 2015 Budget + add back of contractual free rent)

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| EXCEPTIONAL RETURNS

IRR (5-year hold)	27%	Before asset management fees and promote
Investment Return Multiple	3.2x	Before asset management fees and promote
Distributions During Hold	\$4.2M	70% of equity invested, includes proceeds from mortgage refinance in August 2014 at 64% loan-to-appraised value

| EXCELLENT REAL ESTATE

Located in the heart of the amenity rich Central Perimeter submarket

Functional asset with rectangular floorplates, 9' ceilings, full-height glass, efficient cores and generous surface parking

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 at onset of strong Atlanta and Central Perimeter office market recovery

The Seller purchased the buildings as part of the massive Equity Office portfolio sale in 2007 and was motivated to reduce its holdings to focus on stabilizing the large Class 'A' properties that constituted the majority of the portfolio's value

APG and existing lender structured assumption of attractive, interest-only, floating rate debt, which was particularly valuable in an environment in which loan proceeds for real estate acquisitions were scarce

Acquired the Property at a total cost of \$55/sf, a 52% discount to the 2004 acquisition price (\$114/sf) and over a 75% 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 nearly 10% in the first year of ownership

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

Invested significantly in common area renovations and completed extensive deferred maintenance to increase the aesthetic appeal and functionality of the building

Developed a site plan for a townhome development on a ±3.5-acre portion of the site to justify the potential land value prior to sale

| OPPORTUNISTIC SALE

Sold for nearly \$115/sf, which equates to approximately a 7% cap rate, after achieving 85% occupancy and an average remaining lease term of over 3.3 years