



Investment Overview of the Federal Way Portfolio

EXECUTION OF INVESTMENT PLAN

This portfolio of three office buildings and a 2.5 acre vacant parcel of land was purchased from Equity Office Trust. Equity Office Trust acquired the portfolio when they purchased Speiker Properties.

Based upon our local market contacts, we were able to establish that two tenants representing over 15,000 square feet of tenancy were in lease negotiations and were going to move forward with signing a lease prior to the close of the portfolio sale. With that knowledge we were able to price our offer accordingly and win the bid to control the portfolio. During the due diligence period we successfully completed the leases and brought the portfolio occupancy up to 75% which allowed for us to close on the loan.

Within the six months of ownership, we successfully sold the 336th Avenue Building. That building was vacant at Closing. We successfully located a local owner/user that purchased the building for a premium of 20% over our purchase price.

The ABAM Building was 100% occupied with long term tenants. We were able to realize our pro forma sales prices in the second year of ownership and sold the building to an exchange investor.

The Washington Park property was put on the market as a result of the strong interest generated with the sale of ABAM Building. Again, an exchange investor purchased the property in the second year of ownership for our year-five pro forma sales projection price.

A local developer purchased the land parcel for a build to suit client.

ABAM Building

51,125 square feet



Loan Summary

Lender	: Jackson National Life Insurance Co
Loan Amount	: \$8.500 M
Term	: 5 years
Amortization	: 25 years
Interest rate	: 90-day LIBOR + 200 basis points

Washington Park Building

50,600 square feet



Investment Summary

Purchase Price:	\$13.500 M
Aggregate Sale Price:	\$17.800 M
Square Feet:	113,795
Purchase Date :	January 2003
Disposition Date:	September 2004
Equity Investment:	\$5,300,000
IRR:	47.6%
IRR to Investors:	36.3%
Seller:	Equity Office
Purchasers:	Local Private Investors

336th Avenue Building

12,800 square feet

