



INSITES

ONE OF THE NATION'S LEADING REAL ESTATE FUND MANAGERS

Third Quarter
2010



Above: 8520 Keystone Crossing, Top Right: 8500 Keystone Crossing, Lower Right: 8480 Keystone Crossing

BPG Sells Three Buildings In Indianapolis, Indiana

During the third quarter, 8480-8520 Keystone Crossing, a three building office and retail complex totaling 117,276 square feet was sold to PWA Keystone Crossing, L.P., an affiliate of PWA Real Estate, LLC, for \$15,500,000. The property is situated across the street from BPG's Keystone at the Crossing, the firm's one million square foot office park in Indianapolis, Indiana.

"We were pleased to have completed the sale of 8480-8520 Keystone Crossing," commented Christopher J. Locatell, vice president of BPG who is in charge of the firm's disposition activity. "Despite challenging capital markets, the asset's strong occupancy, credit tenancy and diverse tenant mix attracted numerous bidders."

The seller was represented in the negotiations by Rebecca Wells, senior vice president of Cassidy Turley's Indianapolis office.

When BPG acquired 8500 Keystone Crossing in 2005, the 100,353 square foot office building was approximately 79% occupied with near-term expirations of another 10%. Over the next several years, the firm completed \$1.5 million in improvements to the building that included a new lobby, corridor and restroom renovations, elevator

modernization and improved exterior landscaping and signage. In 2008 and 2009, the building was awarded the Energy Star Rating.

The improvements allowed BPG to increase the building's occupancy to 88% and extend many of the leases to the point where there are no lease expirations during the next three years. Tenants included General Casualty Company, GSA/SBA, 20/20 Institute and M/I Homes.

"In addition to the office building improvements, we identified the opportunity and developed 8480 and 8520 Keystone Crossing, two, single-story build-to-suit retail buildings on excess land situated adjacent to 8500 Keystone," commented Brant Glomb, vice president of BPG who was responsible for the asset management of the property.

The retail properties, 8480 and 8520 Keystone Crossing, totaling in excess of 16,000 square feet were developed as part of long-term build-to-suit lease transactions for Fidelity Brokerage Services and Jared the Galleria of Jewelry, respectively.

The property was acquired and operated on behalf of BPG Investment Partnership VII, L.P., a fully discretionary private equity fund with total equity commitments of \$550 million. ■

In Leasing News

Over the past 12 months, leasing activity at Keystone at the Crossing has remained steady with 34 new and renewal leases totaling more than 174,000 square feet. The 1,000,000 square foot commercial complex, which consists of five office and three retail buildings, is located northeast of downtown Indianapolis at the intersection of Interstate 465 and Keystone Avenue. Keystone at the Crossing is Indianapolis' only fully integrated office, retail and residential development. It adjoins two full service hotels, Marriott and Sheraton, and the 600,000 square foot Fashion Mall, offering 95 specialty stores like Saks Fifth Avenue, Nordstrom, Crate & Barrel and a broad range of restaurants including P.F. Chang's, Maggiano's and Sullivan's Steakhouse.

Since acquiring the complex in 2005, BPG has completed a \$12 million improvement program that upgraded finishes to the lobbies, corridors and restrooms in each of the five office buildings. Recently, the improvements garnered The Office Building of the Year (TOBY) in the Renovated Building Category from the Indianapolis Chapter of BOMA for 8900 Keystone Crossing, a 239,610 square foot office building.

"Tenants and brokers within the Indianapolis community recognize our commitment to operating Keystone at the Crossing at a high quality level," commented Brant Glomb, vice president in BPG's Chicago's Regional office who is responsible for the asset management of the complex. The property was acquired and redeveloped on behalf of BPG Investment Partnership VII, L.P., a fully discretionary private equity fund with total equity commitments of \$550 million. ■

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CityView Plaza, San Jose, CA

BPG Supports The National Kidney Foundation

On October 3, 2010, BPG and many of its vendors, tenants and service providers partnered with the National Kidney Foundation for the 9th Annual Kidney Walk at the Philadelphia Zoo. More than 5,000 walkers, sponsors and members of corporate and family teams participated in the one day event that raised in excess of \$450,000 for the National Kidney Foundation serving the Delaware Valley.

BPG would like to extend its thanks to the managers of Madison Apartment Group who are operating BPG's multi-family communities and to many of its residents who actively participated and raised funds. Special thanks to Kidney Walk corporate sponsor chair Joseph Mullen, president of Madison, for his participation and leadership.

Earlier this year, BPG co-hosted with CB Richard Ellis the 3rd Annual 2010 Kidney Walk Silicon Valley at CityView Plaza, a 600,000 square foot office and retail development owned and operated by BPG that encompasses 11-acres in the heart of downtown San Jose's business district. Nearly 1,000 walkers, sponsors and members of corporate and family teams participated in that one day event that raised in excess of \$150,000 for the National Kidney Foundation serving the Silicon Valley, California Region. The event included a Wellness Fair sponsored by Satellite Healthcare that provided free kidney health screenings.

One in nine Americans has chronic kidney disease and many others are at risk. These walk events present an occasion for dialysis patients, organ transplant recipients, donor families, living donors, medical communities and the general public to support the National Kidney Foundation's mission.

For more information on the Foundation, please visit www.kidney.org.



Aerial View, Commonwealth Centre, Chantilly, VA

GSA Leases 63,500 SF at Commonwealth Centre

In September 2010, the United States General Services Administration (GSA) signed a long-term lease for 63,500 square feet at 14360 Newbrook Drive, one of the two adjoining 165,000 square foot office buildings recently developed by BPG in Chantilly, Virginia. The five-story buildings are located within BPG's Commonwealth Centre, a 101-acre mixed use development located at the highly visible intersection of Route 28 and Westfields Boulevard in Westfields International Corporate Center. The GSA will occupy two floors of 14360 Newbrook Drive.

"We are pleased to have completed this transaction with the GSA," commented Brian Fitzgerald, senior vice president and director of BPG's Regional Washington, DC office, who was responsible for the lease transaction. "The execution of this lease increases the occupancy in the complex to 90 percent."

The GSA was represented by Joe Judge, Howard Traul and Chad Habeab of Jones Lang LaSalle. The landlord was represented by the project's exclusive

leasing agents, Michael Shuler, John McEvelly and Rob Walters of Millennium Realty Advisors.

14360 Newbrook Drive has an intelligent building design with an IT backbone allowing for integrated building systems, high-end IT functions and leading edge sustainable design features capable of meeting LEED Platinum certification. The building offers extensive visibility and easy access from Route 28, an atrium lobby, five floors of efficient office space and a unique exterior of precast, glass and masonry aggregate accents. Currently, 32,000 square feet remains available on one floor of the building. There is also a fully approved and improved building site that can immediately be developed with a similar 165,000 square foot office building.

Commonwealth Centre has been approved for the development of approximately 1,400,000 square feet of integrated hotel, retail and office space. The entire development is being designed to meet the requirements of LEED® using the Multiple Buildings and On-Campus Guide.



Madison at Montgomery, Hatfield, PA

Update On Madison At Montgomery

Occupancy at Madison at Montgomery, BPG's recently redeveloped 264 unit multi-family community, rose to 90 percent at the end of the third quarter. Since the beginning of 2010, more than 200 leases have been signed at the 18-acre property situated within Hatfield Township in the northern suburbs of Philadelphia, Pennsylvania.

The property's strong occupancy and leasing can be attributed in large part to the firm's \$16 million redevelopment effort that included entirely new façades, roofs and redesigned interiors with new larger Energy Star rated windows, more energy efficient and programmable central HVAC and Whirlpool Energy Star appliances. The property's new look and upgraded features have allowed Madison at Montgomery's leasing consultants to achieve an impressive 77 percent closing ratio with new prospects.

Throughout the development process, Madison has been strengthening the property's ties to the local business community. This has allowed the firm to attract residents from some of the area's largest employers including Merck, Johnson & Johnson, Hatfield Meats and the North Penn School District.

Recent new retail and commercial office developments have also made the area more attractive to prospective residents. Since 2008, a new retail shopping center, anchored by Lowes, has opened less than one mile from the property and includes a mixture of convenience retail and dining options.

Madison will finalize its redevelopment of the property with the completion of a new 4,000 square foot community building in December 2010. The building will house the property's management office and include a fitness center, community room and large pool for the residents. ■

BPG would like to thank the following brokers and their firms for helping us lease 523,671 square feet in the 3rd Quarter 2010:

Ambrose (IN)	Phil Armstrong
Best Home Realty (MD)	Richard Lee
Boston Realty Advisors (MA)	William Catlin
Brad Allen Real Estate (IL)	Ben Azulay, Jeff Bernstein and Andrew DeMoss
Carolantic Realty (NC)	Ed Brown
Cassidy Turley (IN)	John Crisp and Bennett Williams
Cassidy Turley (MN)	Anna Engstrom, Peter Dufour and Mark Stevens
Cassidy Turley (VA)	Todd Brinkman, Krysta Hardiman and Spencer Stouffer, III
CB Richard Ellis (AZ)	Nate Goldfarb, Greg Mayer and Jerry Noble
CB Richard Ellis (IN)	Dan Richardson, Nick Svarczkopf and John Vandebark
CB Richard Ellis (MA)	Andrew Majewski, Matthew Siciliano and Robert Walles
CB Richard Ellis (NC)	John Daly
CB Richard Ellis (PA)	Rija Beares and Scott Miller
CB Richard Ellis (VA)	John DiCamillo and Meghan Walters
Coldwell Banker (IN)	Jim Shook
Coldwell Banker Commercial NRT (MA)	Todd Glaskin
Colliers Bennett & Kahnweiler (IL)	David Florent and Steve Kling
Colliers International (CA)	Jim Beeger, Dion Campisi, Duffy D'Angelo and Susan Gregory
Colliers Pinkard (NC)	Brian Carr
Cresa Partners (MA)	Mitch Jacoby
Cresa Partners (NC)	Sam DiFranco
Cushman & Wakefield (AZ)	Christopher Walker
Cushman & Wakefield (FL)	Mercedes Angell and Jeff Lanning
Cushman & Wakefield (MA)	Matthew Adams, Rich Ruggiero, Torin Tayler, Rory Walsh and Stephen Woelfel
Cushman & Wakefield (MN)	Jason Butterfield and Gordon Hampson
Cushman & Wakefield (PA)	Gina Brennan and John Shelley
Cushman & Wakefield (VA)	Stuart Miller
Dillon Commercial (NC)	Rhody Dillon
ESR Commercial (NC)	Rich Aries
Grubb & Ellis (GA)	Justen Cimino and Tom Miller

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Grubb & Ellis (IN)	Jay Stewart
Grubb & Ellis (NC)	Chester Allen
Hokanson Companies (IN)	Jay Gehl
Jones Lang LaSalle (IN)	John Robinson and Jake Sturman
Jones Lang LaSalle (NC)	Jeff Miller
Jones Lang LaSalle (VA)	Chad Habeeb
Lee & Associates (AZ)	Colton Trauter
Lee & Associates (MN)	Jeremy Steenerson
Levi Investment Realty (IN)	John Corey
McShea & Company, Inc. (MD)	Robert Dickman and Robert Wrightson
Metro Commercial (NJ)	Michael Gorman
Meridian Real Estate (IN)	Andrew Follman
Michael Salove Company (NJ)	Jason Bock
Millennium Realty Advisors (VA)	John McEvelly, Michael Shuler and Robert Walters
NAI Merin Hunter Codman (FL)	Lesley Sheinberg and Jason Sundook
NAI Geis Realty Group (PA)	Jim Eaton and Charlie Tarloski
Newmark Knight Frank Smith Mack (PA)	Neil Brazitis, Jim Dare, Jeff Mack and Adam Shute
One Bridge (IN)	Tasia Cowan
REI Real Estate Services (IN)	Mke Napariu
Remax Allegiance (VA)	David Van Natta
Richards Barry Joyce & Partners (MA)	John Wilson
Ritchie Commercial (CA)	Roxanna Baker and Julie Mercik
Ryan Cone & Associates (GA)	Owen Middour
Ryan Menard (IN)	Ryan Menard
Spritzer Commercial Property (NC)	Dan Rountree
Swearingen Realty Group (MA)	Tyler Edwards
UGL Equis (IN)	Brian Askins
UGL Equis (PA)	Peter Strickler
UGL Equis (VA)	Junius Tillery

BPG PROPERTIES, LTD. is one of the nation's leading private equity real estate fund managers. BPG's portfolio consists of over 25 million square feet of office, retail, student housing, and industrial properties and more than 24,000 apartment units in more than 100 communities located throughout the United States.

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