



INSITES

ONE OF THE NATION'S LEADING REAL ESTATE FUND MANAGERS

Third Quarter
2012



Future McKesson Distribution Center, Winchester, VA

BPG COMMENCES CONSTRUCTION ON A 450,000 SF BUILD-TO-SUIT WITH MCKESSON CORPORATION IN VIRGINIA

An affiliate of BPG recently signed a long-term lease on a 450,000 square build-to-suit distribution center with McKesson Corporation, a leading healthcare services and information technology company. The distribution center is currently under construction on BPG's 60-acre site, known as The Winchester 81 Logistics Center, located at Exit 323 of Interstate 81 in Winchester, Virginia.

On September 24, 2012, Virginia's Governor Bob McDonnell announced that McKesson will invest \$39 million to establish a new distribution center at the site and create 205 new jobs. McKesson's Medical-Surgical business unit will be housed in the new facility and will distribute medical and surgical supplies to physician offices, surgery centers, long-term

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200 LAWRENCE DRIVE IN WEST CHESTER, PA ACQUIRED

In September 2012, an affiliate of BPG Properties, Ltd. (BPG) acquired a two-building portfolio in Chester County, Pennsylvania from a publicly traded REIT. The portfolio includes 200 Lawrence Drive, an 111,451 square foot office and research development complex in West Chester, Pennsylvania and 210 Welsh Road, a 59,415 square foot office, lab and research and development complex in Exton, Pennsylvania.

200 Lawrence Drive is 100 percent leased to Animas Corporation, a leading medical device company owned by Johnson & Johnson Company. The building serves as Animas' headquarters in which the

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97,323 SQ FT CLASS A OFFICE AND WAREHOUSE FACILITY ACQUIRED IN CARMEL, IN



4400 West 96th Street, Carmel, IN

In August 2012, an affiliate of BPG acquired 4400 West 96th Street, 97,323 square foot, Class A office/warehouse building located in Carmel, Indiana, for \$3,750,000 from a joint venture managed by a publicly traded REIT. The acquisition was made on behalf of BPG Investment Partnership IX, L.P., its newly formed value-add real estate fund.

“The transaction provided an opportunity to acquire a headquarters-quality office/warehouse complex in the affluent city of Carmel at a price approximately fifty percent below replacement cost,” commented Brant Glomb, vice president in BPG’s Chicago Regional Office who oversaw the transaction for the firm. “By leveraging existing broker and tenant relationships we were able to secure a large tenant under a long-term lease within a very short timeframe.”

Prior to closing, BPG negotiated a seven and half year lease with Indianapolis-based Bell Technlogix, Inc. (Bell) for 53,885 square feet, representing the entire two-story office space and 6,049 square feet of the warehouse space in the building.

Bell, a provider of information technology services, announced in August that it plans to add 204 jobs by 2016 as part of a \$1.4 million expansion. As part of the company’s recent growth, Bell will relocate and expand its corporate headquarters and service delivery center in November 2012. Founded in the 1950s in southern California, Bell has since evolved into a provider of technology products with locations throughout the nation and nearly 1,000 clients ranging from midsize companies to Fortune 100 corporations.

“The 96th Street facility offers a perfect centralized location and ideal facility space for our corporate headquarters and service delivery center of excellence. This state-of-the-art facility will serve as the heart of our best-in-class delivery and support model for our end user computing, infrastructure management, enterprise mobility management and IT lifecycle service offerings to clients across the United States,” said Clinton Coleman, chief executive officer of Bell.

Located immediately northwest of the intersection of Interstate 465 and N. Michigan Road (421), 4400 West 96th Street offers convenient access to the freeway and is easily accessible from the entire metro area. The city of Carmel is Indianapolis’ most affluent suburb and is located within Hamilton County, one of the top ten

most affluent counties in the nation. Just this month Carmel topped Money Magazine’s list of “100 Best Places to Live in America” with the number one spot.

Constructed in 1998, the complex is situated on 8.13 acres. The acquisition also included a 5.8 acre adjacent land parcel which could be used to expand the existing building or developed with a stand alone building. The office space has a parking ratio of 6 spaces per 1,000 square feet. The warehouse section of the building is 100 percent climate controlled and includes 24’ clear heights, 40’ x 40’ column spacing, five loading docks (including exterior levelers), one straight bed dock and one drive-in door.

The seller was represented in the transaction by Jake Sturman and Adam Broderick of Jones Lang LaSalle who also represented the buyer with the lease negotiation for Bell. The tenant was represented by Jeff Harris of NAI Meridian. BPG has named Jake Sturman and his team as the exclusive leasing agents for the complex, which currently has 44,000 square feet of industrial space available for immediate occupancy.

4400 West 96th Street is the third acquisition BPG has made in the Indianapolis metropolitan area of Indiana. In 2005, the firm sold The Precedent Office Park, a one million square foot office complex which it had acquired in 1997. Also in 2005, the firm acquired Keystone at the Crossing, a 1,027,593 square foot office park on behalf of BPG Investment Partnership VII, L.P. Since acquiring Keystone, BPG has made significant capital improvements and increased occupancy from 75 percent to its current occupancy of 90 percent. ■



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Kemper Lakes Business Center, Long Grove, IL

FRESENIUS KABI LEASES 101,000 SF AT KEMPER LAKES IN LONG GROVE, IL

In September 2012, Fresenius Kabi, USA, LLC selected Kemper Lakes Business Center as their new corporate headquarters. Kemper Lakes Business Center is a 1.1 million square foot, four building office park located in the northern Chicago suburb of Long Grove, IL. Fresenius Kabi, USA executed a 15 year lease on 101,000 square feet of Class A office space at One Corporate Drive.

“We are pleased to be able to provide Fresenius Kabi USA with a working environment which offers quality office space with state-of-the-art amenities and the ability to accommodate their future business growth.” commented Kelly Gibbel, vice president of BPG, who is responsible for asset management of the property and handled negotiations on behalf of the landlord.

Fresenius Kabi is the leader in infusion therapy and clinical nutrition in Europe, Latin America and Asia Pacific. Within I.V. generic drugs, Fresenius Kabi counts among the leading suppliers in the U.S. market. The company is focused on the therapy and care of critically and chronically ill patients in and outside the hospital.

The landlord was represented in the transaction by David Florent, senior vice president and Steve Kling, principal of Colliers

International. Fresenius Kabi, USA was represented by Scott Brandwein, executive vice president and David Saad, senior vice president of CBRE, Inc.

Kemper Lakes Business Center encompasses 164-acres and is situated between two picturesque lakes and overlooks the world renowned Kemper Lakes Golf Course. Since acquiring the property on behalf of BPG Investment Partnership VI, L.P., in March 2005, BPG has completed more than \$35 million in capital improvements include a complete redevelopment of the parking area, new exterior entries, new interior lobbies and 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. The property was 27% leased at acquisition and is now 87% leased representing the corporate headquarters for ACCO Brands Corporation, Dovenmuehle Mortgage Inc, and Fenwal, Inc. ■

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care facilities and home care businesses in a regional service area that includes New Jersey, eastern Pennsylvania, Delaware, Maryland, the District of Columbia, Virginia, eastern West Virginia, and northern North Carolina. McKesson Corporation, currently ranked 14th on the FORTUNE 500, is a healthcare services and information technology company dedicated to making the business of healthcare run better.

“McKesson’s commitment to this project demonstrates the strength of the warehouse/distribution market in this region and speaks volumes about the desirability of locating along the I-81 Corridor in Virginia,” said Stephen M. Spaeder, president of BPG Development Company, L.P. “We are pleased to partner with a world-class organization like McKesson on a transaction that will bring jobs and create additional commerce to this ideal location.”

The landlord was represented in the lease negotiations by Jim Clarke of Jones Lang LaSalle. McKesson was represented by Bob Gibbs and Adam Loges of CBRE. Wulff Architects has been selected as the building architect and The Norwood Company has been selected as the general contractor for the development. The construction is anticipated to bring approximately 200 jobs to the area.

The Winchester 81 Logistics Center offers immediate access from Exit 323 of Interstate 81. The facility will be highly visible from the interstate and is located within 20 miles of the Virginia Inland Port of Virginia. When completed in the Spring 2013, the tilt-up concrete building will include a clear-height of 32’, fully air-conditioned space and an ESFR sprinkler system. The building is also expandable to 750,000 square feet.

In addition to this project, BPG continues to be active elsewhere along the I-81 Corridor from Pennsylvania to Virginia. The company’s I-81 Industrial Park in Berkeley County, West Virginia, which is located just 10 miles north of the Winchester 81 Logistics Center, is fully engineered and approved for 2,695,000 SF. Since 2009, affiliates of BPG have leased more than 1,400,000 square feet of industrial space along I-81 in Virginia. ■

BPG BREAKS GROUND ON NEWEST MULTIFAMILY COMMUNITY IN CHALFONT, PA



Madison New Britain, Chalfont, PA

On September 19, 2012, BPG held the official groundbreaking of its newest multifamily community, Madison New Britain. Located in Chalfont, PA, Madison New Britain is the first new apartment community to be developed in Central Bucks County in several years, offering modern apartment living in a classic suburban setting. Congressman Michael Fitzpatrick, Commissioner Chairman of Bucks County Robert Loughery and other local dignitaries joined BPG to celebrate the start of construction.

“Madison New Britain provides construction jobs and good housing in an area that is very accessible to Bucks County and the region. Housing and jobs married together is what makes a really vibrant community,” said Congressman Michael Fitzpatrick.

Once complete in spring 2013, Madison New Britain will offer 232 luxury one-and-two bedroom units designed around a state-of-the-art clubhouse and amenities center. Resident amenities will include the 5,571 square foot clubhouse with WiFi, cardio fitness center, billiards room, resort pool, cybercafe, fully equipped outdoor and indoor kitchen with grilling areas and a sundeck.



Rendering of three-story apartment building.

Located in the heart of historic Bucks County with immediate access to Route 202, Madison New Britain combines the best of suburban living with convenient access to exciting shopping and retail opportunities. The community will be adjacent to New Britain Village Square, a 143,000 square foot retail center anchored by Giant® Food Stores and including Wells Fargo, Bank of America, four restaurants and numerous other retailers. Downtown Doylestown, the Montgomery Mall, Route 309, the new Route 202 Parkway and Horsham are just minutes away.

“Madison New Britain will offer the most sought out amenities, the latest green building specifications and will fit in nicely with our other 900 units in nearby central Montgomery County,” said Dan DiLella, President and chief executive officer of BPG.

The community will consist of 12 two and three-story buildings built on a site with expansive views of the Central Bucks County countryside. Every unit has been meticulously designed and appointed with features such as 9 foot ceilings, oversized windows, master bedroom suites high efficiency sustainable features and private balconies and patios.

The project is being developed through a joint venture comprised of an affiliate of BPG and an offshore private investor. Construction financing is being provided by Capital One. ■

Dispositions



MADISON BRECKINRIDGE

Duluth, GA
Multifamily
400 Units
\$17,300,000



MADISON FARMINGTON HILLS

Detroit, MI
Multifamily
424 Units
\$20,000,000



RIVERGATE MEADOWS

Goodlettsville, TN
Multifamily
200 Units
\$8,625,000



3200 GREEN FOREST

Buena Vista, VA
172,759 SF
Industrial
\$5,000,000



RICHMOND PLAZA

Augusta, GA
177,331 SF
Retail
\$19,500,000

HOLLY REYNOLDS REJOINS BPG AS VICE PRESIDENT STRATEGIC DEVELOPMENT



Holly Reynolds has rejoined BPG as the Vice President Strategic Development. In this role, Ms. Reynolds will be assisting the

firm with their institutional capital raising efforts.

“With our ninth value added fund currently in the market, Holly will play an important role in our marketing efforts as we look to build on our existing roster of over 100 institutional investors,” commented Daniel M. DiLella, president and chief executive of BPG.

Ms. Reynolds originally joined BPG in 2003 as Vice President Institutional Marketing and Investor Relations. Until the time of her relocation in 2010, Ms. Reynolds expanded BPG’s existing institutional investor relationships and developed new domestic and international capital sources for BPG’s value added private equity funds. She also established and maintained strategic relationships within the institutional consultant community.

Prior to joining BPG, Ms. Reynolds worked as a Director of Economic Development for Pennsylvania in the United States Senate. Ms. Reynolds has also held positions in the United States House of Representatives where she served as an advisor to members of Congress from Washington State and Pennsylvania.

Ms. Reynolds received her B.S. and M.A. from Ball State University. ■

BPG would like to thank the following brokers and their firms for helping us lease 1,199,395 square feet in the 3rd Quarter 2012

Aegis Property Group (PA)	Jim Kinzig
Ambrose Properties (IL)	Aasif Bade
At World Properties, LLC (IL)	Lisa Postell
Atlanta Office Realty (GA)	Brad Kuehn
Benchmark Commercial Real Estate (GA)	Kevin Mithell
Boston Realty Advisors (MA)	Adam Meixner
Boyd & Associates Realty (NC)	William H. Boyd
Bradford Allen Realty Services (IL)	Ben Azulay, Jeff Bernstein and Andrew DeMoss
Cassidy Turley (AZ)	Brandon Leach and Peter Menna
Cassidy Turley/FHO Partners (MA)	Mike O’Leary
Cassidy Turley (MN)	Mark Stevens
Cassidy Turley Commercial RE (NC)	Sue Back
CBRE (AZ)	Nate Goldfarb, Greg Mayer, Jerry Noble and Bryce
CBRE (IN)	David Moore and Nick Svarczkopf
CBRE (MA)	Andrew Majewski, Alison Powers, Matt Siciliano and Robert Walles
CBRE (MN)	Charles Caturia and Ashley Moen
CBRE (IL)	Scott Brandwein and David Saad
CBRE (IN)	Nick Arterburn
CBRE (PA)	Brian Hopkins
CB Richard Ellis Raleigh LLC (NC)	Brian Hill
Coldwell Banker Commercial Realty Services	Jon Hardy and Jim Shook
Colliers International (CA)	Jim Beeger, Dion Campisi and Susan Gregory
Colliers International (IL)	Bob Chodos, David Florent and Steve Kling
Colliers International (PA)	Larry Bergen, Tim Hearn and Jon Miller
Colliers International (MA)	Jeffrey Gates
Colliers International (NC)	David Divine
Commercial Property Professionals (GA)	Alex Cobble
Cornish & Carey (CA)	Paul Griffiths
Cornerstone Commercial Realty (FL)	Bryan Jerome
Cresa Partners (MA)	David Ross
Cresa Partners (PA)	John Behm
Cushman & Wakefield (FL)	Paula Buffa, Jim Molar and Buddy Register
Cushman & Wakefield (GA)	Gorden Benedict

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Cushman & Wakefield (NJ)	Todd Elfand
Cushman & Wakefield NorthMarq (MN)	Jason Butterfield and Gordie Hampson
Cushman & Wakefield (MA)	Matt Adams, Richard Ruggiero, Torin Taylor and Rory Walsh
Dillon Commercial (NC)	Les Pearce
Drinkard & Company (FL)	John Drinkard
Echelon Realty Advisors (IN)	Scott Lindenburg
Fameco (PA)	Jackie Balin, Michael Gorman, John Krause and Steve O'Malley
First Commercial Real Estate Advisors (AZ)	Rob Baggot
Flaherty & Collins, Inc.(IN)	Jim Crossin
Grubb & Ellis (FL)	Dana Canto and Riley Didion
Grubb & Ellis (GA)	Justen Cimino and Tom Miller
Jackson Cross Partners (PA)	Nick Adams and Lou Battagliese
Jones Lang LaSalle (FL)	Mike Morrone
Jones Lang LaSalle (IN)	Abby Cooper, John Robinson and Jake Sturman
Jones Lang LaSalle (MA)	Brendan Cohn, Daniel Cavanaugh, Ben Heller and Pat Nugent
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KW Commercial (MN)	Andy Mathei
The Marquardt Group, LLC (NC)	Dan Marquardt
McKelvy Partners (PA)	Warren Morris
Metro Commercial (NJ)	Rob Cooper and Steve Niggeman
Midland Atlantic (IN)	Aaron Boyle
Mohr Partners (MA)	Kyle Greiert
NAI Brannen Goddard (GA)	David Beak and Stephen Pond
NAI Meridian (IN)	Jeff Harris
NAI Merin Hunter Codman (FL)	
Newmark Knight Frank Smith Mack (PA)	Jeff Mack
Palestra Properties, Inc. (PA)	Vince Curran
Parsons Commercial Group (MA)	Victor Galvani
Phoenix Realty Advisors (AZ)	James Robinson



200 Lawrence Drive, West Chester, PA

(Continued from page 1) company designs, develops, and distributes insulin pumps. 200 Lawrence Drive offers easy access to Route 202, Route 3, The Brandywine Airport, and is in close proximity to many biotechnology companies located along the 202 Corridor in Chester County.

210 Welsh Pool Road is 100 percent leased to Morphotek, a biotechnology company and subsidiary of Eisai Co. Ltd. Morphotek develops biological-based products to treat cancer, inflammation, and infectious diseases. The building was immediately conveyed to The Clemens Family Corporation as part of a tax-deferred exchange transaction.

The acquisition of both buildings was made on behalf of BPG Investment Partnership IX, L.P., the firm's recently formed value-add real estate fund. The seller was represented in the transaction by Doug Rodio of Jones Lang LaSalle. ■

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RealTech (IN)	Kim Josephson
Richards, Barry, Joyce & Partners (MA)	Samantha Hallowell and Ron Friedman
Rich Commercial Real Estate (NC)	Harold Rich
Rothschild Real Estate Services (GA)	Steve Rothschild
SSH Real Estate (PA)	Doug Newbet
Sitar Realty (PA)	Doug Sitar
Stream Realty Partners (GA)	Matt DiLeo, Ben Hautt, Nicolai Swartkopf and Wendy Tomich
The Shopping Center Group (GA)	Jason Morganstern
The Taylor Company (GA)	Steve Taylor
Trademark Real Estate (PA)	Stephanie Carlson
Transwestern (MN)	Mike Salmen
UGL Services (IN)	Brian Askins and Colin Meadows
USI RE Brokerage (GA)	Mark Daughtry
Upland Group (AZ)	Eric Bjornsen
William Leonard & Company	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

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