



INSITES

ONE OF THE NATION'S LEADING REAL ESTATE FUND MANAGERS

Fourth Quarter
2011

Kemper Lakes, Long Grove, IL



ACCO BRANDS LEASES 189,092 SF AT KEMPER LAKES IN SUBURBAN CHICAGO, IL

In December 2011, ACCO Brands Corporation executed a 189,092 square foot lease to relocate its corporate headquarters to Kemper Lakes Business Center, a 1.1 million square foot, four building office park located in the northern Chicago suburb of Long Grove, Illinois. ACCO Brands will be occupying all of Four Corporate Drive, a three-story, Class A office building.

"We're excited about the opportunity to provide our people with a working environment that offers state-of-the-art amenities and the ability to accommodate future business growth," said Boris Elisman, president and chief operating officer of ACCO Brands. "Our employees will be involved in every stage of the design of our new office space, ensuring that we create the ideal environment for collaboration and product innovation."

ACCO Brands Corporation is one of the world's largest suppliers of unique, leading-edge, branded office products. ACCO Brands uses its own sales force and distribution networks to market its products in over 100 countries.

"We are extremely pleased we were selected to provide ACCO Brands Corporation our best-in-class, true corporate experience with

unparalleled amenities at Kemper Lakes Business Center," commented Kelly Gibbel, vice president of BPG, who is responsible for asset management of the property.

The landlord was represented in the transaction by Dave Florent, senior vice president, and Steve Kling, principal, of Colliers International, the exclusive leasing agent for Kemper Lakes. ACCO Brands Corporation was represented by Lou Hall, executive director of Cushman & Wakefield.

Kemper Lakes encompasses 164-acres and is situated between two picturesque lakes and overlooks the world-renowned Kemper Lakes Golf Course. Since acquiring the property in March 2005, BPG has completed more than \$35 million in capital improvements including a complete redevelopment of the parking area, new exterior entries, new interior lobbies, enhanced landscaping. BPG also made significant upgrades to existing amenities including creating a premier fitness center, multi-use conference center, full service cafeteria, and on-site day care. Since the completion of the renovation BPG has leased more than 500,000 square feet at the campus. 250,000 square feet of fully upgraded office space is currently available at the complex. ■

GROWTH IN 2012

stated at this time last year that 2010 was viewed as

the inflection point of this most recent economic downturn

and I predicted that 2011 would be the year corporate and small town America stabilized their businesses and balance sheets. It is my strong belief that 2012 will be the year to capitalize on distressed opportunities emanating from the 2008 financial crisis. The assets of BPG's prior funds remain well-positioned in the current market and value creation has resumed. We look to strengthen our existing portfolio in 2012 through acquisitions on behalf of BPG Investment Partnership IX, L.P., a \$250 million value-added real estate fund.

Fund IX will be invested over the next two years through our direct operator strategy in value-added investment opportunities, with particular emphasis on distressed

(Continued on page 2)



Daniel M. DiLella
President and CEO

InSIDE:

Crossings At The Bay In Long Beach, CA Sold For \$34,500,000 — 2

Pleasant Woods In Little Rock, AR Sold For \$12,250,000 — 3

Johnson Publishing Company Leases 40,000 Sf At 200 South Michigan Avenue In Chicago, IL — 3

Westborough Office Park In Westborough, MA Earns 2011 Toby Award — 5



CROSSINGS AT THE BAY IN LONG BEACH, CA SOLD FOR \$34,500,000

In November 2011, The Crossings at the Bay, a 237 unit multi-family community located in the Los Angeles County community of Long Beach, California, was sold for \$34,500,000 to Phoenix Realty Group. The multi-family community contains a mixture of one and two bedroom, garden style apartments and is conveniently located within two miles of freeways 405, 22 and 605 and one mile of California State University at Long Beach. At the time of the sale, the community was 92 percent leased. The seller was represented in the transaction by Dean Zander and Vince Norris of Hendericks & Partners.

“The current capital market environment and heightened demand for professionally owned and operated multi-family properties in Los Angeles County presented us with a natural opportunity to sell The Crossing at the Bay at favorable terms

for our investors,” commented Greg Curci, acquisition manager at BPG who was responsible for overseeing the disposition.

The Crossings at the Bay features one and two bedroom apartments and townhomes with ceiling fans, air conditioning, dishwashers, refrigerators and private balconies. The gated community includes several on-site amenities such as a clubhouse, business center, resident lounge, three pools, fitness center, and on-site management and maintenance.

BPG acquired The Crossings at the Bay in 2003 as part of an \$82 million portfolio acquisition of three apartment properties located in California, Illinois and Alabama on behalf of BPG Investment Fund VI, L.P. The only property remaining from that portfolio acquisition is a 28-story apartment tower located at 2 East 8th Street in downtown Chicago, IL. ■

(Continued from page 1) projects that are finally reaching the marketplace. We will continue to invest in our core markets across the country diversifying our holdings among the multi-family, office, industrial and retail asset classes. Although the domestic and global economy faces continued pressures, jobs grew in January 2012 and the unemployment rate dropped for five straight months to 8.3%. We are in an advantageous position to begin investing on behalf of Fund IX; we anticipate making our first investment during the first quarter of 2012.

We will continue to build on existing relationships and cultivate new lending partners to capitalize on the historically low financing costs. The investment market is becoming more active for stabilized assets; our disposition team continues to monitor the capital markets to capitalize closely to identify the optimum time for asset disposition.

We continue to manage aggressively our existing portfolio of more than 24 million square feet of commercial space and 18,000 multi-family units. As moderate job growth continues and the economic outlook improves, we work to increase occupancy through expansions in our existing tenant roster. We fully expect to capture new tenants as companies solidify their long term business plans and commit to space requirements. The BPG property management teams have a strong mandate to increase operating efficiencies and produce market ready properties to prospective tenants and the investment community.

As 2012 gets underway, we thank our many investors, tenants, lenders, brokers, construction firms, architects and law firms with whom it has been our privilege to work with over the past year. We thank you for your support, and we wish you a healthy and prosperous 2012. ■

Promotions

BPG Properties, Ltd.

Greg Curci, *Vice President*

Brian Dovalovsky, *Senior Asset Manager*

Rob Butchenhart, *Real Estate Director*

PLEASANT WOODS IN LITTLE ROCK, AR SOLD FOR \$12,250,000

In December 2011, Pleasant Woods, a 220 unit multi-family community located in Little Rock, Arkansas was sold for \$12,250,000 to Haley Communities, Inc. The multi-family community contains a mixture of one and two bedroom, garden style apartments and is conveniently located less than 1 mile from I-430 and within 4 miles of I-630. At the time of the sale, the community was 97 percent leased.

Pleasant Woods features one and two bedroom apartments with central air conditioning, full size washer/dryers, private balconies and patios and ceiling fans. The community includes on-site amenities such as a clubhouse, two pools, and a tennis court. It is located in close proximity to Pleasant Ridge Town Centre and I-430, providing convenient access to Little Rock's largest employers.

BPG acquired Pleasant Woods in 2003 as part of a \$240 million portfolio acquisition of 17 properties located in Texas, Colorado, Arizona, Kansas and Arkansas. The 2003 transaction was made on behalf of BPG Investment Partnership Fund VI, L.P., a \$384 million private equity fund. ■



JOHNSON PUBLISHING COMPANY LEASES 40,000 SF AT 200 SOUTH MICHIGAN AVENUE IN CHICAGO, IL

Johnson Publishing Company, LLC (Johnson Publishing) has executed a long-term lease for approximately 40,000 square feet at 200 South Michigan Avenue in downtown Chicago, Illinois. Johnson Publishing will occupy the top three floors of the 357,777 square foot, 22-story office building that is located directly across from Millennium Park.

"We are pleased that Johnson Publishing Company, a well known Chicago media firm, has chosen to relocate to 200 South Michigan Avenue," said Joseph I. Neverauskas, senior vice president in charge of BPG's Midwest Regional Office. "Our tenant roster has changed dramatically over the last few years and includes other creative users like RTKL Associates, Inc and Laughlin Constable, who are taking advantage of the cultural amenities resulting from the transformation of the East Loop Neighborhood."

Founded in 1942 by John H. Johnson and Eunice W. Johnson, Johnson Publishing Company, LLC is the leading, independently-owned Black American media publisher with headquarters in Chicago and offices in New York and London. Through its media

division, the Company publishes EBONY and JET, which rank #1 and #3, respectively, among Black American magazines. The Company also owns Fashion Fair Cosmetics, which it launched in 1973, a global prestige cosmetics brand for women of color.

The landlord was represented in the lease negotiations by Jeff Bernstein, principal, Ben Azulay, managing director, and Andrew DeMoss, director of Bradford Allen Realty Services, the exclusive leasing agent for the building. Johnson Publishing was represented by David Herbert, vice president, and Michael D'Angelo, senior vice president, of UGL Services.

Since its acquisition in 2000, BPG has completed an extensive multi-million renovation program at 200 South Michigan Avenue. In 2002, the building was awarded the prestigious 2002 TOBY (The Office Building of the Year) in the Renovated Building category by the Chicago Chapter of the Building Owners and Managers Association (BOMA). The property is located adjacent to the Chicago Orchestra Hall and Art Institute and provides extensive views of Lake Michigan. ■



200 South Michigan Avenue, Chicago, IL

2011 IN REVIEW

After an active spring, followed by a slow summer the property and capital markets resumed their gradual improvement during the fourth quarter. Once again the multi-family sector is the most vibrant property type with most of our apartment communities experiencing continued strong renter demand. Multi-family investment values increased as a result and were further bolstered by both inexpensive mortgage debt and a sustained improvement of investor confidence in the asset class. Growth in private sector employment is beginning to increase demand for office space as well as helping to increase absorption in the retail and industrial sectors. Capital, both debt and equity, is slowly returning to the commercial property sector further improving the outlook for increased values and transaction pace during 2012.

We are pleased to report that during 2011 our commercial asset management staff completed more than 400 leases within our portfolio representing an aggregate lease value in excess of \$250 million (with new leasing representing more than one-half of the total volume). The total square footage leased was 4.2 million which exceeded 2010 by more than 1 million square feet. This success is owed in large part to the tenacity of our staff, our ability to quickly reach a space decision with a tenant and to provide the requisite funds to complete the build out and pay leasing brokers. Madison Apartment Group provided additional stability and diversity to BPG's portfolio by delivering a 94% occupancy rate in our more than 18,000 unit multi-family portfolio.

Our capital markets department was very busy in extending and/or refinancing more than \$660 million in loans during the year. We also sold nine properties during the year for a total consideration of more than \$225 million.

I wrote two years ago that until employment levels turned positive we would not see appreciable improvement in the real estate markets. While economic headwinds remain in dealing with the U.S. fiscal condition and the Euro sovereign debt crisis, the U.S. private sector is again creating jobs. An accommodative monetary policy together with improving corporate confidence bode well for both spatial and capital markets. We look forward to investing our newly raised BPG Fund IX capital in this improving environment and building value one property at a time.

Best wishes for a Happy and Healthy New Year.

— Arthur Pasquarella
EVP & Chief Operating Officer

BPG would like to thank the following brokers and their firms for helping us lease 1,100,394 square feet in the 4th Quarter 2011:

| | |
|--|---|
| A-1 Realty (NC) | Andy Adu-Poku |
| Aegis Property Group (PA) | Jim Kinzisp |
| American Commercial Real Estate (GA) | Randall Tart |
| Around Atlanta Realty (GA) | Dinorah Reyes |
| Avison Young (VA) | Peter Berk, Nick Gregorios and David Millard |
| Bradford Allen Realty Services (IL) | Ben Azulay, Jeff Bernstein and Andrew DeMoss |
| Carmen Realty Group (IN) | Chris Carmen |
| Cassidy Turley (IN) | John Crisp, Gerry Dick, Kevin Duckler, Anthony Rye and Mike Semlar |
| Cassidy Turley (MN) | Mark Stevens |
| Cassidy Turley (NC) | RK Van Wormer |
| Cassidy Turley (VA) | Todd Brinkman, Krysta Hardiman and Spencer Stouffer |
| CB Richard Ellis (AZ) | Nate Goldfarb, Greg Mayer and Jerry Noble |
| CB Richard Ellis (CA) | Tom Smith and Thor Wiles |
| CB Richard Ellis (GA) | Steve Barton, Pat Murphy and Leigh Smith |
| CB Richard Ellis (MA) | Bob McGuire, Alison Powers and Chris Tosti |
| CB Richard Ellis (NC) | Butch Miller |
| CB Richard Ellis (PA) | Steven Cousart, Dennis Durkin, Stephen Kriz, Len Redyoff, Brian Smyth and Paul Touhey |
| CB Richard Ellis (VA) | Ann Barrett and David Wright |
| CBIZ Gibraltar Real Estate Services, LLC | Bill Main |
| Colliers International (CA) | Jim Beeger, Dion Campisi, Susan Gregory and Jeff Rodgers |
| Colliers International (MA) | Jeffrey Gates |
| Colliers International (MN) | E. Rapp |
| Commercial Property Professionals (GA) | Alex Cobble |
| Cornish & Carey (CA) | Tracey Solari and Anne Ralston |
| Cresa Partners (IL) | Chad Bermingham |
| CTR Partners (GA) | Jeff Richardson |
| Cuscowilla (GA) | Stephanie Marino |
| Cushman & Wakefield (CA) | Charlie Allen and Ryan Hattersley |
| Cushman & Wakefield (FL) | Mercedes Angell, Jeff Lanning, Andy May and Bob Retherford |
| Cushman & Wakefield (GA) | Gary Wadell |
| Cushman & Wakefield (MA) | Emily Ou |
| Cushman & Wakefield (MN) | Jason Butterfield, Gordie Hampson and Lou Hall |

(Continued on page 6)



WESTBOROUGH OFFICE PARK IN WESTBOROUGH, MA EARNS 2011 TOBY AWARD

Westborough Office Park won the 2011 The Office Building of the Year (TOBY) Award in the Suburban Low Rise category from the Massachusetts Chapter of the Building Owners and Managers Association (BOMA). Westborough Office Park is a four building, 374,711 square foot office park located at the intersection of Routes 495 and 9 in Westborough, Massachusetts. It is owned by an affiliate of BPG and managed by the firm's property management operating affiliate, BPG Management Company, L.P.

"We are delighted with BOMA's recognition of

Westborough Office Park as exemplifying BPG's commitment to outstanding quality and service. Despite difficult economic conditions over the last three years, we maintained our value-add strategy; completing our capital improvement program, implementing green initiatives and achieving Energy Star status. None of this could have been achieved without the collaboration of the entire BPG team," commented Michael Rota, vice president in charge of overseeing the property for BPG.

In order to be considered for the prestigious TOBY Award, Westborough Office Park

underwent a detailed building inspection and review of its operations, tenant relations programs, community participation, emergency evacuation procedures, and more to a panel of judges who are experts in the commercial real estate industry.

Earlier this year, BPG qualified the four buildings, located at 1700-2000 West Park Drive, for an ENERGY STAR rating by The United States Environmental Protection Agency's (EPA). The rating is held by the top 25 percent of commercial and industrial facilities in the country for energy performance.

Since acquiring the park on behalf of BPG Investment Partnership VIII, L.P. in 2007, BPG has invested over \$4 million to renovate the property including lobby and common area upgrades, the addition of a fitness center, new on-site cafes and park and building signage improvements. ■

(Continued from page 4)

BPG would like to thank the following brokers and their firms for helping us lease 1,100,394 square feet in the 4th Quarter 2011:

| | |
|--|---|
| Dilweg Commercial, Inc. (NC) | David Urben |
| Fameco (PA) | Jim Creed |
| FHO Partners (MA) | Connor Barnes |
| Fischer & Company (FL) | David Ginther |
| Gemini Real Estate Investments, LLC (MA) | Antonietta G. O'Toole |
| Gola Corporate Real Estate (PA) | Brian LaFond |
| Grubb & Ellis (FL) | Dana Canto and Riley Didion |
| Grubb & Ellis (GA) | Justen Cimino and Tom Miller |
| Grubb & Ellis Thomas Linderman Graham (NC) | Chester Allen |
| Jones Lang LaSalle (CA) | Jon Elder |
| Jones Lang LaSalle (IN) | Jimmy Clark, Abbey Cooper, Denice Michael and John Robinson |
| Jones Lang LaSalle (MA) | John Ferris, Ben Heller, Dan Kollar, Pat Nugent and Ted Wheatly |
| Jones Lang LaSalle (NC) | Guy Harvey |
| Jones Lang LaSalle (PA) | Roby Bull |
| Kiley and Associates (NC) | Laura Kiley |
| Metro Commercial (NJ) | Michael Gorman |
| NAI Brannen Goddard (GA) | David Beak and Stephen Pond |
| NAI Geis Realty Group, Inc. (PA) | Dave McFadden |
| NAI Merin Hunter Codman (FL) | Lesley Sheinberg and Jason Sundook |
| Newmark Knight Frank Smith Mack (PA) | Jim Dare and Jeffrey Mack |
| SSH Real Estate (PA) | Doug Newbert |
| Stream Realty Partners (GA) | Matt DiLeo, Ben Hautt and Wendy Tomich |
| Studley, Inc. (VA) | Adam Brecher and Tom Fulcher |
| Summit Realty Group (IN) | Matt Waggoner |
| Travis Realty (MN) | S. Eyler |
| UGL Equis (IL) | Michael D'Angelo, David Herbert and Andrew Strand |
| UGL Equis (IN) | Mike Cook |
| William Leonard Company (GA) | Bill Leonard |

BPG PROPERTIES, LTD. is one of the nation's leading private equity real estate fund managers. BPG's portfolio consists of over 24 million square feet of office, retail, student housing, and industrial properties and nearly 19,000 apartment units in more than 70 communities located throughout the United States. Philadelphia | Yardley | Chicago | Washington, D.C. | Los Angeles | Raleigh | Atlanta | Boston

Acquisition Contacts

Office/Industrial

NEW ENGLAND

George Haines ————— 215.575.2493
Roy Perry ————— 215.575.2433

METRO NYC

John Brogan ————— 215.575.2465

MID-ATLANTIC

Steve Spaeder ————— 215.575.2386

EAST COAST - INDUSTRIAL

Dan DiLella, Jr. ————— 215.575.2352
Peter Derrico ————— 215.575.2482

SOUTHEAST (INCLUDING WASHINGTON, D.C.)

Roy Perry ————— 215.575.2433

FLORIDA

John Brogan ————— 215.575.2465

MIDWEST & MOUNTAIN STATES

Joseph Neverauskas ————— 312.427.8740
Brant Glomb ————— 312.673.3593
Matthew Latimer ————— 312.673.3390

SOUTHWEST

Roy Perry ————— 215.575.2433

WEST COAST

Lang Sligh ————— 425.503.5575
Gardner Ellner ————— 310.725.8433
Joseph Neverauskas ————— 312.427.8740

Retail – National

Elizabeth Owens ————— 215.575.2431
John Braithwaite ————— 215.575.2360

Corporate Real Estate

John Brogan ————— 215.575.2465

Multi-Family – National

Joe Mullen ————— 215.575.2429
Steve Pogarsky ————— 215.575.2445
Greg Curci ————— 215.575.2307

Investor Relations

Joe Nahas ————— 215.575.2363

This document is for informational purposes only regarding our company and its properties and does not constitute an offer to sell or a solicitation of an offer to buy securities from the company. An offer to sell securities may only be made in accordance with the federal securities laws and applicable state securities law.

WWW.BPGLTD.COM
©2010 BPG Properties, Ltd.