



# INSITES

ONE OF THE NATION'S LEADING REAL ESTATE FUND MANAGERS

Fourth Quarter  
2009



Cityview Plaza, San Jose, CA

## Cityview Plaza in San Jose Wins BOMA Award and Inks 46,000 SF in New Leases

In November 2009, Cityview Plaza (Cityview), a 600,000 square foot office complex in downtown San Jose, California, was awarded the 2009 Office Building of the Year (TOBY) by the Silicon Valley Building Owners and Managers Association (BOMA). The TOBY remains the most prestigious and comprehensive program of its kind in commercial real estate, recognizing quality in office buildings and awarding excellence in office building management. The award came on the heels of 46,000 SF in new leasing at the complex during the fourth quarter 2009.

“We are extremely pleased that Cityview Plaza has been honored as the most outstanding office building in the region,” said Jonathan Praw, vice president of BPG’s Los Angeles office. “This award reflects BPG’s commitment to the property as well as tenants’ recognition of the value of Cityview Plaza’s location and recent capital improvements. The addition of URS Corporation to the list of tenants that call Cityview Plaza their Silicon Valley headquarters reaffirms Cityview Plaza as the hub of downtown San Jose business.”

URS Corporation leased 18,000

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## 2010

### The Recovery Begins

Many of you have heard me say time and again that I am the eternal optimist, believing that after every period of darkness there is a new day. My sense is that 2010 will prove to be the beginning of a new day for commercial real estate and BPG is well positioned as we head into what is likely to be a protracted period of recovery.



Daniel M. DiLella  
President and CEO

We as a firm have taken this period of unprecedented difficulty for commercial real estate and the overall economy in stride. With over three decades of operating experience we have taken the lessons that we learned from previous downturns and applied them to our present day

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# 2009 YEAR IN REVIEW



Arthur P. Pasquarella  
Executive Vice President and  
Chief Operating Officer

2009 was clearly a challenging year for the investment real estate business. As the economy goes so goes the real estate markets. If ever a reminder was needed that real estate is a derivative of employment

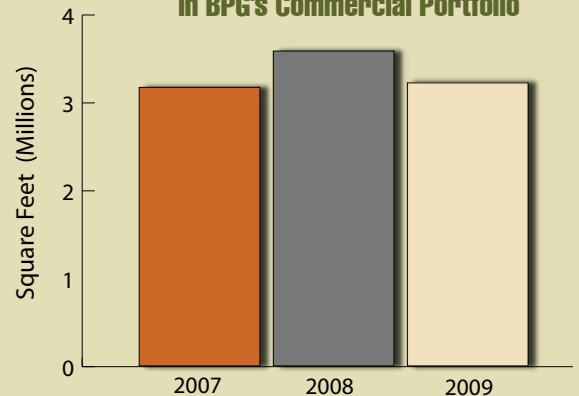
conditions, 2009 made it painfully clear. Many companies joined the layoff bandwagon throughout the year which inexorably led to a reduced demand for virtually every type of real estate. Credit markets remained extremely tight which only added to the market stress.

Despite these challenges BPG pushed ahead. Our direct operating platform enabled us in many instances to control the destiny of many of our properties. We are proud to report that during 2009 our commercial asset management staff completed 388 leases totaling more than 3.2 million square feet representing an aggregate

lease value of \$278 million. This success is owed in large part to 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.

CONTINUED ON PAGE 7

Annual Total SF Leased  
in BPG's Commercial Portfolio



## 2010 THE RECOVERY BEGINS

CONTINUED FROM PAGE 1

approach to managing a portfolio in a time of distress. We remain committed to our investors and have spent countless hours maintaining stability in our older vintage funds and creating stability for our less mature funds which have been hit hardest by this crisis. We have built reserves within each fund, crafted a unique solution to create needed liquidity for Fund VII, and deleveraged several assets within the portfolio. We stayed in front of issues and for that reason we are in a position of strength as 2010 begins.

We have been employing a two pronged operating approach over the past couple of years that we will continue throughout 2010. The first is related to our existing portfolio of assets. We currently

own and operate over 27 million square feet of commercial property and nearly 25,000 multi-family units throughout the United States. We will continue to asset manage these investments aggressively with an eye toward increasing leasing levels, decreasing operating costs and maintaining the physical condition of the assets at a best in class level for their relative markets. Within the overall portfolio there are many assets for which we have completed our repositioning plan. We will continue to closely monitor the capital markets to determine the optimum time for realization of these investments.

The second prong to our approach is related to the acquisition of new investments. We currently have more than \$400 million of equity left to invest from our latest

fund, BPG Investment Partnership VIII. We continue to actively seek and underwrite new investment opportunities while carefully managing the tension between timing where we are in the recovery and making prudent investments for the Fund.

As we begin 2010 we would like to thank our many investors, tenants, lenders, brokers, construction firms, architects and law firms who we have had the pleasure to work with over the past year. Thank you for your support and we wish you a healthy and prosperous 2010. ■

Daniel M. DiLella  
President and Chief Executive Officer



# Midwest Properties Earn TOBY and LEED® EB



Tallgrass Corporate Center, Bolingbrook, IL



In addition to Cityview Plaza (*see article page 1*), BPG's Tallgrass Corporate Center in Bolingbrook, Illinois was awarded a TOBY in the Renovated Building Category by BOMA/Suburban Chicago during an awards dinner on November 5, 2009.

BPG recently completed a \$13 million capital improvement program at the 548,000 square foot property. These improvements included the redevelopment of 130,000 square feet of former manufacturing space into additional Class A office space with a new entrance, full height window wall and skylights. Other improvements to Tallgrass Corporate Center included creating new, well appointed corridors and lobby areas throughout. The main entrance also was enhanced with a new glass canopy while the parking lot was expanded by 300 spaces. Prior capital improvements by BPG included the addition of a fully equipped conference room, cafeteria and fitness center.

Since acquiring the property vacant in 2004, BPG has leased more than 444,000 square feet to a premier roster of tenants including Provena Health, Ultra Beauty, CB&I, Quebecor World Logistics, Adventist Midwest Health and Patterson Medical.

In other news from BPG's Midwest Regional Office, 600 Metropoint in Minneapolis, Minnesota earned LEED Existing Building (EB) certification from the U.S. Green Building Council (USGBC). LEED EB was developed by the USGBC to assist building owners and operators in measuring operations, improvements and maintenance on a consistent scale with the goal of maximizing operational efficiency while minimizing environmental impacts.

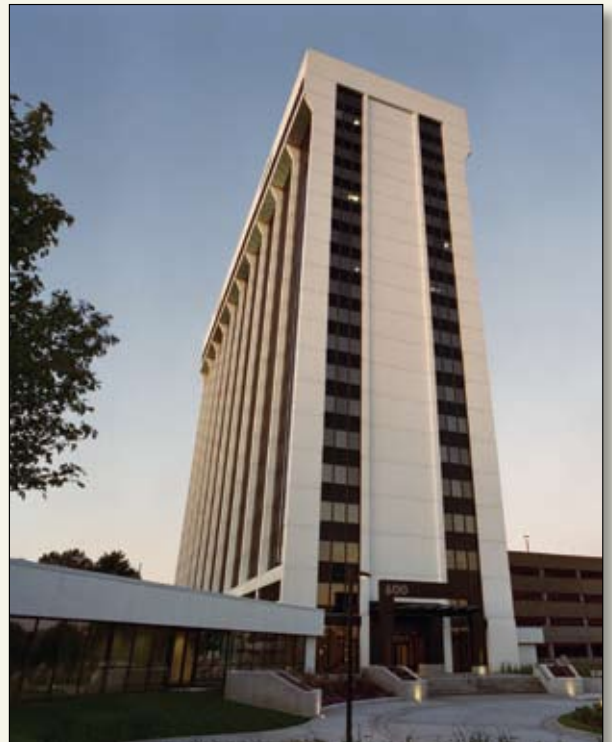


600 Metropoint, Minneapolis, MN

600 Metropoint is a 20-story, 359,483 square foot office building located within Metropoint, The Center for Business, one of the Twin Cities' most recognized office addresses. The four building office complex is situated on 20 acres, located at the intersection of I-394 and Rt. 169 in St. Louis Park.

BPG acquired the property in August 2006 on behalf of BPG Investment Partnership VII, L.P. Since that time, BPG has completed more than \$10 million

in improvements, including elevator and HVAC upgrades, refurbished public spaces, improved tenant suites, adding significant new amenities including new fitness and conference centers, upgraded dining facilities, a broad range of convenience retail as well as new landscaping and park signage. ■



600 Metropoint, Minneapolis, MN

# Pasquarella Elected 2010 Chair of The Counselors of Real Estate

In October 2009, Arthur P. Pasquarella, CRE, chief operating officer for BPG, assumed the role of 2010 Chair of the Board of The Counselors of Real Estate (CRE), an international organization of more than 1,100 top-level real estate advisors.

Founded in 1953, The Counselors of Real Estate is an international group of high profile professionals which include members of prominent real estate, financial, legal and accounting firms as well as recognized leaders of government and academia. A stringent process of selection ensures that individuals

awarded the organization's single credential, the CRE, are recognized thought leaders having attained the highest levels of expertise and achievement in their field. Art has been active in The Counselors of Real Estate since being invited to join in 1991.

Art represented the CRE organization as a featured speaker at both the March 2009 MIPIM conference (the major global property symposium held annually in Cannes, France) where he discussed the Role of Sustainable Real Estate in Investment Portfolios and the October 2009 Convention of the American College of Real

Estate Lawyers in presenting Alternative Liquidity Solutions to the Private Equity Market.

Counselors of Real Estate advise financial, corporate and non profit entities as well as all levels of government on matters relating to real property. The CRE organization itself serves as an informational resource to these sectors and a reliable forum for members to engage in meaningful networking, knowledge sharing, professional development and community based pro bono activities designed to build better lives through real estate. More information on the organization is available at [www.cre.org](http://www.cre.org). ■

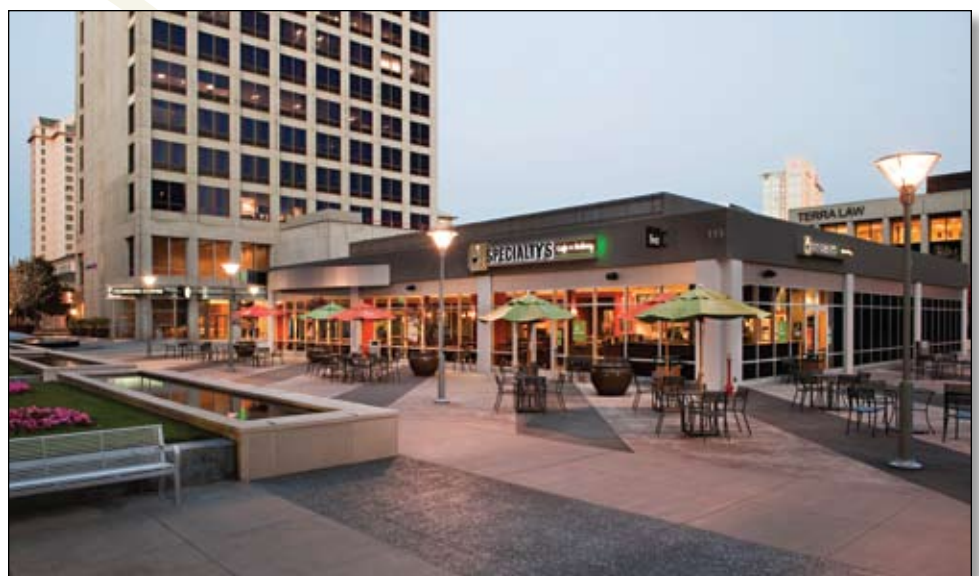
## CITYVIEW PLAZA

CONTINUED FROM PAGE 1

square feet early in the fourth quarter at Cityview. The transaction was the largest at the property and one of the largest in the entire downtown San Jose market during 2009. URS, a Fortune 500 company, is a global, fully integrated engineering, construction and technical services firm. The tenant was represented in the lease negotiations by Eric Danielson of Studley, Inc. The landlord was represented in the negotiations by Dion Campisi, Susan Gregory and John Kovaleski of Colliers International. The property is managed by CB Richard Ellis.

BPG purchased Cityview Plaza in October 2007 on behalf of BPG Investment Partnership VIII, L.P. (BPG Fund VIII), a fully discretionary private equity fund with total equity commitments of \$850 million. Since the acquisition, BPG has completed a \$10 million improvement program which included upgrades to the building exteriors,

new exterior signage, new landscaping, installation of a state-of-the-art fitness and conference center and extensive renovations to the buildings' common areas. Cityview has numerous amenities including extensive on-site structured parking, two high-end restaurants, cafes and several commercial banks. Tenants also enjoy free access to the state-of-the-art fitness center and conference center. ■



Cityview Plaza, San Jose, CA



# More Than 200,000 SF of Leases Signed at Northmeadow

During the fourth quarter 2009, 66,000 square feet of new leases were signed at BPG's Northmeadow Business Park located in the Roswell area of metro Atlanta, Georgia. In addition, 142,301 square feet of renewals were completed with existing tenants in the 1.2 million square foot, 20 building office/flex park.



1150 Northmeadow Parkway, Atlanta, GA

"We are pleased to welcome GS Battery (USA), GS Yuasa Lithium Power and Plasma Surgical to Northmeadow Business Park," commented Greg Chapin, asset manager of BPG who was responsible for negotiating the leases on behalf of the landlord. "Northmeadow Business Park is an ideal location for these companies, who require a combination of office and warehouse space as they grow their business."

GS Battery and its sister company GS Yuasa Lithium Power are leasing 40,465 square feet in 1150 Northmeadow Parkway. Ryan Bowie of Icon Commercial Interests represented GS Battery in the lease negotiations.

Plasma Surgical is leasing 25,489 square feet in 1125 Northmeadow Parkway and is a global company committed to advancing surgical technology that enhances the care and safety of patients during medical procedures. The company is headquartered in England and maintains offices in the United States and France for sales and operations with offices in Sweden for research, development and manufacturing. Plasma Surgical was represented in the lease negotiations by Jeremy Smith and Peter Webster of Advocate Commercial Real Estate.

The landlord was represented in both transactions by David Beak and Stephen Pond of NAI Brannen

Goddard, the exclusive leasing agent for the business park.

Northmeadow Business Park is located less than two miles from the Mansell Road exit off Georgia Route 400 in the dynamic North Fulton submarket of Atlanta. The park offers ample parking in an attractively landscaped setting with trails and outdoor seating.

Constructed in phases between 1987 and 2000, the buildings offer the flexibility of office and/or light industrial space with a combination of loading options and clear ceiling heights ranging from 14' to 24'.

BPG acquired Northmeadow Business Park in the second quarter 2007 on behalf of BPG Investment Partnership VII, L.P., a fully discretionary private equity fund with total equity commitments of \$550 million. ■



1125 Northmeadow Parkway, Atlanta, GA

## THANK YOU

On behalf of BPG and the entire property management staff at the park, we would like to thank all the businesses and individuals at Northmeadow Business Park who generously participated in the First Annual Food Drive to benefit the Atlanta Community Food Bank. Special thanks to Arrow Electronics for raising the most food from one company. Together we were able to donate more than 1,200 pounds of food.

The Atlanta Community Food Bank distributes over two million pounds of food a month to over 800 nonprofit partner agencies that provide food to 38 metro Atlanta and North Georgia counties. For more information, please visit [acfb.org](http://acfb.org).

## In Other East Coast Leasing News

During the fourth quarter BPG leased or renewed another 638,213 square feet of space within its East Coast portfolio. One notable transaction includes a 25,538 square foot lease with Tier Technologies, Inc. (Tier) at 11130 Sunrise Valley Drive, a three-story, 67,353 square foot office building, situated within The Campus at Sunrise, a 254,280 square foot, three building office park located along the Dulles Toll Road just minutes from both the Hunter Mill Road and Wiehle Avenue exits in Reston, Virginia.

Tier will occupy the entire third floor of the building. The company is a leading provider of electronic payment solutions in the biller direct market. It provides over 3,900 electronic payment clients in all 50 states and the District of Columbia. Tier was represented by Steve Ranck and Dee Miller of Jones Lang LaSalle. The landlord was represented by Jeff Roman and Mike Pepper of CB Richard Ellis, the property's exclusive leasing agents.



11130 Sunrise Valley Drive, Reston, VA

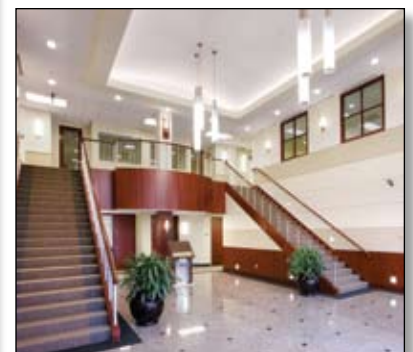
Meanwhile, BPG's Boston office completed a 20,501 square foot lease with Lewtan Technologies, Inc. (Lewtan) at 400-2 Totten Pond Road, a four-story 79,089 square foot office building located in Totten Pond Office Park, a 293,000 square foot, three building office park situated immediately off of Route 128 in Waltham, Massachusetts.

Lewtan will occupy the entire fourth floor of the building. The company offers a wide range

of content- and technology-based solutions to members of the global asset-securitization industry, including issuers, investors, underwriters, servicers, credit enhancers, and rating agencies representing more than 300 institutions worldwide in offices throughout North America and Europe. Lewtan was represented by Shawn McDonough and Joe Sciolla of Cresa Partners. The landlord was represented by Matt Adams, Torin Taylor, Rich Ruggiero and Rory Walsh of Cushman & Wakefield, the property's exclusive leasing agents. ■



400-2 Totten Pond Road, Waltham, MA



400-2 Totten Pond Road Lobby

Apartment Group provided the desired stability to BPG's portfolio by delivering a 93 percent occupancy rate in our nearly 25,000 unit multi-family portfolio. Our capital markets department undertook a massive effort in extending or refinancing more than \$600 million in loans during the year with more than 60% of that activity occurring in the fourth quarter alone. Typical loan extension terms were for three years with refinances averaging five years. At a time when new financing is very scarce we are particularly pleased to report that nearly \$100 million of the above total involved new loans with new lenders.

The widespread distress in the sector did not result in the attractive new investment opportunities that one would anticipate. While frustrated by the wide bid ask pricing gap between owners and buyers we remain disciplined in not jumping into the acquisition market prematurely. As a new decade begins and the economy continues to mend we anxiously await the resumption of U.S. employment growth which we are confident is the tonic for stability and ultimately a resumption of growth in the real estate operating and capital markets.

Best wishes for a Happy and Healthy New Year. ■

BPG WOULD LIKE TO THANK THE FOLLOWING BROKERS AND THEIR FIRMS FOR HELPING US LEASE 1,031,751 SQUARE FEET IN THE 4<sup>TH</sup> QUARTER 2009:

Benchmark (GA)	Jim Fitzgibbon
Bradford Allen Real Estate Services (IL)	Ben Azulay, Jeff Bernstein and Andrew DeMoss
Cassidy Pinkard Colliers (VA)	Todd Brinkman and Spencer Stouffer
CB Richard Ellis (AZ)	Kevin Callahan, Pat Devine, Nate Goldfarb, Greg Mayer and Jerry Noble
CB Richard Ellis (FL)	Joe Ayers and Peter Ramsey
CB Richard Ellis (GA)	Bill Killborn and Bayne Porter
CB Richard Ellis (MA)	Andy Majewski, Matt Siciliano and Rob Walles
CB Richard Ellis (MD)	Jon Hamburger
Colliers L & A (PA)	Michael Capabianco, Lee Fein and Michael Zerbe
Colliers International (CA)	Jim Beeger, Dion Campisi, Susan Gregory and Jeff Rodgers
Colliers Meredith & Grew (MA)	Chris Lawrence
Colliers Turley Martin and Tucker (OH)	Scott Abernathy and David Murphy
Colliers Turley Martin and Tucker (MN)	Mark Stevens
Colliers Turley Martin and Tucker (MO)	Jay Holland and Piers Pritchard
Commercial Associates (NC)	Christopher Taft
Cornish & Carey Commercial (CA)	Dave Austin
Cresa Partners (CA)	Mike Mordaunt
Cresa Partners Chicago, LLC (IL)	Chad Bermingham
Cresa Partners (MA)	Shawn McDonough
Cushman & Wakefield (GA)	Allison Bittel, Sam Hollis and John O'Neill
Cushman & Wakefield (VA)	Cy Kouhestani
Cushman & Wakefield (MA)	Matt Adams, Rich Ruggiero, Torin Taylor and Rory Walsh
Cushman & Wakefield (MN)	Jason Butterfield
Dillon Commercial (NC)	Rhody Dillon
Drucker and Falk (NC)	Branham Stovall
FHO Partners (MA)	Mike O'Leary
Fitzgerald Realty (GA)	Mike Fitzgerald and David McGrail
Gola Real Estate (PA)	Eric Wahlers
Grubb & Ellis (GA)	Justen Cimino and Tom Miller
Hawley Realty, Inc. (PA)	Paul Weiss

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Hayes Holton, LLC (GA)	Hayes Holton
Icon Commercial Interests (GA)	Ryan Bowie
Jones Lang LaSalle (MA)	Phil Desimone, Matt Giffune, John McHugh and Patrick Nugent
Jones Lang LaSalle (MN)	John Lorence
Jones Lang LaSalle (VA)	Dee Miller and Steve Ranck
Kent Commercial (VA)	Diana Wahl
Kimball & Associates NC)	Bill Boyd
Magnolia Realty (NC)	Tyrelle Barnes
McShea & Company, Inc. (MD)	Richard Dickman and Richard Wrightson
NAI Brannen Goddard (GA)	Nathan Anderson, David Beak, Darren Butler and Stephen Pond
NAI Carolantic Realty (NC)	David Stroud
NAI Geis Realty Group, Inc. (PA)	Jim Eaton and Charles Tarloski
Pointline, Inc. (FL)	Walt Batansky
RD Advisors (OH)	Sean Cahill
The Rappaport Companies (VA)	Bill Dickinson
Ritchie Commercial (CA)	Mark Ritchie
Stockton Advisors (PA)	Paul Carabasi
Studley (VA)	Adam Singer
Taylor & Mathis (FL)	Emily Ingerick and Angela Odell
Transwestern (FL)	Evonne Keen
Transwestern (GA)	Ann Cameron
Zalco Realty (MD)	Gil Weinbaum



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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.

PHILADELPHIA | YARDLEY | CHICAGO | WASHINGTON, D.C. | LOS ANGELES  
RALEIGH | ATLANTA | BOSTON

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