

DECATUR MEDICAL PLAZA

| CASE STUDY



| PHYSICAL ASSET

Description	Three-story medical office building located in the heart of downtown Decatur at the corner of Church Street and East Ponce de Leon Ave.
Size	42,921 rentable square feet
Location	Decatur, GA (5 miles east of Downtown and Midtown Atlanta)
Land Area	0.91 acres
Year Built	1976

| CAPITAL STRUCTURE

Total Investment	\$5,961,594	Includes acquisition costs and working capital
Equity	\$1,711,594	APG internal equity
Debt	\$4,250,000	Traditional bank loan at 71% loan-to-cost

| VALUE CREATION

	Purchase	Sale
Date	April, 2004	June, 2008
Purchase Price	\$5,850,000 (\$136/SF)	\$13,153,000 (\$306/SF)
Occupancy	100.0%	100.0%
Avg. Lease Term In-Place	4.9 years	7.6 years
Net Operating Income	\$605,865 (Yr 1 Proforma)	\$1,030,246 (7/2008-6/2009 Budget)

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Peachtree 25th Building
1718 Peachtree St NW, Suite 100 | Atlanta, GA 30309
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| EXCEPTIONAL RETURNS

IRR (4+ year hold)	50.7%	After all fees, before promote
Investment Return Multiple	4.09x	After all fees, before promote
Distributions During Hold	\$2.26M	(132% of equity investment)

| EXCELLENT REAL ESTATE

Corner location in the heart of amenity rich downtown Decatur, less than two blocks to MARTA rail and Courthouse Square

Proximate to five major medical centers (Emory, CDC, Children's Healthcare, Dekalb Medical and Veterans Administration)

Excellent building signage opportunity

Given prime location, lower density, smaller building not replaceable

| OPPORTUNISTIC PURCHASE

Purchase price was based on a 10.1% cap rate for existing lease (with 5 years remaining) with the Centers for Disease Control (for an administrative use), not the highest and best use of the property

Seller was not an office building operator, resulting in significant opportunity for operating expense reductions

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| VALUE ADD OPERATING STRATEGY

Allowed CDC to buy out of lease three years early for a one-time payment of \$1.2 million (15 months rent), which facilitated and largely paid for a proactive repositioning strategy at a time when tenant demand for medical product was strong

Teamed with new medical tenant-partner that purchased a 30% interest in the property (effectively cashing out the original equity, which still retained a 70% ownership position) and leased one-third of the building to kick-off conversion to medical office

Retained aggressive medical leasing team and leased the property to 100% within 12 months of committing to medical strategy

Medical lease-up was accomplished with long lease terms and a net lease structure that increased the liquidity of the property

| OPPORTUNISTIC SALE

Once 100% occupancy achieved with nearly eight years average remaining lease term, sold for more than \$306 per square foot to medical office REIT