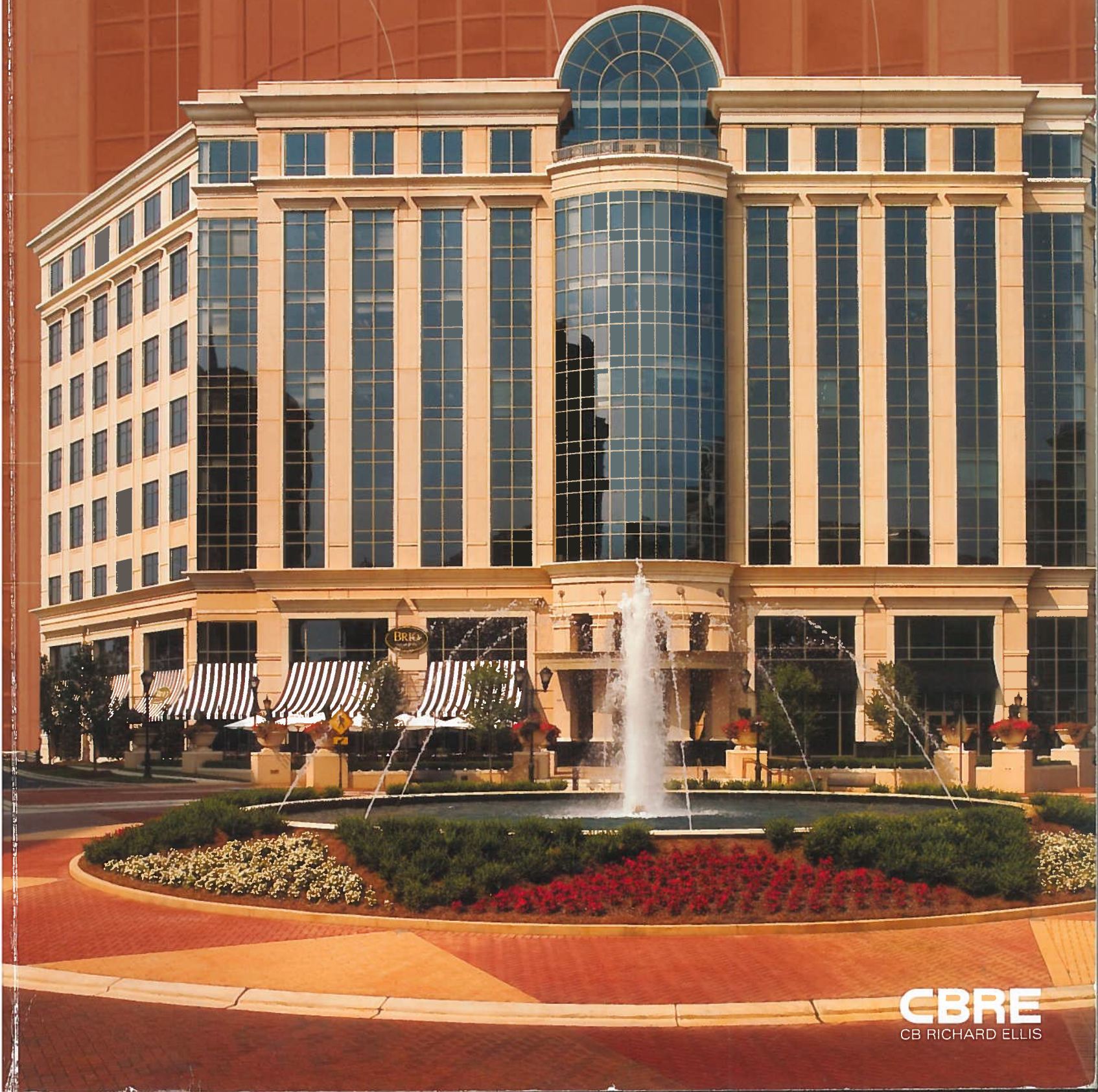
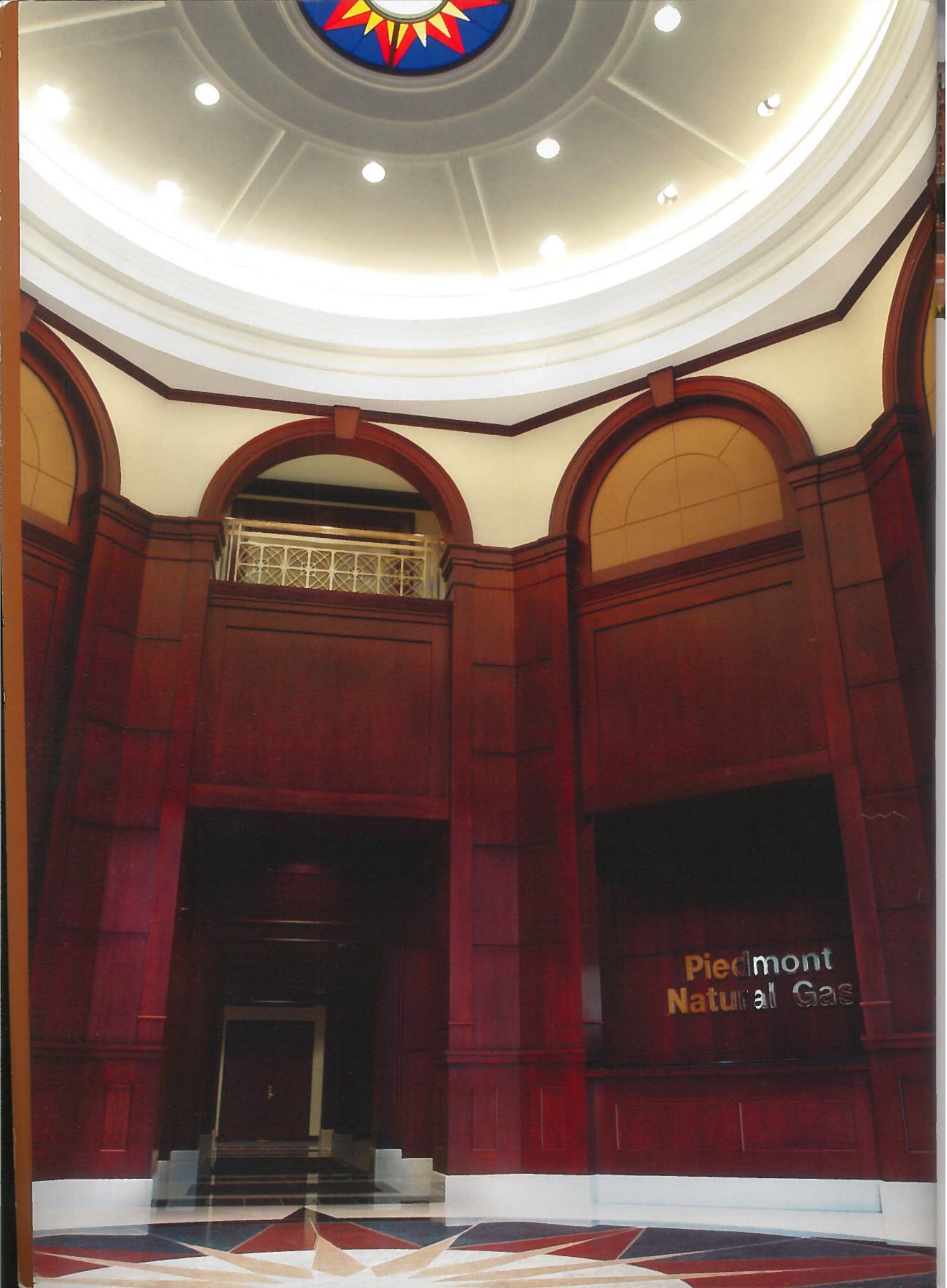


Piedmont Town Center

Charlotte, North Carolina







Piedmont
Natural Gas



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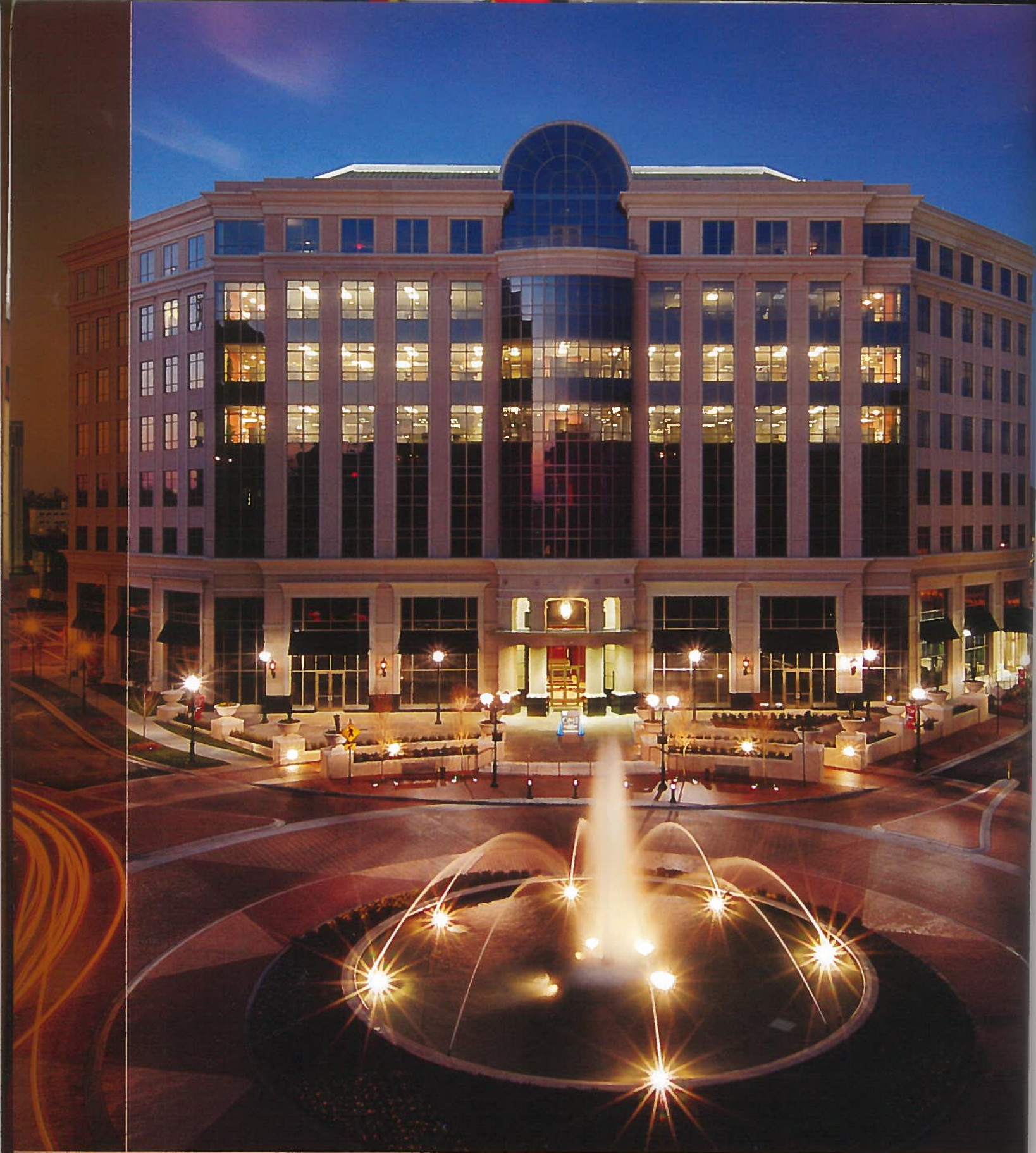
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Investment Summary

The Offering

CB Richard Ellis, on behalf of the "Owner", is pleased to exclusively offer the opportunity to purchase Piedmont Town Center (the "Property"), a recently completed high-end, mixed-use office and retail development which is the benchmark property in SouthPark, the most prestigious submarket in Charlotte, North Carolina. Piedmont Town Center is an attractive class "A+" office, retail, and residential property containing a total of 488,589 square feet with 414,624 square feet in two eight (8) story office buildings and 73,965 square feet of street level retail space in two separate buildings referred to as Piedmont Row. The retail within Piedmont Row is positioned on the ground floor of two parking decks that serve the entire project and include 179 residential condo units (not included in the offering). The parking decks offer a total of 1,689 spaces. The project is a combined 81% leased with the majority of the vacancy in the retail space that currently has strong leasing activity. Piedmont Town Center provides an attractive, upscale setting and is filled with numerous strong credit quality tenants that include Piedmont Natural Gas, E-Trade, RSM McGladrey, AIG, AmWINS Group, Inc., Del Frisco's, PNC Financial Services Group, Inc., Sales Performance International, and Swisher International.

The Property is being offered without a stated asking price and is available on an "all cash" basis under the following terms:

Terms:	All Cash
Projected Year One NOI:	\$10,089,007
Projected Five Year Average NOI:	\$10,705,098
Projected Ten Year Average NOI:	\$12,107,569
5-Year Average Operating Cash Flow:	\$9,941,742
10-Year Average Operating Cash Flow:	\$10,890,540

Attractive Rent Roll with Strong Credit Tenancy

Piedmont Town Center is filled with high quality tenants with strong credit. Several of the existing tenants boast an "A" rating by Standard and Poor's while many of the local and regional firms also have strong financials and an impressive history of business success. Many of the most notable companies in SouthPark have recently relocated to Piedmont Town Center, further evidence of the Property's appeal. These tenants are attracted to the buildings by their unmatched location, attractive corporate setting, and desirable features. Through Piedmont Town Center's ability to attract the top names in the area, the Property has quickly achieved strong rents and longer lease terms. Further evidence of the overall appeal of the Property is the fact that the weighted average remaining lease term for all tenants is 7.9 years. Accordingly, an overview of the high quality credit found within a few of the tenants within Piedmont Town Center is shown below.

Tenant	Standard & Poor's Credit Rating	Size (SF)	Lease Expiration
AIG	AA	27,189	2/28/2015
Piedmont Natural Gas	A	120,857	11/30/2015
PNC Financial Services Group, Inc.	A	13,564	4/30/2012
AmWINS Group, Inc.	B-	46,717	2/25/2018





Core Investment with Attractive Upside Potential

Piedmont Town Center is currently 81% leased to a variety of national, local, and regional companies representing quality firms with excellent credit primarily in utility services, financial services, consulting, and insurance-related industries. These firms are attracted to the buildings due to their high-end finishes, amenity base, and excellent location. Piedmont Town Center is recognized as the premier office property in the SouthPark submarket. The large, highly educated, nearby labor pool, coupled with the development's mixed-use features, enable the Property to attract tenants from not only the Charlotte area, but from across the Southeast and entire United States. As the national and local economy continues to grow, the ability to lease-up the existing vacancy will continue to improve. As occupancies in the submarket tighten further, Piedmont Town Center is exceptionally well positioned to capitalize on this positive leasing momentum. Furthermore, the Property will benefit over time as rents have escalated in the submarket and Piedmont Town Center will continue to demand the highest lease rates in SouthPark. By stabilizing the properties at higher occupancies, notable yield enhancement will be achieved.



Premier, "One-of-a-kind" Mixed-Use Development

Piedmont Town Center features a diversified mix of office, retail, and multi-family residential uses. While the multi-family component is not part of this offering, the office and retail portions represent the highest quality construction in the region. The development has quickly become the model for high-end mixed-use projects in Charlotte and across the Southeast. With three "white tablecloth" restaurants, complete with valet service, fronting the roundabout and signature water fountain, Piedmont Town Center has one of Charlotte's largest concentrations of fine dining in the city. The destination dining opportunities, in conjunction with high-end specialty retail keeps Piedmont Town Center alive with activity well into the evening hours and on weekends. Furthermore, the elegant residential component of the development quickly became one of the most sought after addresses in the SouthPark area for young professionals and empty nesters alike. With an opportunity to live, work, and shop in one upscale location, Piedmont Town Center is positioned to capitalize on its exceptional campus setting well into the future.

Headquarters Location

Piedmont Town Center is the headquarters location for Piedmont Natural Gas and Swisher International. Piedmont Natural Gas, the development's largest tenant and namesake of the Property, moved its headquarters from another SouthPark location in order to expand both in size and exposure. The Property masters the image that Piedmont Natural Gas strives to portray. Furthermore, the company has made a considerable investment into its space and is unlikely to vacate the building for many years. Additionally, the Property features natural gas fueled "gas lamp" street and site lights which add to the ambiance of the development. Swisher International has also invested heavily in its space, indicating that it will reside at the Property well into the future.



Landmark Southeast Development

The materials used to construct Piedmont Town Center are of the highest quality available while the craftsmanship is indicative of the pinnacle of construction. Additionally, the mixed-use nature of the development necessitates these high quality finishes to attract and retain the quality retail and office tenants found at the Property. Piedmont Town Center's ideal location and traditional architecture is second-to-none in Charlotte and will compete favorably for tenants seeking a high profile location in SouthPark.

Numerous Area and On-site Amenities

Piedmont Town Center is exceptionally well located in the center of the most premier amenity base in Charlotte. Within walking distance of the Property are SouthPark Mall, the Specialty Shops on the Park, and the Renaissance Charlotte SouthPark Hotel. The finest shopping in the region can be found at SouthPark Mall and the 64,000 square foot Specialty Shops on the Park located down Morrison Boulevard from Piedmont Town Center. In conjunction to the elite retailers in SouthPark there is also an abundance of banks, hotels, and restaurants. However, the most impressive list of on-site amenities dwarfs other office buildings in the market. Located at Piedmont Town Center are some of the city's finest dining establishments including, Del Frisco's, The Oceanaire, and Brio. In addition to these "white tablecloth" restaurants, the Property includes convenience functions such as Starbucks, the YMCA, dry cleaners (Signed LOI), and Salon Vivace. No other mixed-use property in SouthPark has the on-site amenity package that Piedmont Town Center has to offer.



Market-Leading Real Estate

The delivery of Piedmont Town Center affected the SouthPark leasing market in several positive ways. Foremost, surrounding properties such as the SouthPark Towers immediately increased their asking lease rates by \$2 per square foot; additionally, the entire submarket witnessed this dynamic as lease rates increased by 5.7% during the time frame that the two buildings delivered. Second, many of SouthPark's most recognizable tenants rushed to occupy the highly desirable Piedmont Town Center buildings creating favorable leasing conditions at the Property. The delivery of these assets has truly set the standard of excellence in the SouthPark market. Through consuming the last premier land site available in SouthPark, the impact of this development has been witnessed across all office property classes in the submarket by increasing rents and adding unmatched restaurants and retail. Furthermore, this demand has allowed Piedmont Town Center to garner the highest lease rates in Charlotte.



Irreplaceable Location with Strong Residual Value

Within the SouthPark submarket, Piedmont Town Center enjoys an excellent location at the intersection of Fairview Road and Barclay Downs Drive. The property's location marks the "gateway" into SouthPark for those entering the market from the west along Fairview Road. Piedmont Town Center is exceptionally well located within the epicenter of SouthPark and is within immediate walking distance to SouthPark Mall, offering numerous retail amenities. Additionally, the affluent neighborhoods of Morrocroft, Foxcroft, and Myers Park Country Club are situated just a half mile away. Due to the numerous amenities located close by and the strong appeal of the building's location, tenant demand will remain strong well into the future ensuring that strong rents and high occupancies are achieved at Piedmont Town Center. As land continues to become exceedingly scarce in the area and capital continues to aggressively pursue SouthPark offerings, strong residual values will be achieved.

**Positioned for Significant Rent Growth**

Piedmont Town Center is well positioned to benefit from significant rent growth in the SouthPark submarket over the next few years as the leasing market continues to improve and new construction is limited. With a renewed demand for quality Class "A" space in the SouthPark market, as the economy strengthens, Piedmont Town Center is poised to capitalize on tightening market conditions because attractive available space is becoming scarcer. With developable land becoming extremely scarce and the current elevated construction costs in the marketplace, new development will be tempered, promising to keep the supply side in balance. These variables will collectively place significant leasing demand on the market, elevating rents and raising occupancies. Exceptionally well positioned Class "A+" assets in Class "A+" locations like Piedmont Town Center will experience this dynamic at a greater magnitude. Furthermore, Piedmont Town Center's amenities package will continue to allow the Property to demand the highest rents in the submarket.

New Buildings with High Quality Construction

Piedmont Town Center was constructed in 2005 and 2006 offering the ability to purchase a property with little need to allocate funds to replace any major components of the assets for years to come. The HVAC systems, elevators, mechanical systems, parking decks, surface parking, and common areas are in new condition and many are still under warranty. As a high quality mixed-use development, Piedmont Town Center is in pristine condition and will only require normal maintenance to remain a top-notch facility to Class "A" tenants. The excellent condition of the buildings and their systems will require minimal-to-low capital reserve requirements over the next several years, increasing yields.



Desirable Submarket for Investment Capital

From an investment perspective, SouthPark typically receives the highest sales prices and the greatest competition among buyers for area investments. In all property sectors ranging from office to retail, the highest price per square foot sales comparables are typically achieved in SouthPark. In the last three years alone, seven office buildings' sales, Morrocroft Centre (One, Two, and Three Morrocroft), the Rotunda, the Roxborough Building, Sterling Park, Sterling View, and Fairview Center traded between \$170 and \$260 per square foot while no comparable Class "A" sales occurred in the submarket. On the retail side, Morrocroft Shopping Center and the Specialty Shops on the Park traded for \$258 and \$374 per square foot respectively. Additionally, two other notable sales, a 1.2 acre land site and an Eckerd Drug Store, also traded during this time frame. The land sold for \$81 per square foot and was developed into a First Citizens Bank branch while the Eckerd located at Barclay Downs and Fairview Road, traded for \$405 per square foot located adjacent to the SouthPark Mall. Although these sales represent a variety of property types, they illustrate the strong investment appeal of the area. SouthPark simply has the strongest demographics and investment fundamentals of any other area within the City of Charlotte.

High Profile Community

Piedmont Town Center is located in the heart of the SouthPark submarket, which is indisputably recognized as the most dynamic and solid submarket in the metropolitan Charlotte area. Charlotte's premier amenity base, most affluent residential communities, and some of the areas highest household incomes surround SouthPark. The cornerstone of SouthPark is the 1.8 million square foot SouthPark Mall, which has recently completed a 560,000 square foot expansion and renovation bringing in Nordstrom and Nieman Marcus, two new anchor tenants. Now completed, the mall offers the finest shopping between Washington, DC and Atlanta. Other high-end amenities in SouthPark include the four diamond Marriott SouthPark, the SouthPark Hyatt, Phillips Place Shops, Specialty Shops on the Park and one of Charlotte's only outdoor amphitheaters - the Harris Pavilion.

Morrocroft Centre

Siskey Building

Morrison Building

Roxborough Building

SouthPark Mall

**Specialty Shops
on the Park**

**Rexford
Park II**

Rexford Park I

Morrison Blvd

Rotunda

6101 Carnegie

Carnegie Blvd

Carnegie VIII



Phillips Place

Sharon Road

Fairview Road

Fairview Center

6201 Fairview

Barclay Downs Drive

SouthPark Towers

Carnegie X

Park View
Building

Piedmont Town Center



Of the City of Charlotte's total population, 32.6% (199,494 people) live within a five-mile radius of SouthPark. Average household incomes within a 3- and 5-mile radius are among the highest in the nation at \$106,343 and \$89,094 respectively. SouthPark is centrally located, well positioned only 6.5 miles south of downtown, 10 miles southeast of Charlotte Douglas International Airport, and 5 miles east of I-77. Most importantly, SouthPark provides exceptional convenience to Charlotte's most preferred neighborhoods and country clubs: Myers Park, Quail Hollow, Foxcroft, Morrocroft, and Gleneagles. Home prices in these neighborhoods range from \$300,000 to well over \$4 million.

Southeast's Financial Hub

Charlotte is second to only New York City as the country's leading financial and banking center. Bank of America, the country's second largest bank, and Wachovia, the country's fifth largest bank, are headquartered in Charlotte. Combined, these two banks have over \$2.17 trillion in total assets. Duke Energy, the nation's 2nd largest utility company with over \$45 billion in total assets, is also headquartered in Charlotte. Charlotte is also well represented by companies in other economic sectors. Eight (8) of the Fortune 500 Companies have headquarters in Charlotte and fifty (50) of them have office locations in SouthPark. Notable names include: Transamerica, AXA, US Air, The Vanguard Group, Microsoft, NuCor, PAETEC, and TIAA-CREF. Charlotte has emerged as a major trading and distribution center as well. The dynamic market that has emerged in Charlotte further supports the investment potential of Piedmont Town Center.

Growing Urban Center

Charlotte lies within the nation's fifth largest urban region in the United States with 7.2 million people stretching along I-85's population crescent of North and South Carolina. The population of the Charlotte metropolitan region has expanded by 74% over the past twenty years, and by 36.6% throughout the 1990's. Mecklenburg County alone has added over 50,000 new residents every year over the past ten years. The growth of the county has been matched by steady job growth as well, principally in the office sectors. These jobs are supported by Charlotte's extensive draw of an estimated 137,000 commuters who travel in from surrounding counties each workday.



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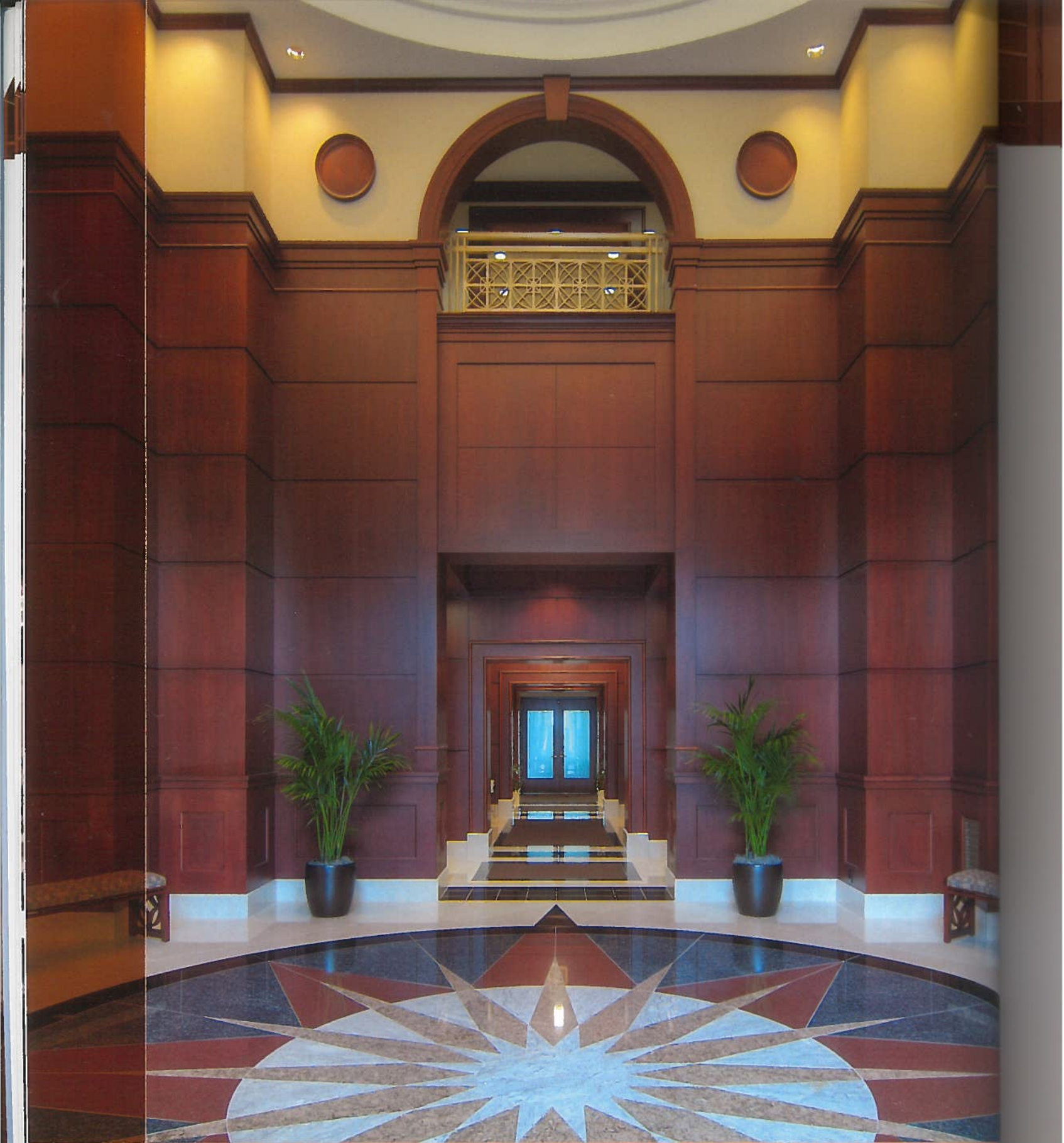
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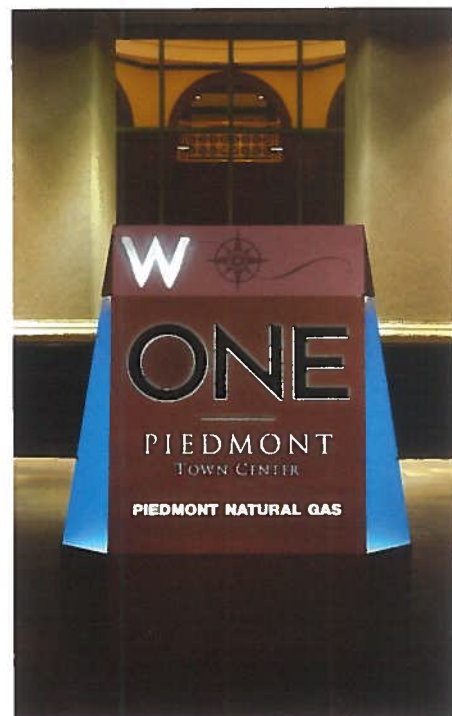
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Property Summary

One and Two Piedmont Town Center Buildings

Description	Two eight-story office buildings located at 4720 (Building One) and 4725 (Building Two) Piedmont Row Drive, Charlotte, North Carolina
Rentable Square Feet	Building One – 212,462 RSF Building Two – 202,162 RSF
Typical Floor Size	Building One – 26,726 RSF Building Two – 26,398 RSF
Architectural	Building Heights: Floor to floor: First Floor 18', Remaining Floors 14' Average top of roof: 116' above grade Building high point: 115' 10" above average grade
Exterior Skin	The buildings are clad with architectural precast panels designed to match warm-hued limestone. The precast panels have two colors and three different variants of finish providing additional aesthetic depth to the buildings. The architectural trim such as cornices, belt courses, window surrounds and water table caps have a light sandblast finished precast.
Windows	The windows of the building are comprised of performance glass (IA-120) with a shading coefficient of 0.23 and average daylight transmittance of 20% and an average daily reflectance of 19%. The window wall and curtain wall systems have a clean anodized finish on the interior and a "light bronze" finish on exterior mullion covers.
First Floor Main Lobby	<p>The lobby walls are clad in mahogany panels and fabric wrapped panels mimicking Palladian window forms which are topped off with a coffered, gypsum wallboard ceiling. The ceiling is punctuated with a stained glass, backlit oculus in the center. The floor is comprised of polished marble with a polished compass motif inset.</p> <p>The ceiling height in the main lobby is approximately 28' with a balcony at the second floor elevator lobby. The floor of the lobby is comprised of 2' x 2' stone tiles.</p>
Roofs	The roofs are a single-ply system and are both under a 10-year warranty; Building One expires in October 2015 and Building Two expires in December 2015.



Site Plan-Piedmont Town Center



Elevators

Building One:

Quantity:	Four (4) Passenger Elevators One (1) Freight
Make:	Schindler
Speed:	450 FPM
Capacity:	Four (4) 3,500 pound cars (passenger) One (1) 4,500 pound car (freight)
Finishes:	Matching Lobby (Passenger) 5 wl rigidized panel (Freight)

Building Two:

Quantity:	Four (4) Passenger Elevators (one front / rear entry)
Make:	Schindler
Speed:	450 FPM
Capacity:	Four (4) 3,500 pound cars (passenger)
Finishes:	Matching Lobby (Passenger)

Basement

Building One: The building features a 13,000 square foot basement of which 6,500 square feet are rentable. The basement has two (2) dock high loading doors and one (1) hydraulic elevator for use by the restaurant. The basement also includes a twelve (12) space VIP parking garage.

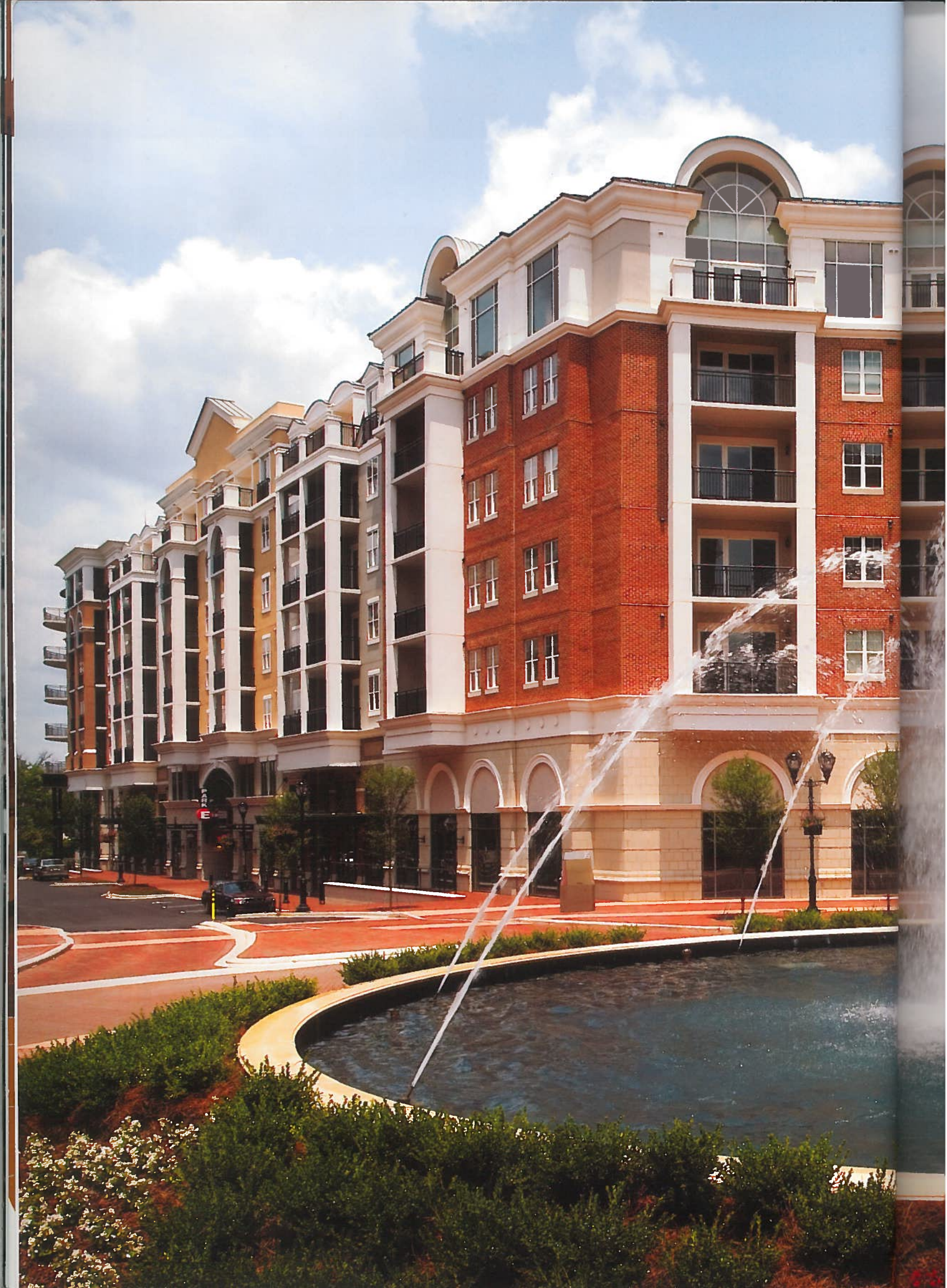
Building Two: The building includes a 4,700 square foot rentable area which is accessible by a Schindler escalator and a freight elevator.

Common Corridors

The common area corridors of the first and second floors are carpeted with painted gypsumboard walls. The ceiling is a painted gypsumboard coffered style while remaining common areas feature carpeted flooring and painted gypsumboard ceilings.

Restrooms

The buildings feature 2 restrooms per floor, one men's and one women's. The restroom floors are finished with tile and the walls are clad with tile near the wash basins and vinyl throughout the remainder. The countertops feature Galaxy black granite.





Security	The buildings have computer controlled security access system with card readers at exterior doors and elevators.
Ceiling Height	Floors 2 – 4, 9'
Ceiling Tile	The ceiling in the office area are comprised of 2' x 2' acoustic tiles.
Ceiling Lighting	Lighting within the office area are 2' x 4', 3 lamps F40/T8 with energy-saving electronic ballasts, parabolic 18 cell light fixtures which operate on 277 volts. There is one fixture per 100 square feet of space within the office areas.
Door Height	8' 0"
Door Type	Doors are solid, custom grade, quarter sawn mahogany with a finish to match the lobby.
Structural	Typical floors are designed for an 80 lbs. per square foot live load (including partitions) with areas adjacent to the stairwells design for 150 lbs per square foot live load.
Plumbing	The core restrooms and janitors' closets are provided with a hot water generating system.
Mechanical	<p>The buildings feature an evaporative cooling tower on the roof which rejects heat for the building air conditioning units. There are two pumps per building distributing the condenser water, each sized at 75% capacity, with an electronic chemical feed system and a sand filter separator is provided to maintain the quality of the circulating water.</p> <p>Variable air volume (VAV) packaged water-cooled A/C units are located on each floor. The units provide cold air distribution via a primary air duct distribution system to individual VAV terminals (approximately 1 per 1,681 square feet). The perimeter terminals are the intermittent fan-powered type with electric resistance heaters (approximately 1 per 800 square feet).</p> <p>Outside and exhaust air are circulated through heat recovery units in order to reduce the heat and humidity of incoming supply air. The buildings' variable air volume terminals on each floor regulate fresh air flow based upon indoor air quality sensors.</p> <p>The buildings are monitored and controlled with electronic direct digital controls and a central automation system. All control components, including terminal thermostats, can be monitored and reprogrammed from the central station. Furthermore, each tenant has the capability of energizing the air conditioning system during off hour periods so that only the air conditioning unit and associated ventilation on that floor will activate, thereby minimizing utility consumption. Off hour activity for each tenant is tabulated and reported monthly.</p>

Electrical

The main switchboard is a 5000 amp fully-rated, 3-phase, 277/480 volt system with a ground-fault. The switchboard has dual service feeds from Duke Energy.

Lighting Control System

All site lighting is wired through two: o-pole lighting contractors. These contractors are controlled by the buildings' Energy Management System (EMS). All exterior and site lights are wired through a lighting control panel furnished and are controlled by the building EMS.

Generator

A 400 KW emergency generator is provided for base building functions, including the life safety lighting, fire alarm system, 100% of all the elevators (only one operating at a time), smoke pressurization fans, smoke removal fans, HVAC control system, controls for air compressor, and the fire pump.

Fire Protection

The buildings are fully sprinklered and feature life safety systems.

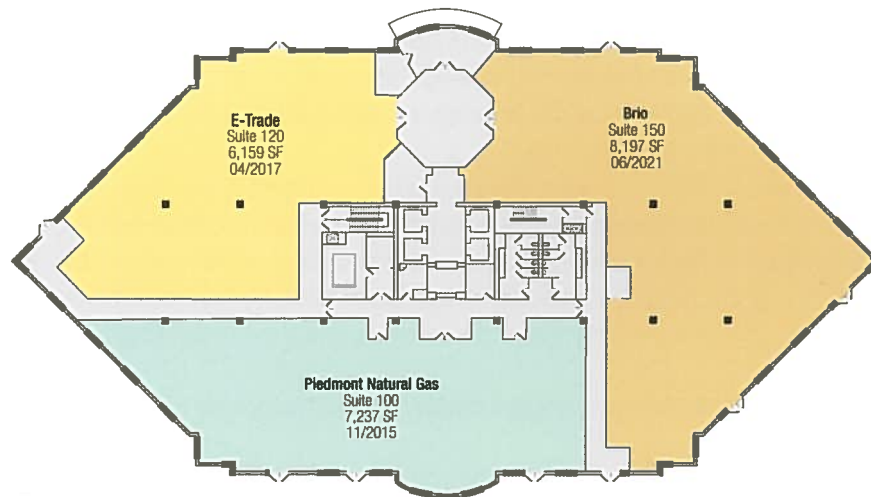
Security and Access Control System

Computer controlled, electronic access control system in the base building.

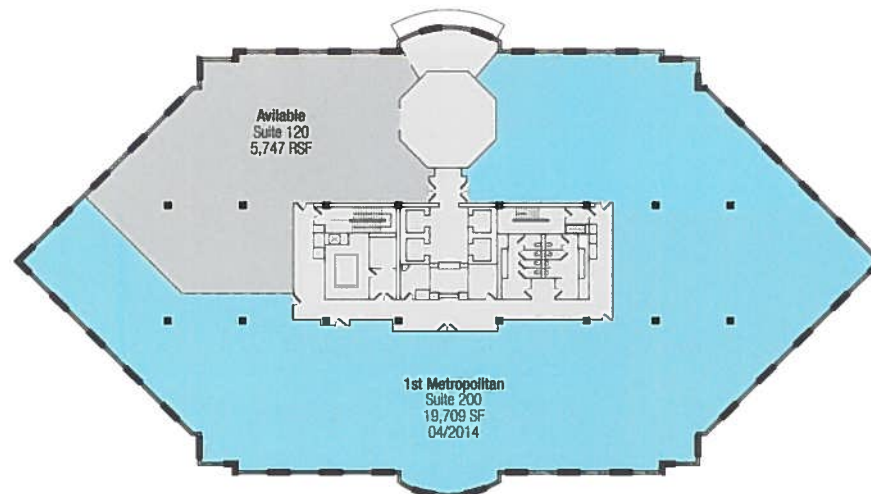


One Piedmont Town Center Building Floor Plans

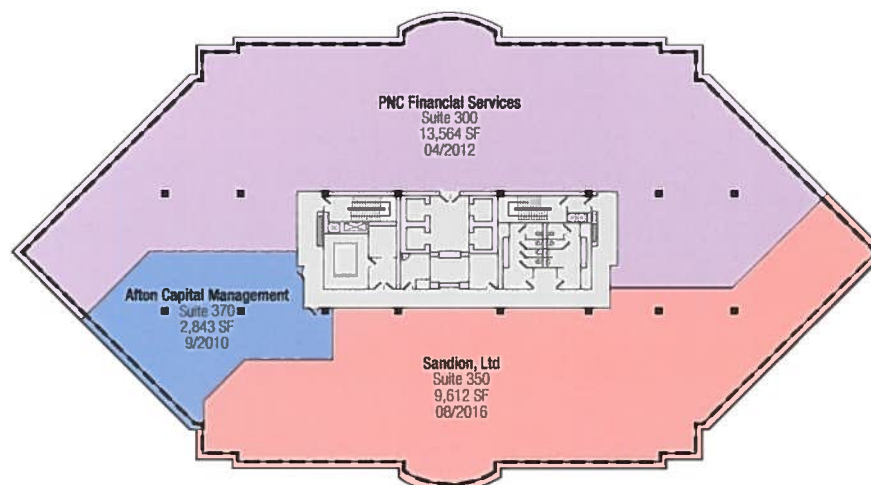
1st Floor



2nd Floor

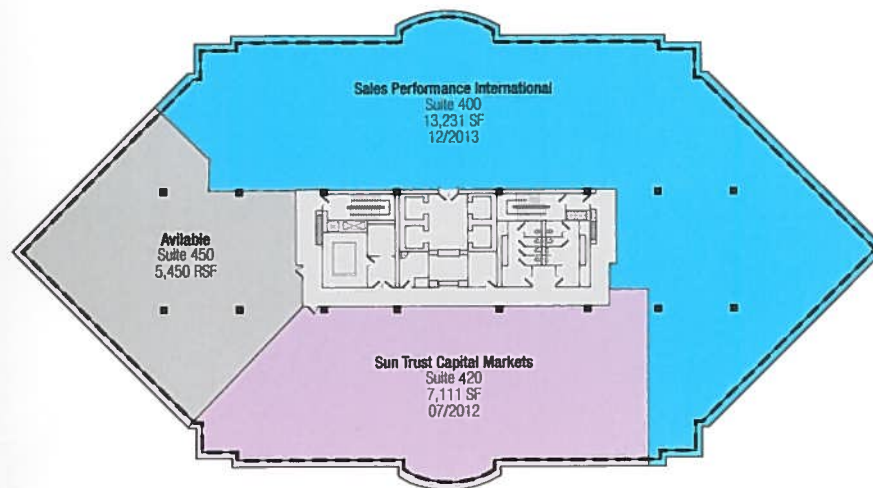


3rd Floor

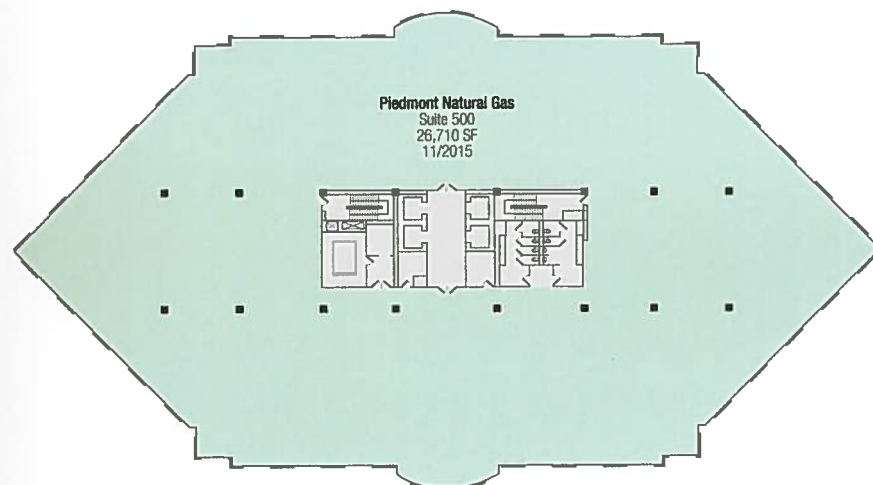


One Piedmont Town Center Building Floor Plans (continued)

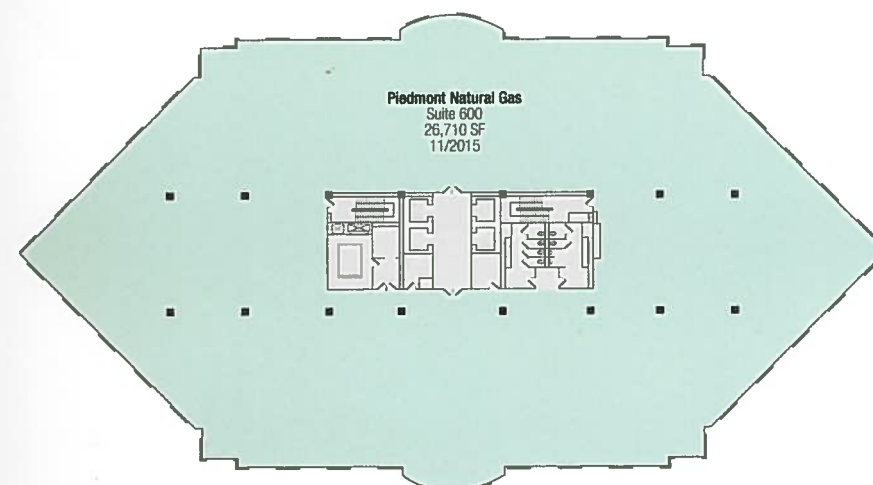
4th Floor



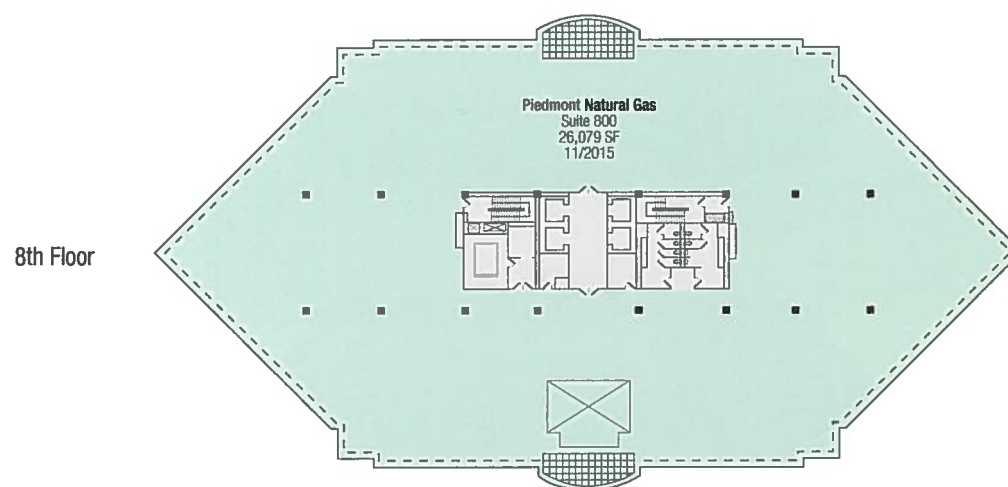
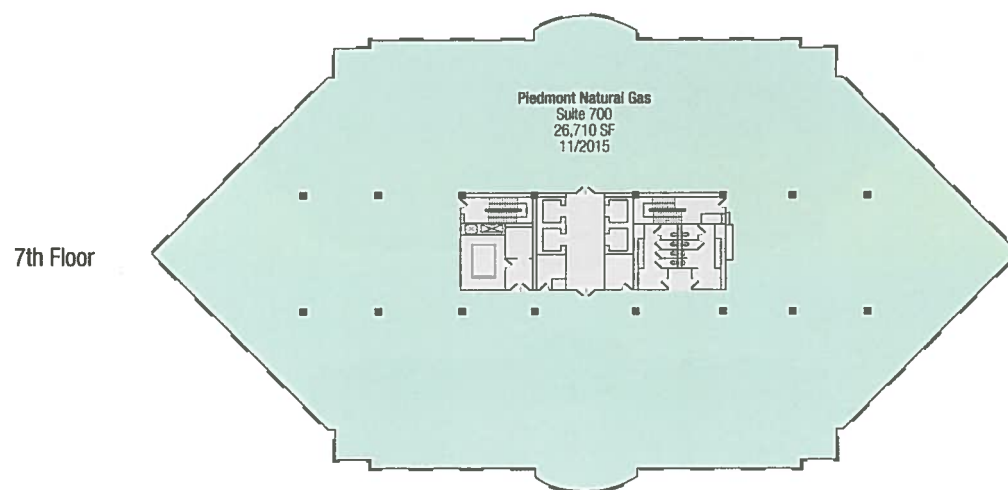
5th Floor



6th Floor

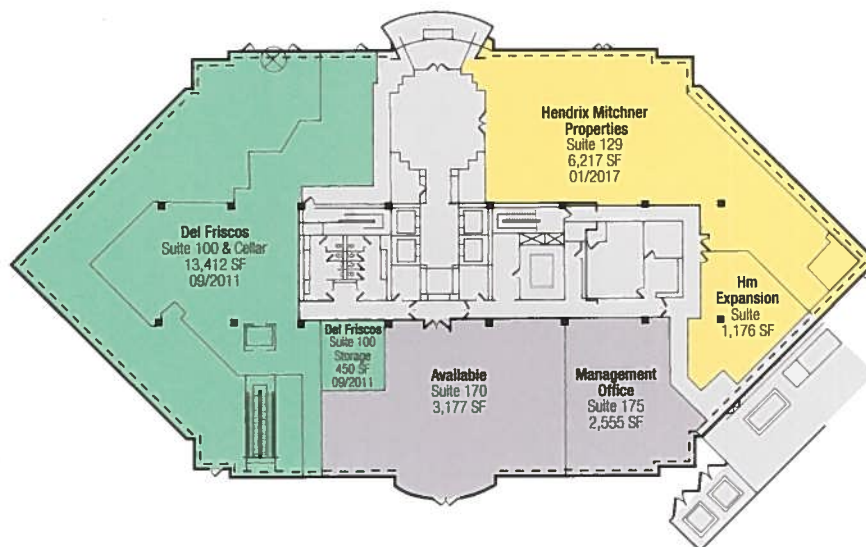


One Piedmont Town Center Building Floor Plans (continued)

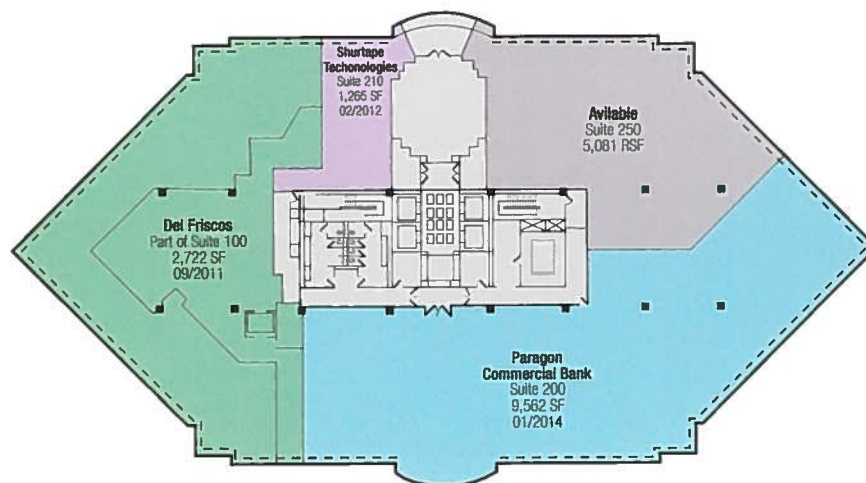


Two Piedmont Town Center Building Floor Plans

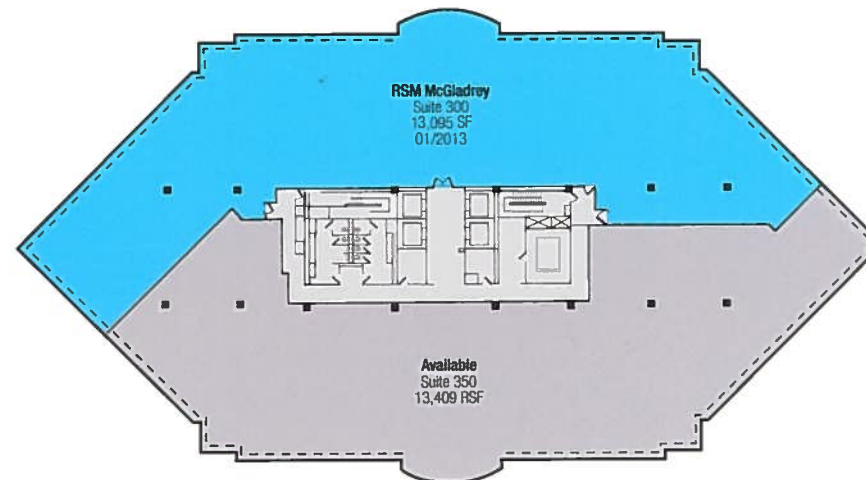
1st Floor



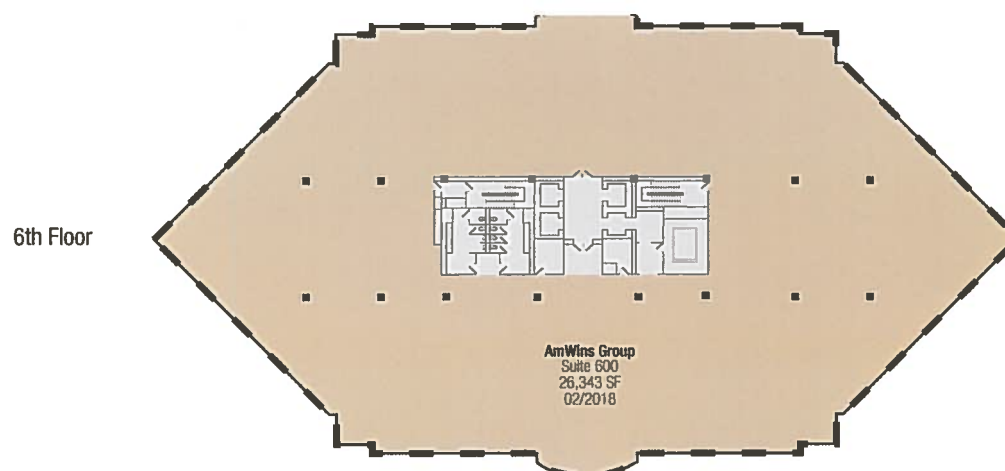
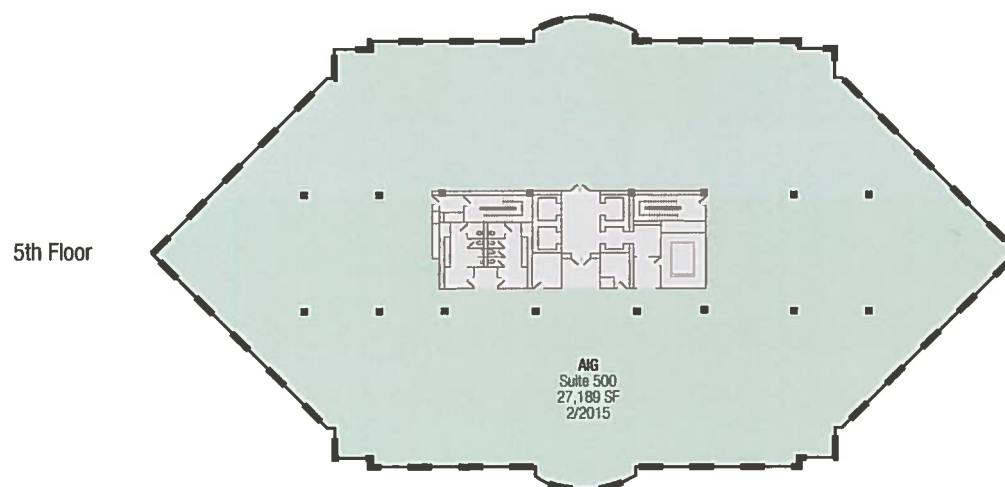
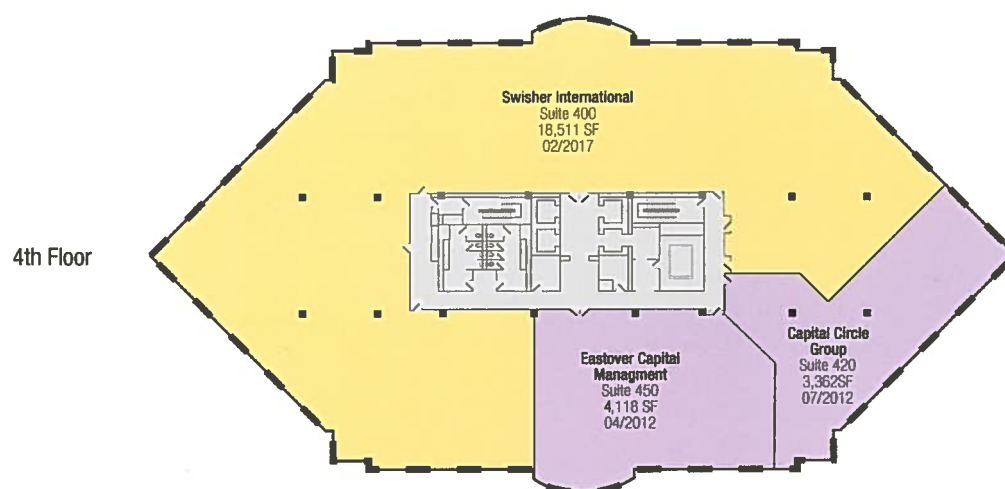
2nd Floor



3rd Floor

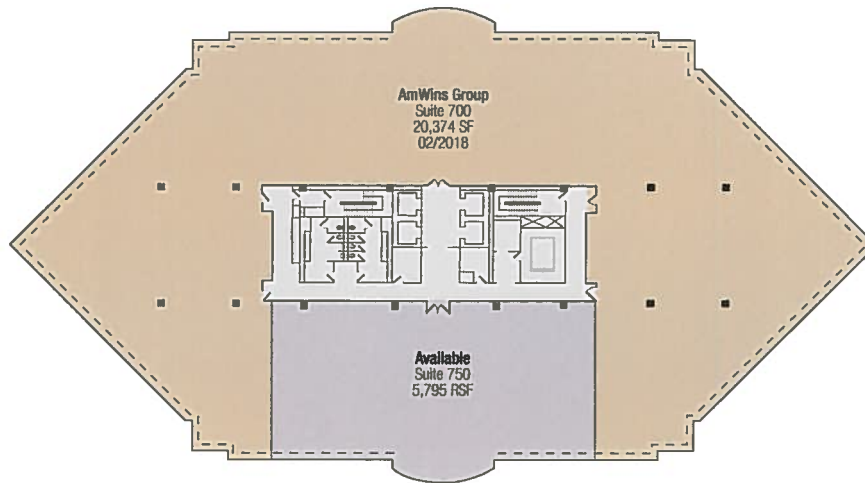


Two Piedmont Town Center Building Floor Plans (continued)

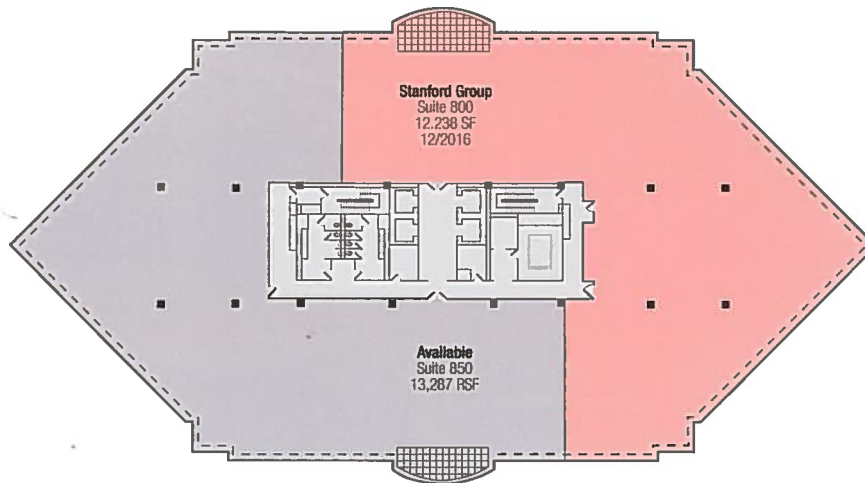


Two Piedmont Town Center Building Floor Plans (continued)

7th Floor



8th Floor





Piedmont Row

Retail Space

The ground floor of the East (42,791 Square Feet) and West (31,174 Square Feet) parking structures facing Piedmont Row Drive contains retail suites. The retail suites, delivered in "shell condition", are built out to the tenants' specifications. Above the retail space are five levels of condominiums (not included in this transaction) which wrap around the exterior, the condos effectively screening the parking structure from view.

West Parking Structure

Seven-story parking deck with 785 spaces, with 27 handicap-accessible and four van-accessible spaces on the ground floor.

West Parking Structure

Seven-story parking deck with 904 spaces, with 28 handicap-accessible and four van-accessible spaces on the ground floor.

Structure

The parking decks are constructed of precast concrete spandrels.

Elevators

Each parking structure features 4 passenger elevators and 1 service elevator. All elevators are traction driven and are shared with the residential condominiums.

Ventilation

The decks contain two ventilation systems each, one is a continuous system which provides fresh air, while the secondary system is designed to remove carbon monoxide and is activated by a sensor.

Fire Protection System

The parking decks feature a dry-pipe sprinkler system with fire alarms and smoke detection.

Emergency Lighting

Emergency lighting is provided by an on-site 230 KW diesel generator for the parking structures and retail suites.

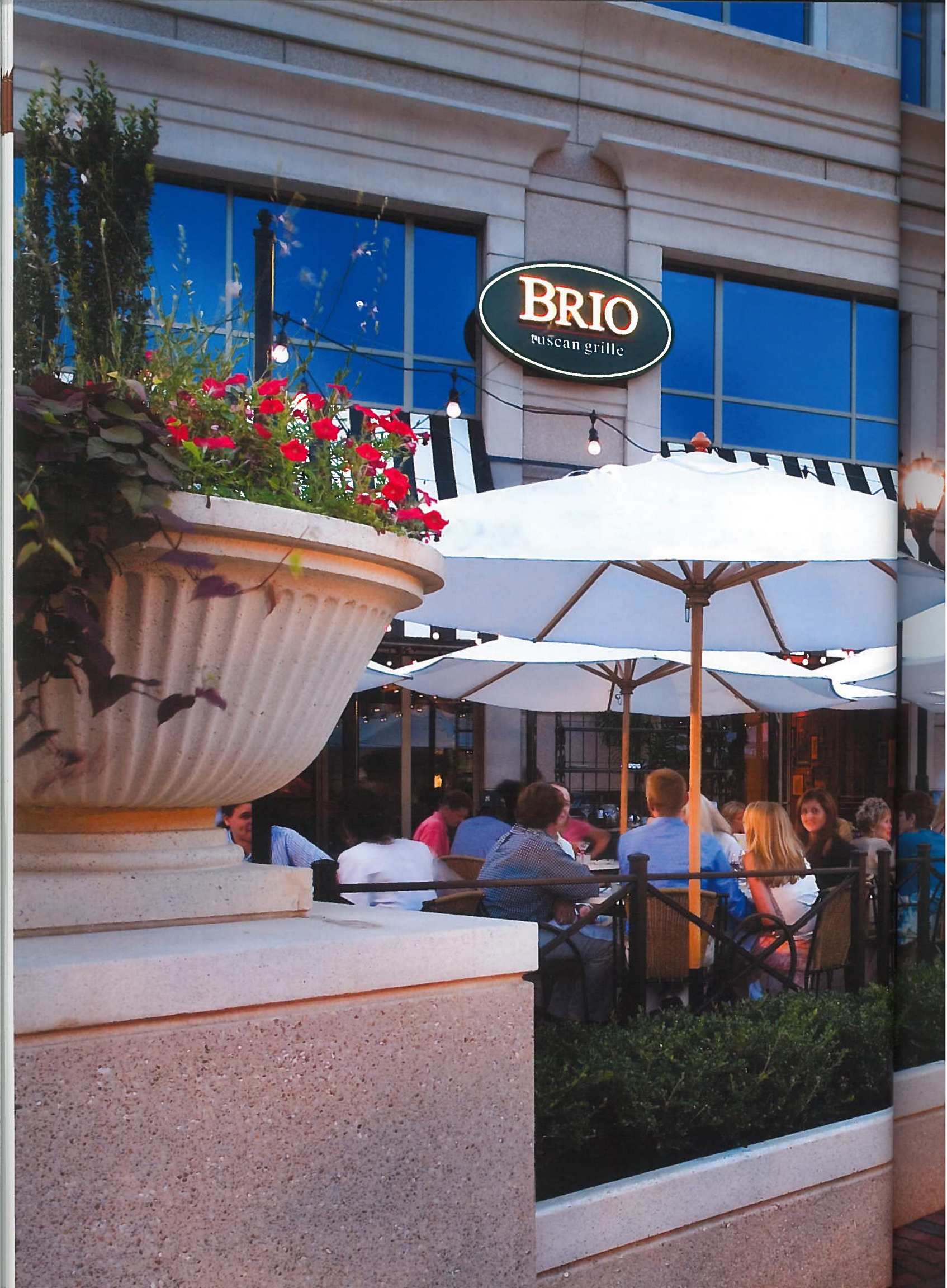
Electrical Service

1600 amp, 277/480 volt, 3 phase service is provided for the parking structures and retail suits.

Roofs

The roofs are single-ply systems with a 10-year warranty which expires in July 2016.





BRIO
tuscan grille



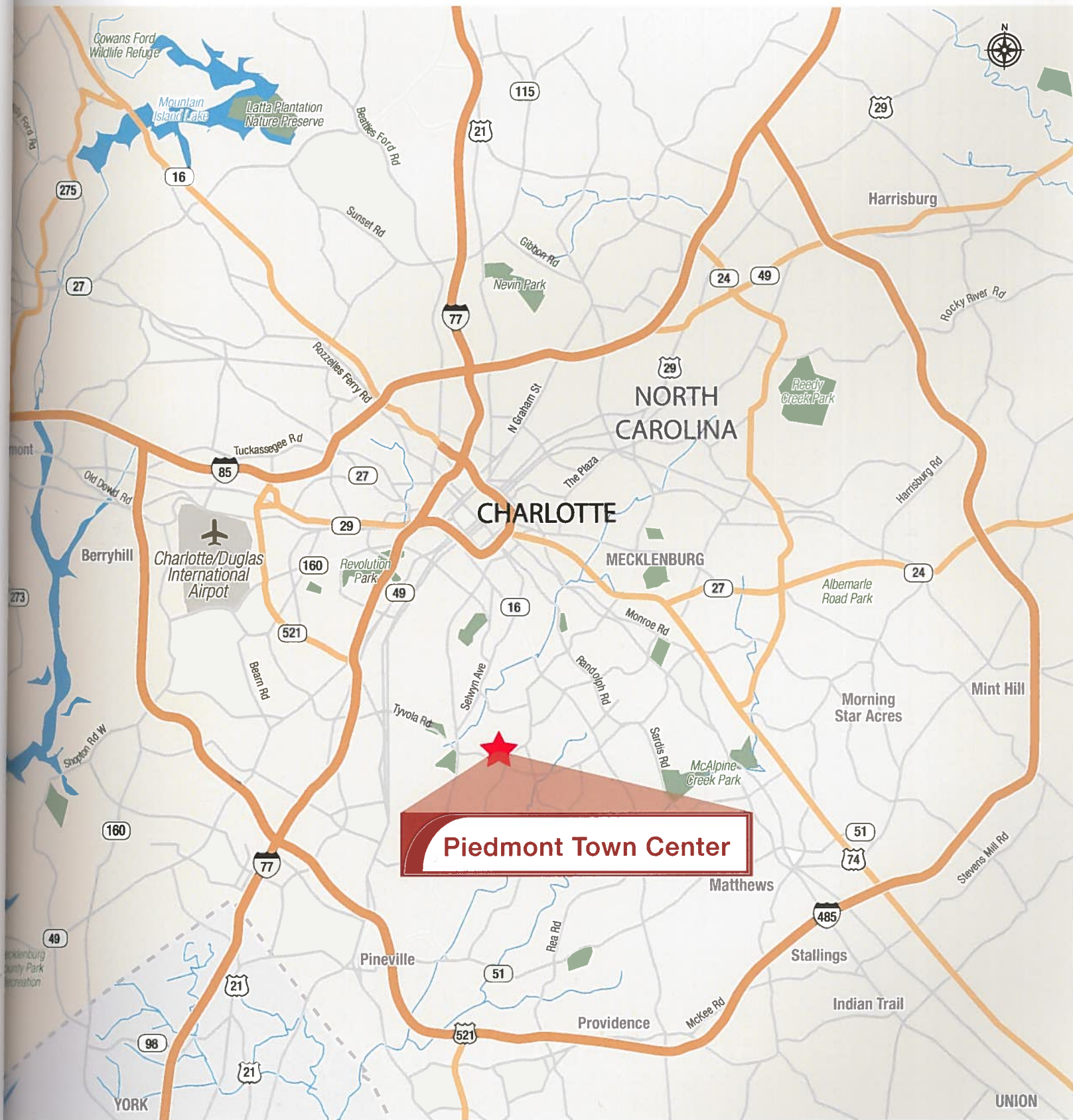
Location Description

General – Piedmont Town Center is a Class “A” mixed-use development totaling 488,589 rentable square feet of space. The Property is located at the intersection of Fairview Road and Piedmont Row Drive in the prestigious SouthPark submarket of Charlotte. The buildings were constructed in 2005 and 2006 and offer an unmatched campus setting with ample deck parking within the center of the largest amenity base and the most affluent neighborhoods in Charlotte.

Site Overview

The buildings are positioned on three fully utilized tax parcels totaling 18.77 acres. Piedmont Town Center has a total of four access points, one off of Fairview Road, one off of Carnegie Boulevard, and two off of Assembly Street. The site features attractively landscaped grounds with a roundabout and water fountain located in the center. One and Two Piedmont Town Center and portions of Piedmont Row face the roundabout and fountain creating excellent views for tenants and customers alike. Brick sidewalks and natural gas lamps line the development while two dedicated parking decks are found behind the retail suites and condominiums which line the East and West buildings of Piedmont Row.







Tenant Summary

Piedmont Natural Gas

Lease Expiration: 11/30/2015
 Current Square Footage: 120,857
 NYSE: PNY
 2006 Net Income: \$97,190,000
 S&P Credit Rating: A



Piedmont Natural Gas, which was founded in 1950, is a rapidly-growing natural gas distribution company that is headquartered at Piedmont Town Center. The company serves more than 1 million residential and commercial customers throughout North and South Carolina as well as Tennessee. While PNY's main focus is natural gas distribution, the company's various subsidiaries are involved in other operations including intrastate natural gas transportation, interstate storage and unregulated retail marketing. Piedmont also sells residential and commercial natural gas appliances in parts of Tennessee.

Natural gas is used in about 90% of new homes that are constructed on the PNY distribution system. Piedmont Natural Gas actively pursues the new construction market in addition to conversion of existing homes to natural gas in order to grow its business. PNY reported second quarter 2007 net income of \$51.1 million, which is up 17% from the same quarter in 2006. For the first half of the company's fiscal year, which ended April 30, 2007, net income was already up to \$121.8 million.

The company also gives back to the communities in which it does business through various energy-assistance programs such as Share the Warmth and Project Help, which help low-income individuals pay their heating bills, regardless of the type of energy they utilize.

Piedmont Natural Gas was the anchor tenant during construction of Piedmont Town Center. It has been in Building One since November 2005 and its lease runs through November 2015. PNY rents a total of 120,857 SF split between the basement level, a security station on the first floor, and all of floors 5 through 8. The basement level area consists of the company's mail room, billing, and various other operations. It also leases an "executive" parking area on the basement level. The company leases space on the ground floor to house their own security guard at the entrance of the building. The remainder of the space that PNY leases is made up of offices with extremely high end finishes. The denomination of "Piedmont Town Center" offers Piedmont Natural Gas its signature on the entire project. This, as well as the security station and signage at the entrance of the building, allows PNY to not only take pride in the project but also to take ownership.

RSM McGladrey

Lease Expiration: 1/31/2013
 Current Square Footage: 13,095



RSM McGladrey was founded in 1999 and is a wholly-owned subsidiary of H&R Block. The company operates approximately 100 offices in 27 states and 75 countries under the name of RSM International. RSM McGladrey is a business services firm offering mid-sized companies business and tax consulting, wealth management, retirement resources, payroll services and corporate finance to industries including construction, healthcare, and manufacturing. RSM McGladrey is headquartered in Bloomington, Minnesota and has expressed a strong interest in expanding at Piedmont Town Center. For more information, visit www.rsmmcgladrey.com.





AIG

Lease Expiration:	2/28/2015
Square Footage Occupied:	27,189
Credit Rating:	AA
Stock Symbol: NYSE:	AIG
Website:	www.aig.com
2006 Revenues:	\$113,194,000,000
2006 Net Income:	\$14,048,000,000



American International Group Inc. (AIG), which is located in over 130 countries, is a world leader in insurance and financial services. AIG is ranked number 10 on the Fortune 500 list. Employing over 106,000 people, AIG serves both individual customers as well as businesses. The company offers life insurance, property-casualty insurance, retirement services, financial services, and asset management services. AIG realized net income of \$4,130,000,000 in the first quarter of 2007.

Sales Performance International

Lease Expiration:	12/31/2013
Current Square Footage:	13,213
Website:	www.spisales.com



Sales Performance International (SPI) was founded in 1988 and is headquartered at Piedmont Town Center. The company provides consulting services, training, software and other management tools to sales professionals worldwide. SPI focuses primarily on 5 specific industry segments, including hardware/software, professional services, financial services, information/communication, and manufacturing. The company also designs and sells sales performance improvement software. SPI's client list includes such names as IBM, Microsoft, Verizon, Bank of America, and Hitachi.

AmWINS Group, Inc.

Lease Expiration:	2/28/18 (estimated based on expected commencement)
Current Square Footage:	46,717
Credit Rating:	B-
Website:	www.amwins.com



AmWINS, which is also known as American Wholesale Insurance, was formed merely 5 years ago yet has quickly become the largest independent wholesale insurance broker in the US and the second largest in the world. The company offers a wide range of products, such as property and casualty, life, health, business owners, and various other specialty insurance lines. AmWINS also offers underwriting, actuarial services, and group benefits. The company employs nearly 1,000 people throughout 35 offices nationwide and controls in excess of \$2.8 billion in premiums.





Swisher International, Inc. (Headquarters)

Lease Expiration: 3/31/2017
 Current Square Footage: 18,511
 Website: www.swisheronline.com



Swisher International, which is headquartered at Piedmont Town Center, offers sanitary services such as cleaning and disinfecting, as well as pest control services to a variety of commercial clients. The company's clients include restaurants, office buildings, retailers, and schools, among others. Operating under the name Swisher Hygiene, the company satisfies over 60,000 clients through various franchises in the United States as well as over 20 international locations.

The PNC Financial Services Group, Inc.

Lease Expiration: 4/30/12
 Current Square Footage: 13,564
 Credit Rating: A
 Website: www.pncbank.com



The PNC Financial Services Group, which has over \$93 billion in assets, is one of the largest financial service providers in the United States. The company offers a wide range of products and services to individuals as well as businesses. Their array of services range from retail branch banking to wealth management, insurance, treasury management, structured funding, and asset management, among others. PNC operates upwards of 1,000 retail branches spanning across Pennsylvania, New Jersey, Maryland, Virginia, Delaware, Ohio, Kentucky, Indiana and Washington, DC.

**Del Frisco's Double Eagle Steakhouse
 (Lonestar Steakhouse and Saloon, Inc.)**

Lease Expiration: 9/30/11
 Current Square Footage: 16,584
 Website: www.delfriscos.com



Del Frisco's Double Eagle Steakhouse is one of several restaurants operating under its parent, Lonestar Steakhouse and Saloon. Lonestar, which has been in operation since 1992, now operates over 290 restaurants throughout the United States. The company's various brands include Lonestar Steakhouse, Texas Land and Cattle Steakhouse, and on the upscale side, Sullivan's Steakhouse and Del Frisco's. One of only 7 locations nationwide, the Del Frisco's in Piedmont Town Center was modeled after its sister restaurant in Manhattan. Lone Star Steakhouse and Saloon is owned by Lone Star Funds, a Dallas-based private equity firm.

Bravo Development, Inc. d/b/a Brio Tuscan Grille

Lease Expiration: 6/30/21
 Current Square Footage: 8,197
 Website: www.brioitalian.com



Bravo Development, Inc. operates 60 restaurants in 20 states, operating under the names: Bravo Cucina Italiana, Brio Tuscan Grille, Lindsey's Restaurant, and Bon Vie Bistro. Nation's Restaurant News rated Brio Tuscan Grille the 2007 "Hot Concepts" winner. The menu features various delicacies from flatbreads to steaks, chops, and homemade pasta. The first restaurant was opened in 1992. Since that time, 80% of the company has been purchased by private equity firms, with the remaining 20% being held by the original founders.

The Oceanaire Restaurant Company, Inc.

Lease Expiration: 9/30/16
 Current Square Footage: 8,604
 Website: www.theoceanaire.com



Oceanaire is a high-end white tablecloth restaurant featuring fresh seafood selections that change daily. The menu constantly changes based upon the variety of seafood that is flown in fresh each day. The executive chef is in daily contact with seafood purveyors around the world in order to offer the best selections possible. Currently there are 13 fully operational restaurants throughout the US, with 4 more coming in the near future. Wine Spectator magazine prized Oceanaire with the 2006 Award of Excellence.

The Young Men's Christian Association (YMCA)

Lease Expiration: 6/30/16
 Current Square Footage: 12,648
 Website: www.ymca.net



The YMCA is an integral part of each community in which it is housed, providing various programs focused around child-care, health and fitness, teen leadership, and various other community outreach programs. Nationwide, there are 2,617 YMCA facilities with over 20 million members, making it the largest non-profit community organization in America. The organization is considered non-profit, and has been in existence since 1851. The Harris Express YMCA that is located in Piedmont Town Center provides an affordable, convenient venue for the employees and residents to exercise.

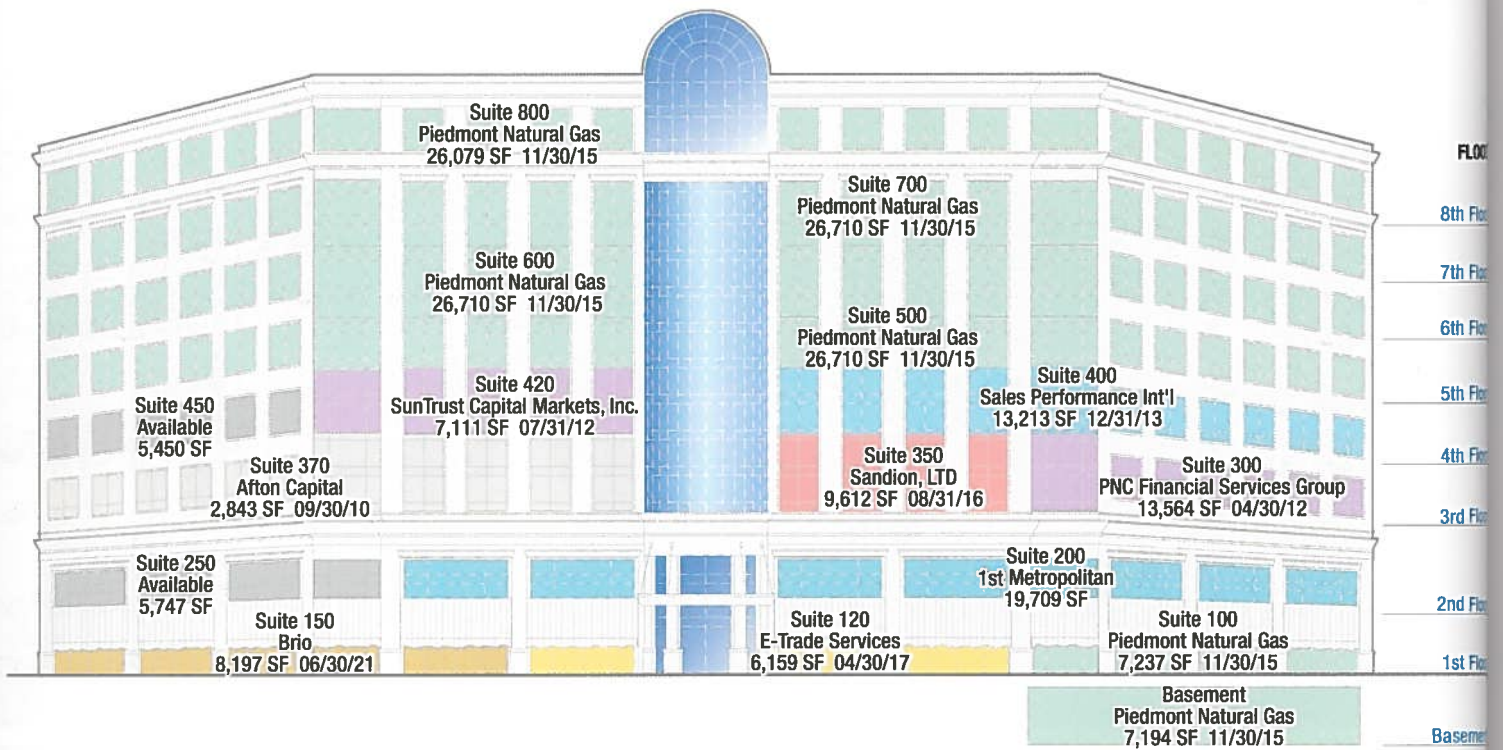




EXPIRATION BY YEAR

- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2021
- 2027
- Available

ONE PIEDMONT TOWN CENTER STACKING PLAN



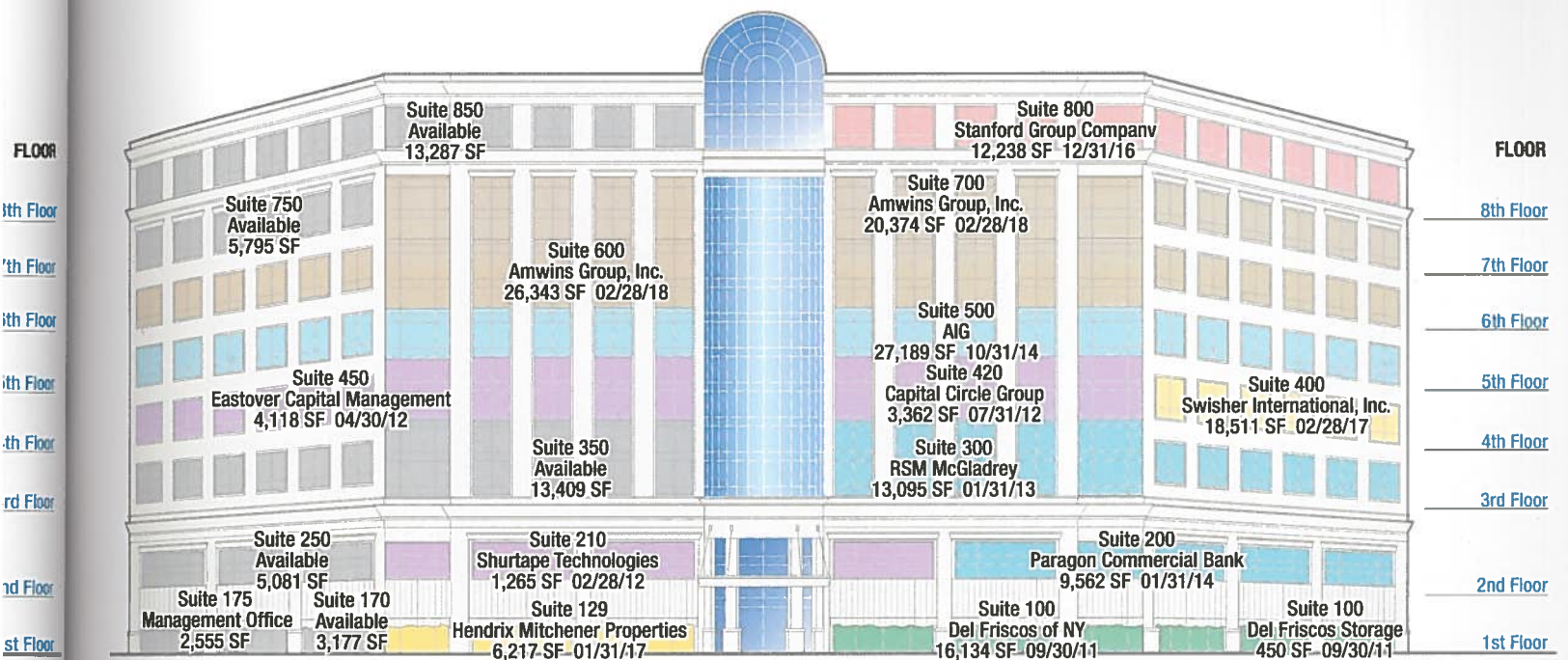
Tenant Summary



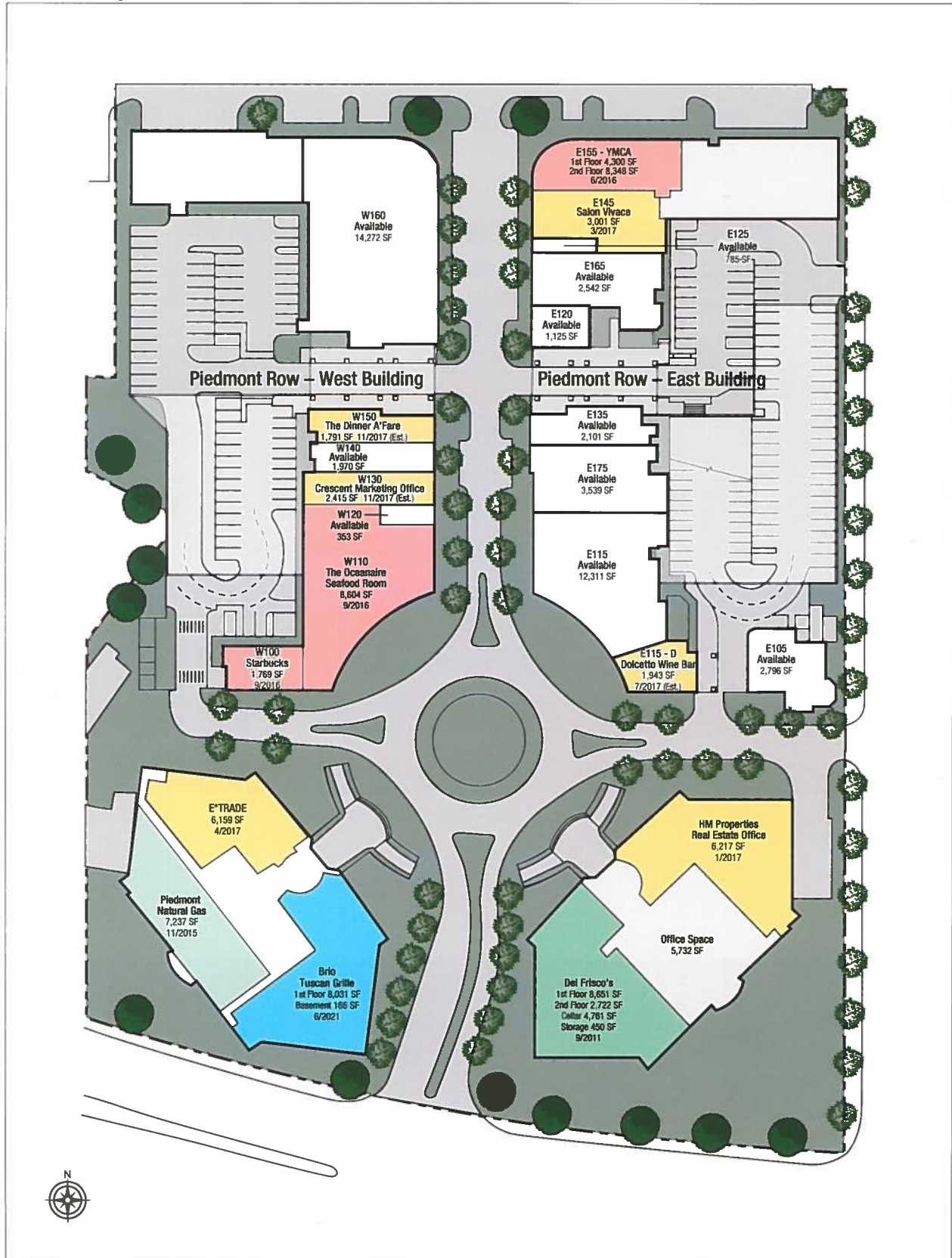
EXPIRATION BY YEAR

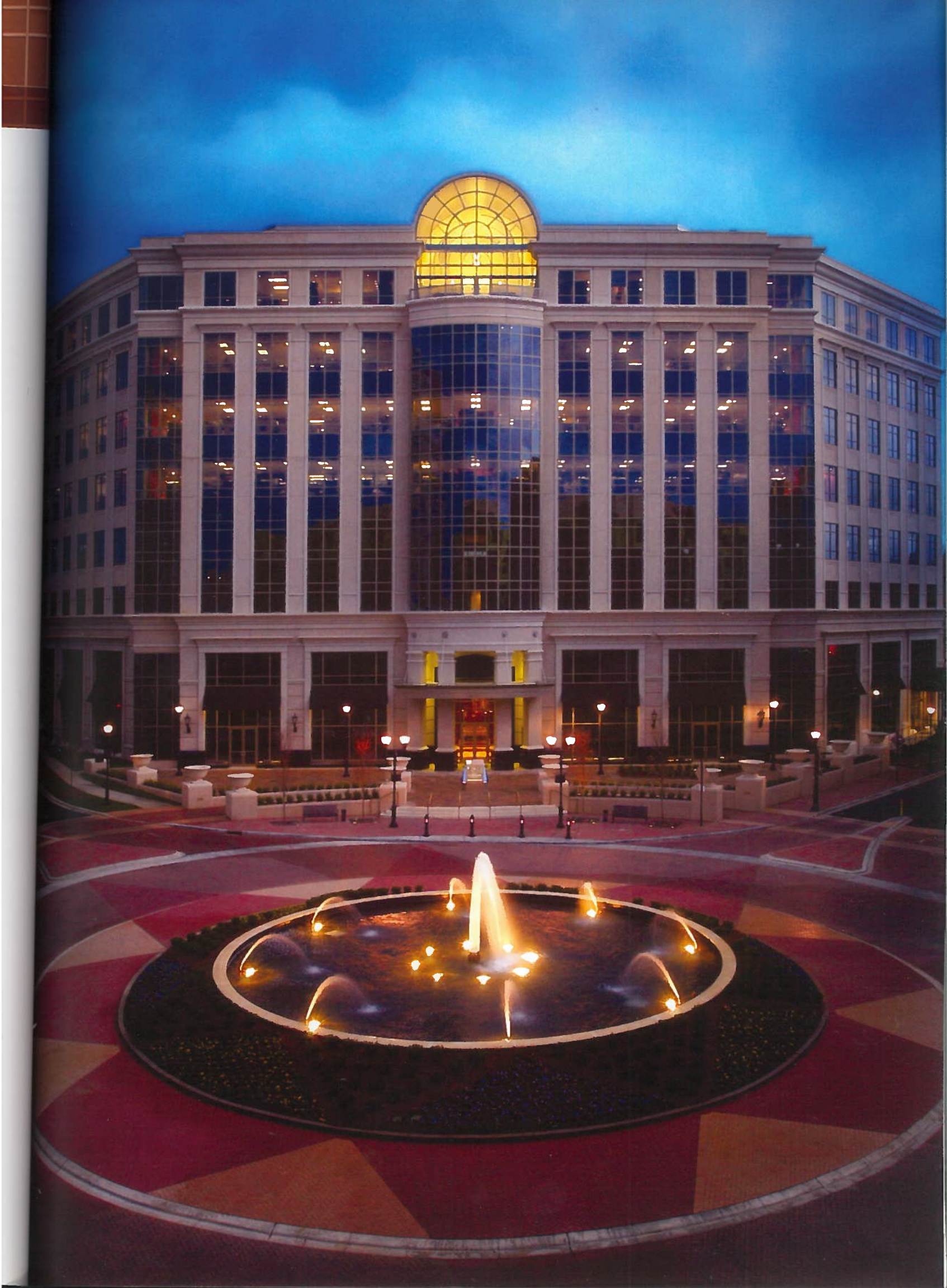
- 2010
- 2011
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- 2016
- 2017
- 2018
- 2021
- 2027
- Available

TWO PIEDMONT TOWN CENTER STACKING PLAN



Retail Expiration Schedule





Tenant Summary

OFFICE RENT ROLL AS OF 11/1/2007

Suite	Tenant Name	Square Feet	Pro-rata	Lease Term		Rental Rates			Recovery Type	Comments/Options		
				Begin	End	Begin	Monthly	Annually			PSF	
Piedmont Town Center I												
100,5-6	Piedmont Natural Gas	61,505	28.95%	Nov-2005	Nov-2015	Current	\$130,032	\$1,560,382	\$25.37	\$6.50 /sf stop 3% cap	Tenant has four 5-year renewal options, with the 1st to be at 95% of market. Tenant must provide 12 months notice. Tenant has a 3% cap on controllable expenses which is not currently hitting. Tenant has ROFR on suite 450 at current terms with a \$30.00 TI. Tenant has continuous ROFR on Suite 480. Tenant is to receive a \$4.50 PSF refurbishment allowance on the anniversary of the 6th lease year.	
						Nov-2007	\$131,979	\$1,583,754	\$25.75			
						Nov-2008	\$133,978	\$1,607,741	\$26.14			
						Nov-2009	\$135,977	\$1,631,728	\$26.53			
						Nov-2010	\$138,027	\$1,656,330	\$26.93			
						Nov-2011	\$140,129	\$1,681,547	\$27.34			
						Nov-2012	\$142,282	\$1,707,379	\$27.76			
						Nov-2013	\$144,485	\$1,733,826	\$28.19			
						Nov-2014	\$146,689	\$1,760,273	\$28.62			
						120	E-Trade Services	6,159	2.90%			May-2007
May-2008	\$19,170	\$230,039	\$37.35									
May-2009	\$19,483	\$233,796	\$37.96									
May-2010	\$19,806	\$237,676	\$38.59									
May-2011	\$20,130	\$241,556	\$39.22									
May-2012	\$20,463	\$245,559	\$39.87									
May-2013	\$20,802	\$249,624	\$40.53									
May-2014	\$21,151	\$253,812	\$41.21									
May-2015	\$21,505	\$258,062	\$41.90									
May-2016	\$21,864	\$262,373	\$42.60									
150	Brio	8,197	3.86%	Jul-2006	Jun-2021	Current	\$20,493	\$245,910	\$30.00	NINN (Retail) 6% cap	Current sales for % rent (4.5% of sales) are based on the avg of the past 3 months. The increases over the next few years are based on estimates. Exclusive use: no other Brio within 4 mile radius; Tenant has 3 5- year renewal options, the first is to be \$32.50, the 2nd at \$35.00 and the 3rd at market. Tenant has a 6% cap on controllable expenses.	
200	1st Metropolitan	19,709	9.28%	Jan-2007	Apr-2014	Current	\$41,060	\$492,725	\$25.00	\$7.25 /sf (2006 BY) 95% GU	Rent increases based on the net rent. Tenant may terminate as of 7/10 by providing at least 13 months notice and a fee equal to 6 months rent plus unamortized leasing costs; One 5-year renewal option at market, provided 270 days notice. Tenant has a one-time right to expand into all of the unleased 2nd floor at current terms with a prorated TI.	
						Jan-2008	\$41,783	\$501,397	\$25.44			
						Jan-2009	\$42,539	\$510,463	\$25.90			
						Jan-2010	\$43,294	\$519,529	\$26.36			
						Jan-2011	\$44,050	\$528,595	\$26.82			
						Jan-2012	\$44,838	\$538,056	\$27.30			
						Jan-2013	\$45,626	\$547,516	\$27.78			
						Jan-2014	\$46,448	\$557,371	\$28.28			

OFFICE
RENT ROLL AS OF 11/1/2007

Suite	Tenant Name	Square Feet	Pro-rata	Lease Term			Rental Rates			Recovery Type	Comments/Options
				Begin	End	Begin	Monthly	Annually	PSF		
250	Available	5,747	2.70%	Nov-2007							
300	PNC Financial Services Group	13,564	6.38%	Feb-2007	Apr-2012	Current	\$28,541	\$342,491	\$25.25	\$7.35 /sf stop 95% GU	Tenant has a 5% cap on controllable expenses. Tenant has a 5-year renewal at market provided 270 days notice.
						Feb-2008	\$29,151	\$349,816	\$25.79		
						Feb-2009	\$29,773	\$357,276	\$26.34		
						Feb-2010	\$30,417	\$365,007	\$26.91		
						Feb-2011	\$31,084	\$373,010	\$27.50		
						Feb-2012	\$31,762	\$381,148	\$28.10		
350	Sandion, LTD (Coldwell Banker)	9,612	4.52%	Sep-2006	Aug-2016	Current	\$20,426	\$245,106	\$25.50	\$7.25 /sf (2006 BY) 95% GU	No options.
						Sep-2008	\$20,834	\$250,008	\$26.01		
						Sep-2009	\$21,251	\$255,006	\$26.53		
						Sep-2010	\$21,675	\$260,101	\$27.06		
						Sep-2011	\$22,108	\$265,291	\$27.60		
						Sep-2012	\$22,548	\$270,578	\$28.15		
						Sep-2013	\$23,005	\$276,057	\$28.72		
						Sep-2014	\$23,461	\$281,535	\$29.29		
						Sep-2015	\$23,934	\$287,207	\$29.88		
370	Afton Capital Mgmt	2,843	1.34%	Oct-2007	Sep-2010	Current	\$6,397	\$76,761	\$27.00	\$7.35 /sf stop 95% GU	
						Oct-2008	\$6,558	\$78,694	\$27.68		
						Oct-2009	\$6,721	\$80,656	\$28.37		
400	Sales Performance Int'l	13,213	6.22%	Jun-2006	Dec-2013	Current	\$27,527	\$330,325	\$25.00	\$7.20 /sf stop	Tenant has two 5-year options at fair market value with 6 months notice. Tenant has ROFO on 4th floor.
						Jan-2008	\$28,078	\$336,932	\$25.50		
						Jan-2009	\$28,639	\$343,670	\$26.01		
						Jan-2010	\$29,212	\$350,541	\$26.53		
						Jan-2011	\$29,795	\$357,544	\$27.06		
						Jan-2012	\$30,390	\$364,679	\$27.60		
						Jan-2013	\$30,995	\$371,946	\$28.15		
420	SunTrust Capital Markets, Inc.	7,111	3.35%	Jul-2007	Jul-2012	Current	\$15,407	\$184,886	\$26.00	\$7.35 /sf stop 95% GU	No remaining options.
						Jul-2008	\$15,869	\$190,433	\$26.78		
						Jul-2009	\$16,343	\$196,121	\$27.58		
						Jul-2010	\$16,835	\$202,024	\$28.41		
						Jul-2011	\$17,339	\$208,068	\$29.26		
450	Available	5,450	2.57%	Nov-2007							

Tenant Summary

OFFICE RENT ROLL AS OF 11/1/2007

Suite	Tenant Name	Square Feet	Pro-rata	Lease Term			Rental Rates			Recovery Type	Comments/Options
				Begin	End	Begin	Monthly	Annually	PSF		
700&800	Piedmont Natural Gas	52,158	24.55%	Nov-2005	Nov-2015	Current	\$110,271	\$1,323,248	\$25.37	\$6.50 /sf stop 3% cap	Going forward, the 7th & 8th floor is assumed to receive a premium due to views. See Suite 100 for notes regarding this tenant.
						Nov-2007	\$111,922	\$1,343,069	\$25.75		
						Nov-2008	\$113,618	\$1,363,410	\$26.14		
						Nov-2009	\$115,313	\$1,383,752	\$26.53		
						Nov-2010	\$117,051	\$1,404,615	\$26.93		
						Nov-2011	\$118,833	\$1,426,000	\$27.34		
						Nov-2012	\$120,659	\$1,447,906	\$27.76		
						Nov-2013	\$122,528	\$1,470,334	\$28.19		
						Nov-2014	\$124,397	\$1,492,762	\$28.62		
BASE	Piedmont Natural Gas	7,194	3.39%	Nov-2005	Nov-2015	Current	\$11,540	\$138,485	\$19.25	\$6.50 /sf stop 3% cap	Tenant has 4, 5-year renewal options at 95% of market.
						Nov-2007	\$11,696	\$140,355	\$19.51		
						Nov-2008	\$11,846	\$142,153	\$19.76		
						Nov-2009	\$12,008	\$144,096	\$20.03		
						Nov-2010	\$12,170	\$146,038	\$20.30		
						Nov-2011	\$12,338	\$148,053	\$20.58		
						Nov-2012	\$12,506	\$150,067	\$20.86		
						Nov-2013	\$12,679	\$152,153	\$21.15		
						Nov-2014	\$12,853	\$154,239	\$21.44		
Piedmont Town Center II											
100	Del Friscos of NC	16,134	7.98%	Oct-2006	Sep-2011	Current	\$31,250	\$375,000	\$23.24	Taxes & Insurance	Tenant pays the greater of 5.8% of sales or the rent shown. Tenant has four 5-year renewal options, the first two at the greater of 5.8% of sales or \$465,600/yr and the next 2 at the greater of 5.8% or \$580,000/yr. Current sales are based on the 1st months actual sales. Therefore, the annualized amounts represent estimates. Sales have been estimated to increase based on the popularity & size.
						Oct-2007	\$35,414	\$424,970	\$26.34		Analysis assumes option as it is well below market. Rent is to be at the greater of 5.8% of sales or \$465,600 annually. If Tenant doesn't exercise renewal, they must pay the lessor of \$1M of costs to refit cellar. Analysis assumes no TI allowance as lease is silent. Tenant has exclusive use to operate as the only steak house in the development.
						Oct-2008	\$38,802	\$465,627	\$28.86		
100	Del Friscos of NC	16,134	7.98%	Oct-2011	Sep-2016	Current	\$38,800	\$465,600	\$28.86	Taxes & Insurance	
100	Del Friscos of NC	16,134	7.98%	Oct-2016	Sep-2021	Current	\$38,800	\$465,600	\$28.86	Taxes & Insurance	

OFFICE
RENT ROLL AS OF 11/1/2007

Suite	Tenant Name	Square Feet	Pro-rata	Lease Term			Rental Rates			Recovery Type	Comments/Options
				Begin	End	Begin	Monthly	Annually	PSF		
100	Del Friscos Storage	450	0.22%	May-2007	Sep-2011	Current	\$563	\$6,750	\$15.00	None	For the renewal options, the storage rent shall be \$20.00 /sf with \$5.00 increases for each 5 year term.
100	Del Friscos Storage	450	0.22%	Oct-2011	Sep-2016	Current	\$750	\$9,000	\$20.00	None	
100	Del Friscos Storage	450	0.22%	Oct-2016	Sep-2021	Current	\$938	\$11,250	\$25.00	None	
129	Hendrix Mitchener Properties	6,217	3.08%	Feb-2007	Jan-2017	Current	\$13,082	\$156,978	\$25.25	2007 BY 95% GU	Tenant may terminate on the anniversary of the 5th lease year with no penalty, provided 12 months notice. Lease is guaranteed.
				Feb-2008		Feb-2009	\$13,268	\$159,217	\$25.61		
				Feb-2009		Feb-2010	\$13,465	\$161,580	\$25.99		
				Feb-2010		Feb-2011	\$13,657	\$163,880	\$26.36		
				Feb-2011		Feb-2012	\$14,082	\$168,978	\$27.18		
				Feb-2012		Feb-2013	\$14,273	\$171,278	\$27.55		
				Feb-2013		Feb-2014	\$14,491	\$173,889	\$27.97		
				Feb-2014		Feb-2015	\$14,486	\$173,827	\$27.96		
				Feb-2015		Feb-2016	\$14,698	\$176,376	\$28.37		
170	Management Office	2,555	1.57%	Sep-2007	Aug-2022	Current	\$0	\$0	\$0.00	None	The management office will relocate into this space from Building I.
175	Available	3,177	1.26%	Jan-2008		Current	\$20,718	\$248,612	\$26.00	2007 BY 95% GU	Rent increases are to be 3% on the net, which is estimated to be 2.2% on the gross. Tenant has ROFO on the remaining 2nd floor space.
200	Paragon Commercial Bank	9,562	4.73%	Feb-2007	Jan-2014	Current	\$21,172	\$254,062	\$26.57		
				Feb-2008		Feb-2009	\$21,642	\$259,704	\$27.16		
				Feb-2009		Feb-2010	\$22,112	\$265,346	\$27.75		
				Feb-2010		Feb-2011	\$22,598	\$271,178	\$28.36		
				Feb-2011		Feb-2012	\$23,100	\$277,202	\$28.99		
				Feb-2012		Feb-2013	\$23,610	\$283,322	\$29.63		
210	Shurtape Technologies	1,265	0.63%	Mar-2007	Feb-2012	Current	\$2,688	\$32,258	\$25.50	\$7.10 /sf stop 95% GU	Tenant has no remaining options.
				Mar-2008		Mar-2009	\$2,746	\$32,953	\$26.05		
				Mar-2009		Mar-2010	\$2,806	\$33,674	\$26.62		
				Mar-2010		Mar-2011	\$2,888	\$34,661	\$27.40		
250	Available	5,081	2.51%	Apr-2008		Current	\$2,932	\$35,180	\$27.81		

Tenant Summary

OFFICE RENT ROLL AS OF 11/1/2007

Suite	Tenant Name	Square Feet	Pro-rata	Lease Term		Rental Rates			Recovery Type	Comments/Options
				Begin	End	Begin	Monthly	Annually	PSF	
300	RSM McGladrey	13,095	6.48%	Dec-2006	Jan-2013	Current	\$27,281	\$327,375	\$25.00	Rent increases are 3% on the net. Tenant has one 5-year renewal option at market, provided 9 months notice. Tenant has ROFO on remaining 3rd floor space.
						Dec-2007	\$27,871	\$334,446	\$25.54	
						Dec-2008	\$28,471	\$341,649	\$26.09	
						Dec-2009	\$29,093	\$349,113	\$26.66	
						Dec-2010	\$29,737	\$356,839	\$27.25	
						Dec-2011	\$30,402	\$364,827	\$27.86	
						Dec-2012	\$31,079	\$372,946	\$28.48	
350	Available	13,409	6.63%	Dec-2007		Current	\$38,565	\$462,775	\$25.00	Tenant has a cap on controllable expenses equal to CPI + 2%.
400	Swisher International, Inc.	18,511	9.16%	Oct-2006	Feb-2017	Current	\$39,336	\$472,031	\$25.50	
						Jan-2008	\$40,123	\$481,471	\$26.01	
						Jan-2009	\$40,925	\$491,097	\$26.53	
						Jan-2010	\$41,742	\$500,908	\$27.06	
						Jan-2011	\$42,575	\$510,904	\$27.60	
						Jan-2012	\$43,424	\$521,085	\$28.15	
						Jan-2013	\$44,303	\$531,636	\$28.72	
						Jan-2014	\$45,182	\$542,187	\$29.29	
						Jan-2015	\$46,092	\$553,109	\$29.88	
						Jan-2016	\$47,003	\$564,030	\$30.47	
420	Capital Circle Group	3,362	1.66%	Aug-2007	Jul-2012	Current	\$7,284	\$87,412	\$26.00	
						Aug-2008	\$7,539	\$90,471	\$26.91	
						Aug-2009	\$7,803	\$93,632	\$27.85	
						Aug-2010	\$8,077	\$96,926	\$28.83	
						Aug-2011	\$8,360	\$100,322	\$29.84	
450	Eastover Capital Management	4,118	2.04%	May-2007	Apr-2012	Current	\$9,922	\$107,068	\$26.00	Tenant has one 5-year renewal option at market provided 270 days notice.
						May-2008	\$9,190	\$110,280	\$26.78	
						May-2009	\$9,465	\$113,574	\$27.58	
						May-2010	\$9,749	\$116,992	\$28.41	
						May-2011	\$10,041	\$120,493	\$29.26	
500	AIG	27,189	13.45%	Nov-2007	Feb-2015	Current	\$57,777	\$693,320	\$25.50	Tenant has the option to terminate after 5 years with a fee equal to 1.5 months rent and all unamortized costs.
						Nov-2008	\$58,932	\$707,186	\$26.01	
						Nov-2009	\$60,110	\$721,324	\$26.53	
						Nov-2010	\$61,311	\$735,734	\$27.06	
						Nov-2011	\$62,535	\$750,416	\$27.60	
						Nov-2012	\$63,781	\$765,370	\$28.15	
						Nov-2013	\$65,072	\$780,868	\$28.72	
						Nov-2014	\$66,364	\$796,366	\$29.29	

OFFICE
RENT ROLL AS OF 11/1/2007

Suite	Tenant Name	Square Feet	Pro-rata	Lease Term			Rental Rates			Recovery Type	Comments/Options
				Begin	End	Begin	Monthly	Annually	PSF		
600	Anwinds Group, Inc.	26,343	13.03%	Sep-2007	Feb-2018	Current	\$54,881	\$658,575	\$25.00	\$7.10 /sf stop 95% GU	Tenant receives free rent through 2/08. Seller will credit free rent at closing. Tenant has one 5-year renewal at FMV. Tenant has ROFR for remaining 7th floor space at terms of notice. Controllable expenses are capped at 5% annual increases. Rent increases are based on 3% growth on the net rate.
				Sep-2008		Sep-2008	\$56,067	\$672,800	\$25.54		
				Sep-2009		Sep-2009	\$57,274	\$687,289	\$26.09		
				Sep-2010		Sep-2010	\$58,525	\$702,304	\$26.66		
				Sep-2011		Sep-2011	\$59,821	\$717,847	\$27.25		
				Sep-2012		Sep-2012	\$61,138	\$733,653	\$27.85		
				Sep-2013		Sep-2013	\$62,499	\$749,985	\$28.47		
				Sep-2014		Sep-2014	\$63,904	\$766,845	\$29.11		
				Sep-2015		Sep-2015	\$65,375	\$784,495	\$29.78		
				Sep-2016		Sep-2016	\$66,867	\$802,408	\$30.46		
				Sep-2017		Sep-2017	\$68,404	\$820,848	\$31.16		
700	Anwinds Group, Inc.	20,374	10.08%	Sep-2007	Feb-2018	Current	\$42,446	\$509,350	\$25.00	\$7.10 /sf stop 95% GU	See Notes for Suite 600.
				Sep-2008		Sep-2008	\$43,363	\$520,352	\$25.54		
				Sep-2009		Sep-2009	\$44,296	\$531,558	\$26.09		
				Sep-2010		Sep-2010	\$45,264	\$543,171	\$26.66		
				Sep-2011		Sep-2011	\$46,266	\$555,192	\$27.25		
				Sep-2012		Sep-2012	\$47,285	\$567,416	\$27.85		
				Sep-2013		Sep-2013	\$48,337	\$580,048	\$28.47		
				Sep-2014		Sep-2014	\$49,424	\$593,087	\$29.11		
				Sep-2015		Sep-2015	\$50,561	\$606,738	\$29.78		
				Sep-2016		Sep-2016	\$51,716	\$620,592	\$30.46		
				Sep-2017		Sep-2017	\$52,904	\$634,854	\$31.16		
750	Available	5,795	2.87%	Apr-2008							
800	Stanford Group Company	12,238	6.05%	Jan-2007	Dec-2016	Current	\$28,555	\$342,664	\$28.00	2007 BY 100% GU	Tenant has two 5-year renewal options at market provided 270 days notice. Tenant has ROFR on 8th floor contiguous space.
				Jan-2008		Jan-2008	\$29,412	\$352,944	\$28.84		
				Jan-2009		Jan-2009	\$30,299	\$363,591	\$29.71		
				Jan-2010		Jan-2010	\$31,207	\$374,483	\$30.60		
				Jan-2011		Jan-2011	\$32,135	\$385,619	\$31.51		
				Jan-2012		Jan-2012	\$33,104	\$397,245	\$32.46		
				Jan-2013		Jan-2013	\$34,093	\$409,116	\$33.43		
				Jan-2014		Jan-2014	\$35,123	\$421,477	\$34.44		
				Jan-2015		Jan-2015	\$36,173	\$434,082	\$35.47		
				Jan-2016		Jan-2016	\$37,255	\$447,054	\$36.53		
850	Available	13,287	6.57%	Dec-2007							
CURRENT TOTALS / AVGS		414,624									
OCCUPIED SqFt		363,300	87.6%								
VACANT SqFt		51,324	12.4%								
TOTAL SqFt		414,624	100.0%								

Tenant Summary

RETAIL RENT ROLL AS OF 11/1/2007

Suite	Tenant Name	Square Feet	Pro-rata	Lease Term		Rental Rates			Recovery Type	Comments/Options
				Begin	End	Begin	Monthly	Annually	PSF	
E105	Available	2,796	3.78%	Nov-2007						
E115	Available	12,311	16.64%	Nov-2007						
E115D	Dolcetto Wine Room	1,943	2.63%	Aug-2007	Jul-2017	Current	\$5,343	\$64,119	\$33.00	NNN
						Aug-2012	\$5,748	\$68,977	\$35.50	Tenant pays % rent of 5% in excess of their natural breakpoint. Tenant has one 5-year renewal option at \$38.00 provided 270 days notice.
E115D	Dolcetto Wine Room	1,943	2.63%	Aug-2017	Jul-2022	Aug-2017	\$6,153	\$73,834	\$38.00	NNN
E120	Available	1,125	1.52%	Nov-2007						
E125	Available	785	1.06%	Nov-2007						
E135	Available	2,101	2.84%	Nov-2007						
E145	Salon Vivace	3,001	4.06%	Apr-2007	Mar-2017	Current	\$7,753	\$93,031	\$31.00	NNN
						Apr-2009	\$8,128	\$97,533	\$32.50	Tenant pays % rent of 4% over natural breakpoint. Tenant has two 5-year renewal options, at an initial rate of \$38.50 with \$1.50 increases every two years. Tenant must provide 270 days notice.
						Apr-2011	\$8,503	\$102,034	\$34.00	
						Apr-2013	\$8,878	\$106,536	\$35.50	
						Apr-2015	\$9,253	\$111,037	\$37.00	
E145	Salon Vivace	3,001	4.06%	Apr-2017	Mar-2022	Current	\$9,628	\$115,539	\$38.50	NNN
						Apr-2019	\$10,003	\$120,040	\$40.00	Tenant pays % rent of 4% over natural breakpoint. Tenant has two 5-year renewal options, at an initial rate of \$38.50 with \$1.50 increases every two years. Tenant must provide 270 days notice.
						Apr-2021	\$10,378	\$124,542	\$41.50	
E155	YMCA	12,648	17.10%	Jul-2006	Jun-2016	Jul-2006	\$23,652	\$283,821	\$22.44	NNN 5% YMCA
						Jul-2008	\$24,126	\$289,513	\$22.89	Tenant has one 5-year renewal period provided 9 months notice.
						Jul-2009	\$24,811	\$297,734	\$23.54	
						Jul-2010	\$25,096	\$301,149	\$23.81	
						Jul-2011	\$26,002	\$312,026	\$24.67	
						Jul-2012	\$26,118	\$313,417	\$24.78	
						Jul-2013	\$23,631	\$283,568	\$22.42	
						Jul-2014	\$27,172	\$326,065	\$25.78	
E155	YMCA	12,648	17.10%	Jul-2016	Jun-2021	Current	\$28,268	\$339,219	\$26.82	NNN 5% YMCA
						Jul-2017	\$28,837	\$346,049	\$27.36	Tenant has one 5-year renewal period provided 9 months notice.
						Jul-2018	\$29,407	\$352,879	\$27.90	
						Jul-2019	\$29,997	\$359,962	\$28.46	
						Jul-2020	\$30,598	\$367,171	\$29.03	
E165	Available	2,542	3.44%	Nov-2007						
E175	Available	3,539	4.78%	Nov-2007						

RETAIL
RENT ROLL AS OF 11/1/2007

Suite	Tenant Name	Square Feet	Pro-rata	Lease Term			Rental Rates			Recovery Type	Comments/Options
				Begin	End	Begin	Monthly	Annually	PSF		
W100	Starbucks	1,769	2.39%	Oct-2006	Sep-2016	Oct-2006	\$5,160	\$61,915	\$35.00	NNN 6% Cap	Seller will fund amount of incomplete improvements at closing. 6% cap on Common area expenses. Tenant has three 5-year renewal options, the first at a rate of \$39.00, the 2nd at \$41 and the 3rd at \$45. Tenant may terminate at any time after the 5th lease with 180 days notice and payment of \$75,000.
W100	Starbucks	1,769	2.39%	Oct-2016	Sep-2021	Current	\$5,749	\$68,991	\$39.00	NNN 6% Cap	
W110	The Oceanaire	8,604	11.63%	Sep-2006	Sep-2016	Sep-2006	\$26,328	\$315,939	\$36.72	Net Taxes	Tenant has three 5-year renewal options, at an initial rate of \$43.88 psf with 2% annual increases. The 3rd renewal is to be at market, although at least 2% over previous year and not more than 5%. Tenant pays % rent of 3.75% with a breakpoint of \$6M increasing 2% annually. Exclusive use to act as the only seafood restaurant.
				Oct-2008		Oct-2008	\$26,852	\$322,220	\$37.45		
				Oct-2009		Oct-2009	\$27,389	\$328,673	\$38.20		
				Oct-2010		Oct-2010	\$27,941	\$335,298	\$38.97		
				Oct-2011		Oct-2011	\$28,501	\$342,009	\$39.75		
				Oct-2012		Oct-2012	\$29,067	\$348,806	\$40.54		
				Oct-2013		Oct-2013	\$29,648	\$355,775	\$41.35		
				Oct-2014		Oct-2014	\$30,243	\$362,917	\$42.18		
				Oct-2015		Oct-2015	\$30,845	\$370,144	\$43.02		
W110	The Oceanaire	8,604	11.63%	Oct-2016	Sep-2021	Current	\$31,462	\$377,544	\$43.88	Net Taxes	
				OPTION		Oct-2017	\$32,093	\$385,115	\$44.76		
						Oct-2018	\$32,731	\$392,773	\$45.65		
						Oct-2019	\$33,391	\$400,688	\$46.57		
						Oct-2020	\$34,058	\$408,690	\$47.50		
W120	Available	353	0.48%	Nov-2007							
W130	Crescent Sales Office	2,415	3.27%	Jul-2007	Jun-2012	Current	\$5,031	\$60,375	\$25.00	NNN	
W140	Available	1,970	2.66%	Nov-2007							
W150	Dinner A' fare	1,791	2.42%	Jul-2007	Jun-2017	Current	\$4,925	\$59,103	\$33.00	NNN	
						Jul-2012	\$5,298	\$63,581	\$35.50		
W160	Available	14,272	19.30%	Nov-2007							
	CURRENT TOTALS / AVGS	73,965					\$98,160	\$1,177,920	\$36.61		
	OCCUPIED Sqft	32,171	43.5%								
	VACANT Sqft	41,794	56.5%								
	TOTAL Sqft	73,965	100.0%								



Financial Analysis

METHOD OF ANALYSIS

The following cash flow projection is based upon current lease information and assumptions regarding future occupancy, operating expenses, and revenues. The analysis period begins as of November 1, 2007. Both contractual lease terms for existing leases and anticipated lease terms for future lease contracts are projected over a ten-year analysis period.

Upon expiration of a lease, a market rent is assigned to the space upon commencement of a new lease. The market rent is established for 2007 and increased by the rental growth rate on an annual basis during the analysis period.

The assumptions for market rents, tenant improvements, and leasing commissions are based upon current market activity and lease transactions completed at the property.

The attached cash flow projections have been prepared by CB Richard Ellis using Argus software and incorporating appropriate assumptions that are detailed in the Table of Assumptions on the following pages. The projections set forth in this Offering Memorandum do not constitute a representation, warranty or guaranty by CB Richard Ellis or the Owner of any of the numbers set forth herein or of any economic value attributable to the Property or income that may be derived there from.



Financial Analysis – Consolidated

CONSOLIDATED CASH FLOW PROJECTIONS

Fiscal Year Ending - October 31		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Physical Occupancy		98.44%	100.00%	99.95%	100.00%	99.42%	99.78%	99.28%	97.24%	97.77%	99.20%	99.15%
	Overall Economic Occupancy ⁽¹⁾	97.26%	97.80%	97.80%	97.79%	97.65%	97.77%	97.51%	96.14%	95.81%	97.88%	97.86%
	Weighted Average In Place Rent ⁽²⁾	\$26.99	\$27.62	\$28.15	\$28.73	\$29.46	\$30.48	\$31.59	\$33.80	\$37.87	\$39.86	\$41.99
REVENUES		FY 2008										
Scheduled Base Rent		\$/SF/YR ⁽³⁾										
Gross Potential Rent		\$27.02	\$13,203,606	\$13,494,613	\$13,755,492	\$14,034,775	\$14,413,310	\$14,899,222	\$15,457,686	\$16,636,529	\$18,525,647	\$19,487,870
Absorption & Turnover Vacancy		(0.46)	(222,969)	0	(7,872)	0	(104,395)	(40,003)	(133,676)	(578,430)	(436,508)	(168,416)
Total Scheduled Base Rent ⁽⁴⁾		26.57	12,980,637	13,494,613	13,747,620	14,034,775	14,308,915	14,859,219	15,324,010	16,058,099	18,089,139	19,319,454
Expense Reimbursements		1.02	495,934	559,614	624,272	688,772	743,287	789,787	811,582	748,509	737,149	746,956
Retail Sales Percent Revenue ⁽⁵⁾		0.25	120,872	134,204	187,685	210,165	233,206	256,824	281,032	305,847	331,280	357,350
TOTAL GROSS REVENUE		27.83	13,597,443	14,188,431	14,559,577	14,933,712	15,285,408	15,905,830	16,416,624	17,112,455	19,157,568	20,423,760
General Vacancy Loss		(0.32)	(156,101)	(311,927)	(313,209)	(329,850)	(257,879)	(316,016)	(278,998)	(104,381)	(385,083)	(268,786)
EFFECTIVE GROSS REVENUE EXPENSES ⁽⁶⁾		27.51	13,441,342	13,876,504	14,246,368	14,603,862	15,027,529	15,589,814	16,137,626	17,008,074	18,772,485	20,154,974
Operating Expenses		(6.86)	(3,352,335)	(3,448,178)	(3,534,562)	(3,623,238)	(3,711,804)	(3,809,974)	(3,905,266)	(4,007,240)	(4,129,846)	(4,260,442)
TOTAL EXPENSES		(6.86)	(3,352,335)	(3,448,178)	(3,534,562)	(3,623,238)	(3,711,804)	(3,809,974)	(3,905,266)	(4,007,240)	(4,129,846)	(4,260,442)
NET OPERATING INCOME		20.65	10,089,007	10,428,326	10,711,806	10,980,624	11,315,725	11,779,840	12,232,360	13,000,834	14,642,639	15,894,532
CAPITAL COSTS												
Tenant Improvements		(6.51)	(3,179,533)	0	0	(29,085)	(329,880)	(144,269)	(479,751)	(1,161,762)	(1,547,911)	(535,898)
Leasing Commissions		(2.50)	(1,221,130)	0	0	(96,982)	(327,626)	(137,936)	(460,929)	(1,420,104)	(1,616,802)	(551,534)
Capital Reserves		(0.10)	(49,877)	(51,123)	(52,402)	(53,711)	(55,054)	(56,431)	(57,841)	(59,287)	(60,771)	(62,289)
Seller Funded Capital ⁽⁷⁾		4.45	2,173,480	0	0	0	0	0	0	0	0	0
PNG Refurbishment		0.00	0	0	0	0	(543,857)	0	0	0	0	0
TOTAL CAPITAL COSTS		(4.66)	(2,277,060)	(51,123)	(52,402)	(179,778)	(1,256,417)	(338,636)	(998,521)	(2,641,153)	(3,225,484)	(1,149,721)
OPERATING CASH FLOW		\$15.99	\$7,811,947	\$10,377,203	\$10,659,404	\$10,800,846	\$11,059,308	\$11,441,204	\$11,233,839	\$10,359,681	\$11,417,155	\$14,744,811

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI Increases are included in this calculation, which is based on fiscal year one weighted-average physical occupancy.

[3] Based on 488,589 square feet.

[4] The total scheduled base rent reflects the seller's credit of any outstanding rent abatements at closing.

[5] Due to the recent opening of the restaurants, there is not annual sales data to go off of for % rent. The analysis has taken recent months and annualized the sales to get the estimated % rent for year 1. Going forward, this income is expected to increase as more office and retail tenants come in and the restaurants gain popularity. See Argus model for specific assumptions regarding these increases.

[6] See schedule titled "Expense Detail" for breakout of expenses.

[7] The seller will fund all leasing costs as shown for the currently available retail.

**CONSOLIDATED
EXPENSE DETAIL**

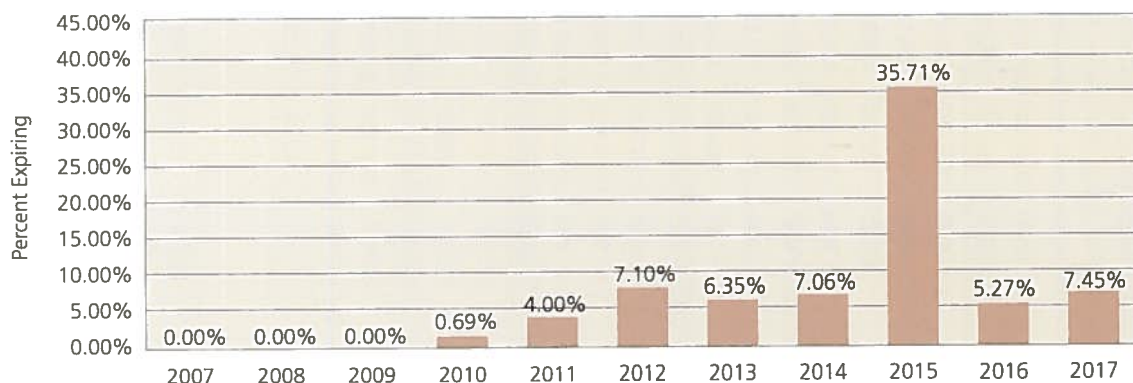
Fiscal Year Ending - October 31	2008 PSF	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES												
Operating Expenses												
Utilities	\$1.20	\$584,145	\$602,962	\$617,926	\$633,487	\$648,043	\$664,873	\$680,287	\$695,120	\$711,048	\$732,239	\$750,128
Repairs & Maintenance	0.61	299,256	306,738	314,407	322,267	330,323	338,582	347,045	355,722	364,615	373,730	383,073
Landscaping	0.26	127,215	130,396	133,655	136,996	140,422	143,932	147,530	151,219	155,000	158,875	162,846
Cleaning	0.84	410,027	426,116	436,600	447,688	456,972	469,411	479,238	488,391	497,694	515,811	528,159
Security	0.22	105,389	108,023	110,724	113,492	116,330	119,238	122,219	125,274	128,405	131,615	134,906
G & A	0.49	237,462	243,398	249,482	255,719	262,114	268,666	275,382	282,267	289,324	296,556	303,970
POA Expenses	0.58	281,952	289,001	296,226	303,631	311,222	319,003	326,979	335,153	343,531	352,119	360,923
Management Fee	0.55	268,826	277,530	284,927	292,077	300,550	311,797	322,753	330,162	337,449	345,100	352,857
Insurance	0.21	100,929	103,452	106,038	108,690	111,407	114,191	117,046	119,973	122,972	126,046	129,197
Real Estate Taxes	1.68	820,108	840,610	861,626	883,166	905,246	927,877	951,073	974,851	999,222	1,024,202	1,049,808
Restaurant Expenses	0.23	110,901	113,674	116,516	119,429	122,414	125,474	128,611	131,827	135,123	138,500	141,963
Trash Removal - Oceanaire	0.01	6,125	6,278	6,435	6,596	6,761	6,930	7,103	7,281	7,463	7,649	7,841
Total Operating Expenses	6.86	3,352,335	3,448,178	3,534,562	3,623,238	3,711,804	3,809,974	3,905,266	4,007,240	4,129,846	4,260,442	4,376,871
TOTAL EXPENSES	\$6.86	\$3,352,335	\$3,448,178	\$3,534,562	\$3,623,238	\$3,711,804	\$3,809,974	\$3,905,266	\$4,007,240	\$4,129,846	\$4,260,442	\$4,376,871
EXPENSES PER SQUARE FOOT ⁽¹⁾												
Total Operating Expenses		\$6.86	\$7.06	\$7.23	\$7.42	\$7.60	\$7.80	\$7.99	\$8.20	\$8.45	\$8.72	\$8.96
TOTAL EXPENSES PER SQUARE FOOT		\$6.86	\$7.06	\$7.23	\$7.42	\$7.60	\$7.80	\$7.99	\$8.20	\$8.45	\$8.72	\$8.96
EXPENSE REIMBURSEMENTS		\$495,934	\$559,614	\$624,272	\$688,772	\$743,287	\$789,787	\$811,582	\$748,509	\$737,149	\$746,956	\$755,226
EXPENSE REIMBURSEMENTS PER SQUARE FOOT ⁽¹⁾		\$1.02	\$1.15	\$1.28	\$1.41	\$1.52	\$1.62	\$1.66	\$1.53	\$1.51	\$1.53	\$1.55
REIMBURSEMENTS AS A % OF OPERATING EXPENSES		14.79%	16.23%	17.66%	19.01%	20.02%	20.73%	20.78%	18.68%	17.85%	17.53%	17.25%

[1] Based on 488,589 total building square feet.

**CONSOLIDATED
EXISTING LEASE EXPIRATIONS**

Calendar Year Ending December ^[1]	Number of Suites	Net Rentable Square Feet Expiring	Percentage Square Feet Expiring	Cumulative Square Feet Expiring
2007	0	0	0.00%	0.00%
2008	0	0	0.00%	0.00%
2009	0	0	0.00%	0.00%
2010	1	2,843	0.58%	0.58%
2011	2	16,584	3.39%	3.98%
2012	6	31,835	6.52%	10.49%
2013	2	26,308	5.38%	15.88%
2014	2	29,271	5.99%	21.87%
2015	4	148,046	30.30%	52.17%
2016	5	44,871	9.18%	61.35%
2017	6	37,622	7.70%	69.05%
Beyond	4	58,091	11.89%	80.94%
Subtotal	32	395,471	80.94%	80.94%
Currently Vacant	17	93,118	19.06%	100.00%
Total	49	488,589	100.00%	100.00%

**Consolidated
Existing Lease Expirations**



[1] All expirations are represented on this graph.



OFFICE SUMMARY OF FINANCIAL ASSUMPTIONS

Notes:

All market rent rates are stated on calendar-year basis.

(1) General Vacancy Loss factor includes losses attributable to projected lease-up, rollover downtime, and fixturing downtime.

The following tenants are excluded from this loss factor for current lease terms only: Piedmont Natural Gas, SunTrust, Paragon Commercial & AIG.

(2) The Basement space is assumed to have a market rent of \$20.00/sf and grow with the office rent. Storage space, currently leased to Del Frisco's is assumed to have a \$15.00 psf market rate.

(3) The two restaurants are assumed to exercise their options per their lease agreements.

(4) The retail rents are assumed to grow 4% annually and are not subject to the office market rent growth assumptions.

(5) The property taxes are based on the current expense grown 2.5%. Investors are encouraged to perform their own due diligence regarding the potential impact of sale on assessed value.

OFFICE

CASH FLOW PROJECTIONS

Fiscal Year Ending - October 31		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Physical Occupancy		98.16%	100.00%	99.94%	100.00%	99.41%	99.74%	99.15%	98.42%	97.38%	99.13%	99.00%
Overall Economic Occupancy ⁽¹⁾		97.48%	98.15%	98.14%	98.13%	97.95%	98.10%	97.78%	97.46%	95.72%	98.23%	98.20%
Weighted Average In Place Rent ⁽²⁾		\$25.99	\$26.64	\$27.16	\$27.73	\$28.43	\$29.47	\$30.68	\$32.56	\$36.99	\$39.13	\$41.47
REVENUES		FY 2008										
		\$/SF/YR ⁽³⁾										
SCHEDULED BASE RENT												
Gross Potential Rent		\$26.05	\$11,046,388	\$11,262,464	\$11,495,854	\$11,806,931	\$12,225,463	\$12,746,420	\$13,543,325	\$15,370,303	\$16,254,369	\$17,207,996
Absorption & Turnover Vacancy		(0.54)	0	(7,872)	0	(87,255)	(40,003)	(133,676)	(257,607)	(436,508)	(152,951)	(183,236)
Total Scheduled Base Rent ⁽⁴⁾		25.51	11,046,388	11,254,592	11,495,854	11,719,676	12,185,460	12,612,744	13,285,718	14,933,795	16,101,418	17,024,760
Expense Reimbursements		0.49	258,133	314,734	371,570	420,123	456,631	474,820	428,792	373,151	375,960	373,151
Retail Sales Percent Revenue ⁽⁵⁾		0.29	120,872	134,204	187,685	233,206	256,824	281,032	305,847	331,280	357,350	384,071
TOTAL GROSS REVENUE		26.29	11,438,725	11,757,011	12,077,589	12,373,005	12,898,915	13,368,596	14,020,357	15,638,229	16,834,728	17,781,982
General Vacancy Loss		(0.14)	(57,855)	(211,818)	(225,937)	(168,412)	(205,526)	(166,562)	(104,381)	(251,764)	(147,862)	(139,434)
EFFECTIVE GROSS REVENUE		26.15	10,842,618	11,226,907	11,545,774	12,204,593	12,693,389	13,202,034	13,915,976	15,386,462	16,686,866	17,642,548
EXPENSES ⁽⁶⁾												
Operating Expenses		(7.28)	(3,018,909)	(3,106,698)	(3,184,849)	(3,344,673)	(3,433,608)	(3,520,157)	(3,610,839)	(3,719,203)	(3,839,586)	(3,945,382)
TOTAL EXPENSES		(7.28)	(3,018,909)	(3,106,698)	(3,184,849)	(3,344,673)	(3,433,608)	(3,520,157)	(3,610,839)	(3,719,203)	(3,839,586)	(3,945,382)
NET OPERATING INCOME		18.87	7,823,709	8,120,209	8,360,925	8,859,920	9,259,781	9,681,877	10,305,137	11,667,259	12,847,280	13,697,166
CAPITAL COSTS												
Tenant Improvements		(3.74)	(1,549,793)	0	(29,085)	(316,218)	(144,269)	(479,751)	(907,153)	(1,547,911)	(524,435)	(616,892)
Leasing Commissions		(1.63)	(677,390)	0	(96,982)	(300,868)	(137,936)	(460,929)	(899,202)	(1,616,802)	(527,390)	(631,818)
Capital Reserves		(0.10)	(42,326)	(43,384)	(44,469)	(46,720)	(47,888)	(49,085)	(50,312)	(51,571)	(52,859)	(54,182)
PNG Refurbishment		0.00	0	0	0	(543,857)	0	0	0	0	0	0
TOTAL CAPITAL COSTS		(5.47)	(2,269,509)	(43,384)	(44,469)	(663,806)	(330,093)	(989,765)	(1,856,667)	(3,216,284)	(1,104,684)	(1,302,882)
OPERATING CASH FLOW		\$13.40	\$5,554,200	\$8,076,825	\$8,414,903	\$8,196,114	\$8,929,688	\$8,692,112	\$8,448,470	\$8,450,975	\$11,742,596	\$12,394,274

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI increases are included in this calculation, which is based on fiscal year one weighted-average physical occupancy.

[3] Based on 414,624 square feet.

[4] The total scheduled base rent reflects the seller's credit of any outstanding rent abatements at closing.

[5] Due to the recent opening of the restaurants, there is not annual sales data to go off of for % rent. The analysis has taken recent months and annualized the sales to get the estimated % rent for year 1. Going forward, this income is expected to increase as more office and retail tenants come in and the restaurants gain popularity. See Argus model for specific assumptions regarding these increases.

[6] See schedule titled "Expense Detail" for breakout of expenses.

Financial Analysis – Office

OFFICE

EXPENSE DETAIL

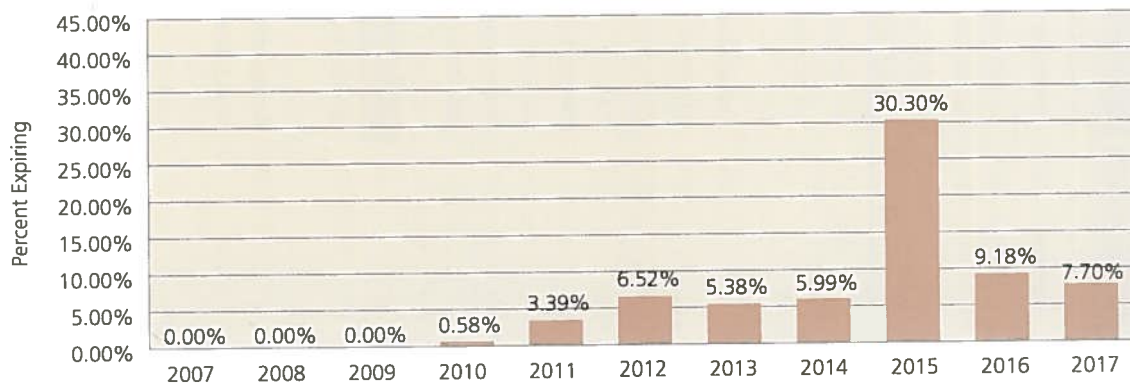
Fiscal Year Ending - October 31	2008 PSF	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES												
Operating Expenses												
Utilities	\$1.41	\$584,145	\$602,962	\$617,926	\$633,487	\$648,043	\$664,873	\$680,287	\$695,120	\$711,048	\$732,239	\$750,128
Repairs & Maintenance	0.69	288,027	295,228	302,609	310,174	317,928	325,877	334,023	342,374	350,933	359,706	368,699
Landscaping	0.08	34,654	35,521	36,408	37,318	38,252	39,208	40,188	41,193	42,223	43,279	44,360
Cleaning	0.95	392,246	407,891	417,919	428,540	437,345	449,294	458,618	467,255	476,030	483,605	505,398
Security	0.14	60,083	61,585	63,125	64,703	66,321	67,979	69,678	71,420	73,205	75,035	76,911
G & A	0.53	221,148	226,676	232,342	238,151	244,106	250,208	256,463	262,875	269,447	276,182	283,087
POA Expenses	0.66	271,744	278,537	285,501	292,638	299,954	307,453	315,140	323,018	331,093	339,370	347,855
Management Fee	0.52	216,852	224,538	230,915	237,033	244,091	253,868	264,041	278,320	307,729	333,738	352,851
Insurance	0.21	87,907	90,105	92,357	94,667	97,033	99,458	101,945	104,494	107,106	109,784	112,528
Real Estate Taxes	1.81	751,202	769,981	789,231	808,962	829,186	849,916	871,163	892,943	915,266	938,148	961,602
Restaurant Expenses	0.27	110,901	113,674	116,516	119,429	122,414	125,474	128,611	131,827	135,123	138,500	141,963
Total Operating Expenses	7.28	3,018,909	3,106,698	3,184,849	3,265,102	3,344,673	3,433,608	3,520,157	3,610,839	3,719,203	3,839,586	3,945,382
TOTAL EXPENSES	\$7.28	\$3,018,909	\$3,106,698	\$3,184,849	\$3,265,102	\$3,344,673	\$3,433,608	\$3,520,157	\$3,610,839	\$3,719,203	\$3,839,586	\$3,945,382
EXPENSES PER SQUARE FOOT ⁽¹⁾												
Total Operating Expenses		\$7.28	\$7.49	\$7.68	\$7.87	\$8.07	\$8.28	\$8.49	\$8.71	\$8.97	\$9.26	\$9.52
TOTAL EXPENSES PER SQUARE FOOT		\$7.28	\$7.49	\$7.68	\$7.87	\$8.07	\$8.28	\$8.49	\$8.71	\$8.97	\$9.26	\$9.52
EXPENSE REIMBURSEMENTS		\$202,477	\$258,133	\$314,734	\$371,570	\$420,123	\$456,631	\$474,820	\$428,792	\$373,154	\$375,960	\$373,151
EXPENSE REIMBURSEMENTS PER SQUARE FOOT ⁽¹⁾		\$0.49	\$0.62	\$0.76	\$0.90	\$1.01	\$1.10	\$1.15	\$1.03	\$0.90	\$0.91	\$0.90
REIMBURSEMENTS AS A % OF OPERATING EXPENSES		6.71%	8.31%	9.88%	11.38%	12.56%	13.30%	13.49%	11.88%	10.03%	9.79%	9.46%

[1] Based on 414,624 total building square feet.

OFFICE EXISTING LEASE EXPIRATIONS

Calendar Year Ending December ^[1]	Number of Suites	Net Rentable Square Feet Expiring	Percentage Square Feet Expiring	Cumulative Square Feet Expiring
2007	0	0	0.00%	0.00%
2008	0	0	0.00%	0.00%
2009	0	0	0.00%	0.00%
2010	1	2,843	0.69%	0.69%
2011	2	16,584	4.00%	4.69%
2012	5	29,420	7.10%	11.78%
2013	2	26,308	6.35%	18.13%
2014	2	29,271	7.06%	25.19%
2015	4	148,046	35.71%	60.89%
2016	2	21,850	5.27%	66.16%
2017	3	30,887	7.45%	73.61%
Beyond	4	58,091	14.01%	87.62%
Subtotal	25	363,300	87.62%	87.62%
Currently Vacant	7	51,324	12.38%	100.00%
Total	32	414,624	100.00%	100.00%

Office Existing Lease Expirations



[1] All expirations are represented on this graph.

Financial Analysis – Retail

RETAIL

SUMMARY OF FINANCIAL ASSUMPTIONS

GLOBAL		VACANT SPACE LEASING		SECOND GENERATION LEASING	
Analysis Period		Occupancy and Absorption		Retention Ratio	75%
Commencement Date	November 1, 2007	Projected Vacant at 11/1/07	41,794 SF		
End Date	October 31, 2017	Currently Vacant as of 7/1/07	41,794 SF	Financial Terms	
Term	10 Years	Percentage Vacant at 7/1/07	56.51%	2007 Annual Market Rent	\$35.00 PSF
Area Measures		Absorption Period	1 Month(s)	Rent Adjustment	2.00% Annually
Building Square Feet (NRSF)	73,965 SF ⁽⁴⁾	Absorption Period Start Date	November 1, 2007 ⁽²⁾	Lease Term	7 Years
		First Absorption Occurs On	November 1, 2007	Expense Recovery Type	NNN
		Last Absorption Occurs On	November 1, 2007		
Growth Rates		Financial Terms		Tenanting Costs	
Consumer Price Index (CPI)	2.50%	2007 Annual Market Rent	\$35.00 PSF ⁽²⁾	Tenant Improvements (\$/NRSF)	
Other Income Growth Rate	3.00%	Rent Adjustment	2.00% Annually	New	\$20.00 PSF
Operating Expenses	2.50%	Lease Term	7 Years	Renewal	\$0.00 PSF
Property Taxes	2.50%	Expense Recovery Type	NNN	Weighted Average	\$5.00 PSF
Market Rent Growth		Rent Abatements	0 Month(s)		
2008 - 4.00%	2013 - 4.00%	Tenant Improvements (\$/NRSF)	\$40.00 PSF ⁽³⁾	Commissions	
2009 - 4.00%	2014 - 4.00%	Commissions	5.00%	New	5.00%
2010 - 4.00%	2015 - 4.00%			Renewal	3.00%
2011 - 4.00%	2016 - 4.00%			Weighted Average	3.50%
2012 - 4.00%	2017+ - 4.00%			Downtime	
General Vacancy Loss		EXPENSES			
		Operating Expense Source	2007 Budget		
				New	6 Month(s)
Capital Reserves (CY 2007 Value)		Management Fee (% of EGR)	2.00%	Weighted Average	2 Month(s)
		Property Taxes Reassessed	No		

Notes:

All market rent rates are stated on calendar-year basis.

[1] General Vacancy Loss factor includes losses attributable to projected lease-up, rollover downtime, and fixturing downtime.

The following tenants are excluded from this loss factor for current lease terms only: YMCA, Starbucks, The Oceanaire.

[2] The analysis assumes that the seller will escrow the first year of rent for all remaining retail spaces. Therefore, all retail spaces are shown as leased as of the start of the analysis.

[3] The seller will fund all leasing costs as shown for the currently available retail.

[4] The square footages shown on a suite by suite basis for the available suites are current estimates of how the space could break down. The individual suite size could be adjusted depending on the nature of the tenants.

RETAIL CASH FLOW PROJECTIONS

Fiscal Year Ending - October 31		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Physical Occupancy		100.00%	100.00%	100.00%	100.00%	99.46%	100.00%	100.00%	90.58%	100.00%	99.60%	100.00%
Overall Economic Occupancy ⁽¹⁾		96.36%	96.36%	96.36%	96.36%	96.36%	96.33%	96.31%	90.60%	96.21%	96.22%	96.21%
Weighted Average Market Rent		\$36.17	\$37.61	\$39.12	\$40.68	\$42.31	\$44.00	\$45.76	\$47.59	\$49.50	\$51.48	\$53.54
Weighted Average In Place Rent ⁽²⁾		\$32.50	\$33.10	\$33.71	\$34.33	\$35.20	\$36.15	\$36.66	\$41.38	\$42.66	\$43.68	\$44.84
REVENUES		FY 2008										
Scheduled Base Rent		\$/SF/YR ⁽³⁾										
Gross Potential Rent	\$32.50	\$2,403,513	\$2,448,225	\$2,493,028	\$2,538,921	\$2,606,379	\$2,673,759	\$2,711,266	\$3,093,204	\$3,155,344	\$3,233,501	\$3,316,948
Absorption & Turnover Vacancy	0.00	0	0	0	0	(17,140)	0	0	(320,823)	0	(15,465)	0
Total Scheduled Base Rent	32.50	2,403,513	2,448,225	2,493,028	2,538,921	2,589,239	2,673,759	2,711,266	2,772,381	3,155,344	3,218,036	3,316,948
Expense Reimbursements	3.97	293,457	301,481	309,538	317,202	323,164	333,156	336,762	319,717	363,998	370,996	382,075
TOTAL GROSS REVENUE	36.46	2,696,970	2,749,706	2,802,566	2,856,123	2,912,403	3,006,915	3,048,028	3,092,098	3,519,342	3,589,032	3,700,565
General Vacancy Loss	(1.33)	(96,246)	(100,109)	(101,972)	(103,913)	(89,467)	(110,490)	(112,436)	0	(133,319)	(120,924)	(140,285)
EFFECTIVE GROSS REVENUE EXPENSES ⁽⁴⁾	35.13	2,598,724	2,649,597	2,700,594	2,752,210	2,822,936	2,896,425	2,935,592	3,092,098	3,386,023	3,468,108	3,560,280
Operating Expenses	(4.51)	(333,426)	(341,480)	(349,713)	(358,136)	(367,131)	(376,366)	(385,109)	(396,401)	(410,643)	(420,856)	(431,489)
TOTAL EXPENSES	(4.51)	(333,426)	(341,480)	(349,713)	(358,136)	(367,131)	(376,366)	(385,109)	(396,401)	(410,643)	(420,856)	(431,489)
NET OPERATING INCOME	30.63	2,265,298	2,308,117	2,350,881	2,394,074	2,455,805	2,520,059	2,550,483	2,695,697	2,975,380	3,047,252	3,128,791
CAPITAL COSTS												
Tenant Improvements	(22.03)	(1,629,740)	0	0	0	(13,662)	0	0	(254,609)	0	(11,463)	0
Leasing Commissions	(7.35)	(543,740)	0	0	0	(26,758)	0	0	(520,902)	0	(24,144)	0
Capital Reserves	(0.10)	(7,551)	(7,739)	(7,933)	(8,131)	(8,334)	(8,543)	(8,756)	(8,975)	(9,200)	(9,430)	(9,665)
Seller Funded Capital	29.39	2,173,480	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL COSTS	(0.10)	(7,551)	(7,739)	(7,933)	(8,131)	(8,754)	(8,543)	(8,756)	(784,486)	(9,200)	(45,037)	(9,665)
OPERATING CASH FLOW	\$30.52	\$2,257,747	\$2,300,378	\$2,342,948	\$2,385,943	\$2,407,051	\$2,511,516	\$2,541,727	\$1,911,211	\$2,966,180	\$3,002,215	\$3,119,126

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI increases are included in this calculation, which is based on fiscal year one weighted-average physical occupancy.

[3] Based on 73,965 square feet.

[4] See Expense Detail.

Financial Analysis – Retail

RETAIL

EXPENSE DETAIL

Fiscal Year Ending - October 31	2008 PSF	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES												
Operating Expenses												
Repairs & Maintenance	\$0.15	\$11,229	\$11,510	\$11,798	\$12,093	\$12,395	\$12,705	\$13,022	\$13,348	\$13,682	\$14,024	\$14,374
POA	1.25	92,561	94,875	97,247	99,678	102,170	104,724	107,342	110,026	112,777	115,596	118,486
Cleaning	0.24	17,781	18,225	18,681	19,148	19,627	20,117	20,620	21,136	21,664	22,206	22,761
Security	0.61	45,306	46,438	47,599	48,789	50,009	51,259	52,541	53,854	55,200	56,580	57,995
General & Administrative	0.22	16,314	16,722	17,140	17,568	18,008	18,458	18,919	19,392	19,877	20,374	20,883
Promotion	0.14	10,208	10,464	10,725	10,993	11,268	11,550	11,839	12,135	12,438	12,749	13,068
Management Fees	0.70	51,974	52,992	54,012	55,044	56,459	57,929	58,712	61,842	67,720	69,362	71,206
Insurance	0.18	13,022	13,347	13,681	14,023	14,374	14,733	15,101	15,479	15,866	16,262	16,669
Real Estate Taxes	0.93	68,906	70,629	72,395	74,204	76,060	77,961	79,910	81,908	83,956	86,054	88,206
Trash Removal - Oceanair	0.08	6,125	6,278	6,435	6,596	6,761	6,930	7,103	7,281	7,463	7,649	7,841
Total Operating Expenses	4.51	333,426	341,480	349,713	358,136	367,131	376,366	385,109	396,401	410,643	420,856	431,489
TOTAL EXPENSES	\$4.51	\$333,426	\$341,480	\$349,713	\$358,136	\$367,131	\$376,366	\$385,109	\$396,401	\$410,643	\$420,856	\$431,489
EXPENSES PER SQUARE FOOT ⁽¹⁾												
Total Operating Expenses		\$4.51	\$4.62	\$4.73	\$4.84	\$4.96	\$5.09	\$5.21	\$5.36	\$5.55	\$5.69	\$5.83
TOTAL EXPENSES PER SQUARE FOOT		\$4.51	\$4.62	\$4.73	\$4.84	\$4.96	\$5.09	\$5.21	\$5.36	\$5.55	\$5.69	\$5.83
EXPENSE REIMBURSEMENTS												
EXPENSE REIMBURSEMENTS PER SQUARE FOOT ⁽¹⁾		\$293,457	\$301,481	\$309,538	\$317,202	\$323,164	\$333,156	\$336,762	\$319,717	\$363,998	\$370,996	\$382,075
REIMBURSEMENTS AS A % OF OPERATING EXPENSES		88.01%	88.29%	88.51%	88.57%	88.02%	88.52%	87.45%	80.65%	88.64%	88.15%	88.55%

[1] Based on 73,965 total building square feet.

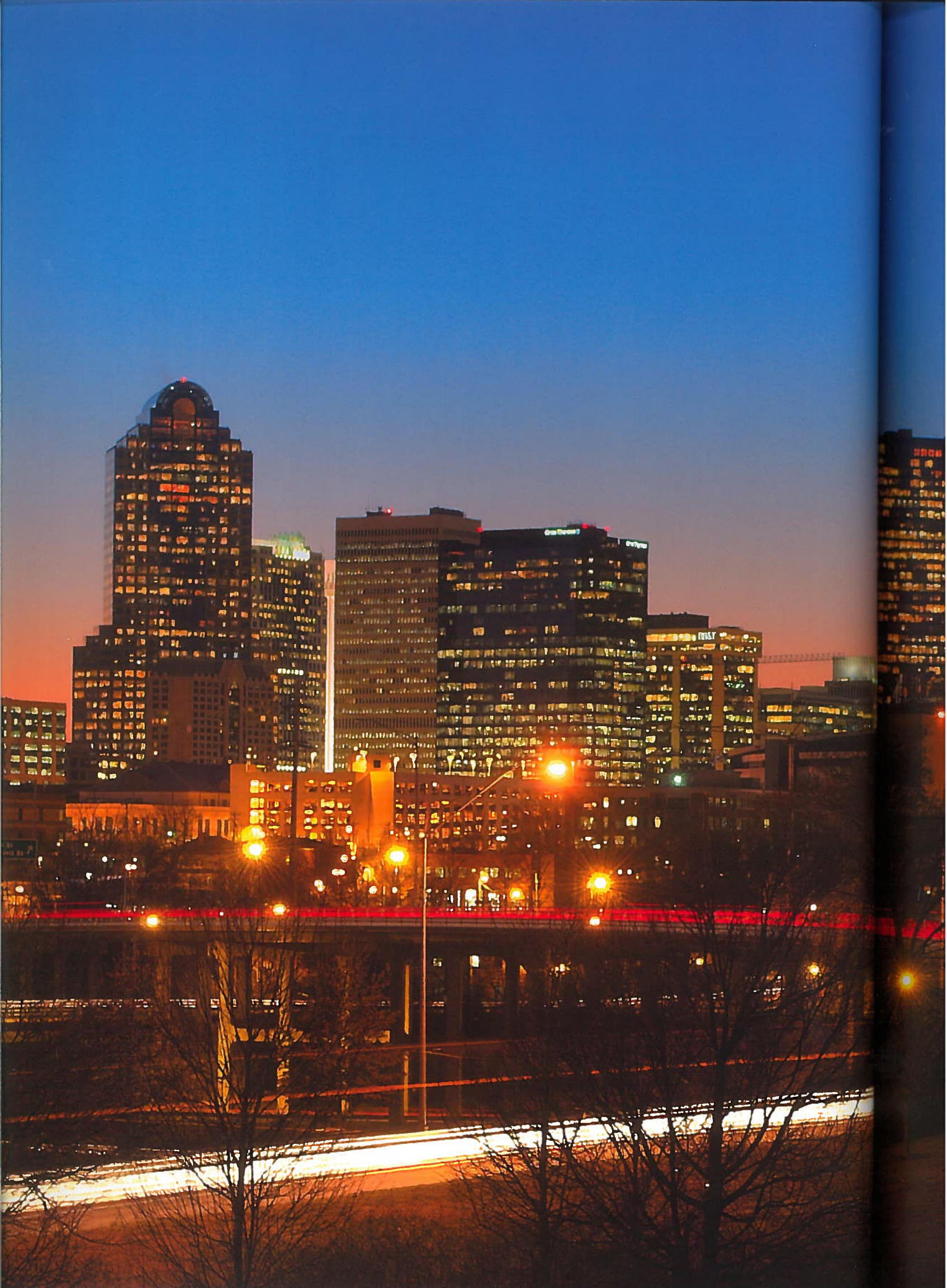
EXISTING LEASE EXPIRATIONS

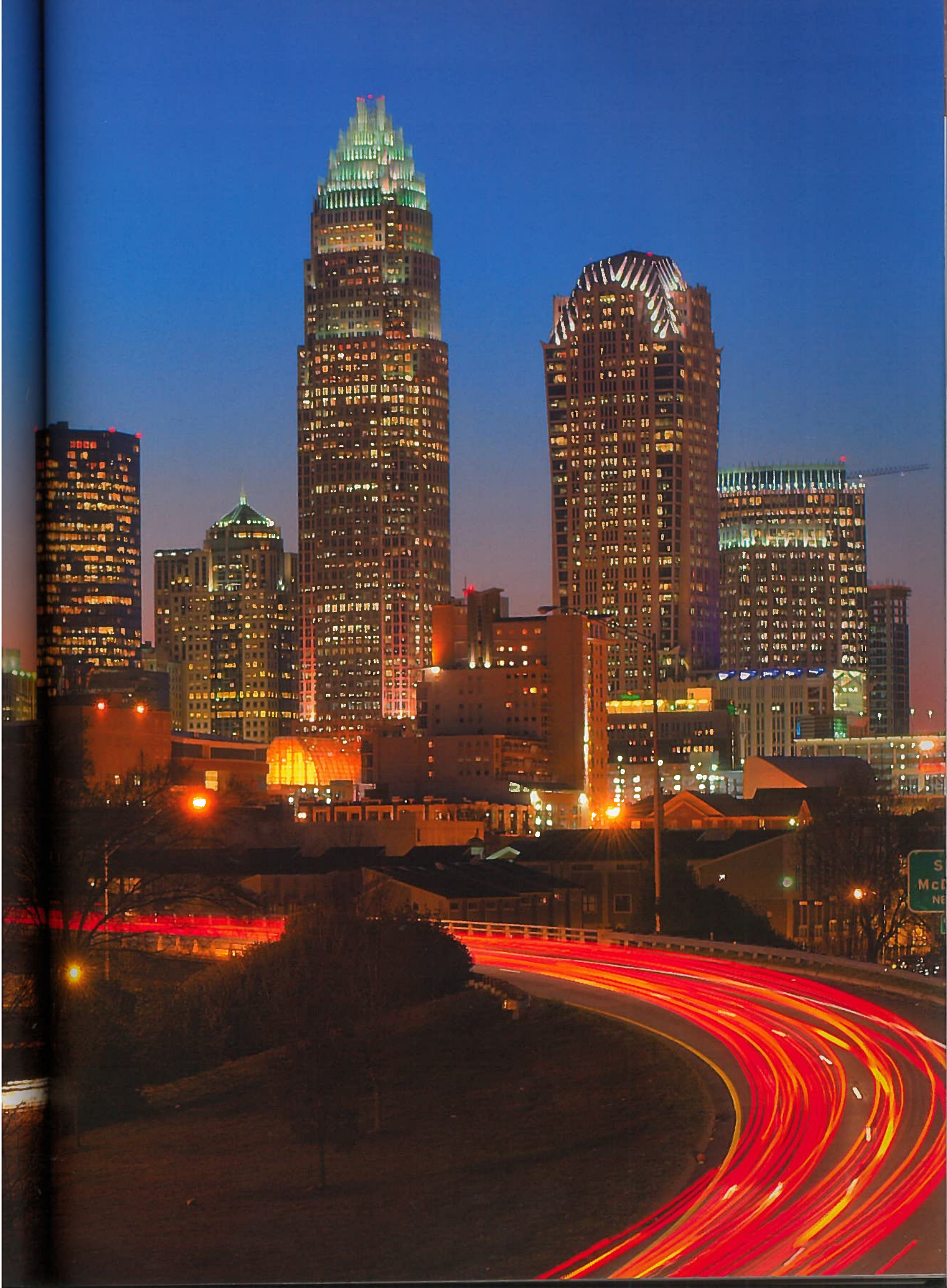
Calendar Year Ending December ⁽¹⁾	Number of Suites	Net Rentable Square Feet Expiring	Percentage Square Feet Expiring	Cumulative Square Feet Expiring
2007	0	0	0.00%	0.00%
2008	0	0	0.00%	0.00%
2009	0	0	0.00%	0.00%
2010	0	0	0.00%	0.00%
2011	0	0	0.00%	0.00%
2012	1	2,415	3.27%	3.27%
2013	0	0	0.00%	3.27%
2014	0	0	0.00%	3.27%
2015	0	0	0.00%	3.27%
2016	3	23,021	31.12%	34.39%
2017	1	1,791	2.42%	36.81%
Beyond	2	4,944	6.68%	43.49%
Subtotal	7	32,171	43.49%	43.49%
Currently Vacant	10	41,794	56.51%	100.00%
Total	17	73,965	100.00%	100.00%

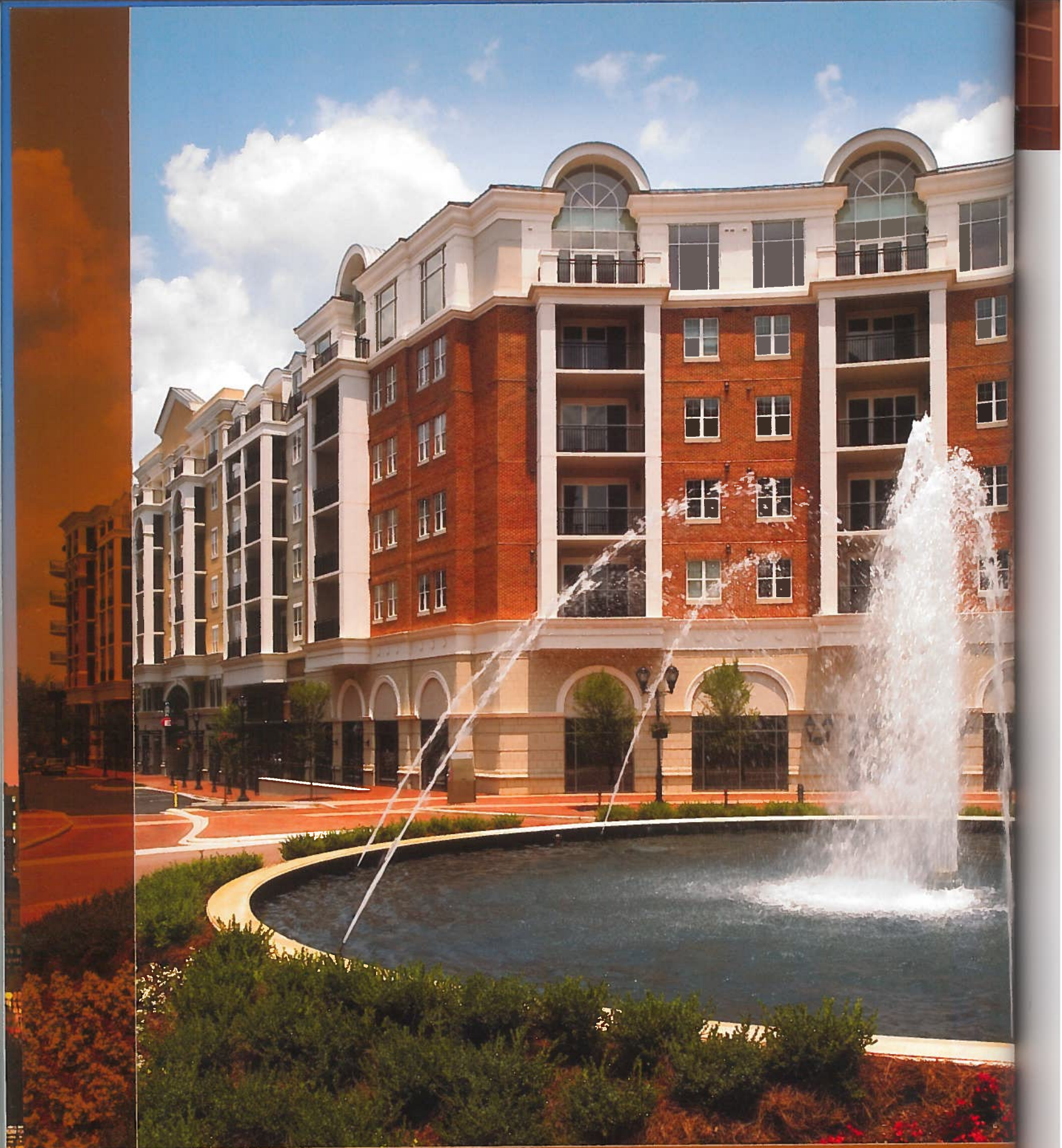
Retail Existing Lease Expirations



[1] All expirations are represented on this graph.







Area Overview

The Charlotte Economy

Charlotte is regarded, first and foremost, as a national financial powerhouse. Serving as the corporate headquarters for two of the nation's largest banks, Charlotte is second only to New York City as the country's leading financial center with \$2.17 trillion in total assets. Bank of America (the nation's second largest bank) and Wachovia Corporation (the country's fifth largest bank) are headquartered in Charlotte. Through recent acquisitions of Fleet Boston and Golden West Financial Corp. by Bank of America and Wachovia, respectively, both banks continue to solidify their presence in Charlotte and influence in the financial industry. Charlotte is in an extremely competitive economic position because of the business infrastructure that its hometown banks have helped to establish. Complementing the banks are large regional operations for major financial services firms including Transamerica, AXA, The Vanguard Group, and TIAA-CREF.



Though banking and finance serve as the city's industry cornerstones, Charlotte has also emerged as a distribution, transportation, and manufacturing center. Charlotte is the largest city within the nation's fifth largest urban region. Only New York City, Chicago, Los Angeles, and Miami have larger urban regions as 7.2 million people live in the Charlotte's "Urban Crescent" region and over 6.4 million people live within a one hundred mile radius of Charlotte.

Fortune 500 Firms Headquartered in Charlotte

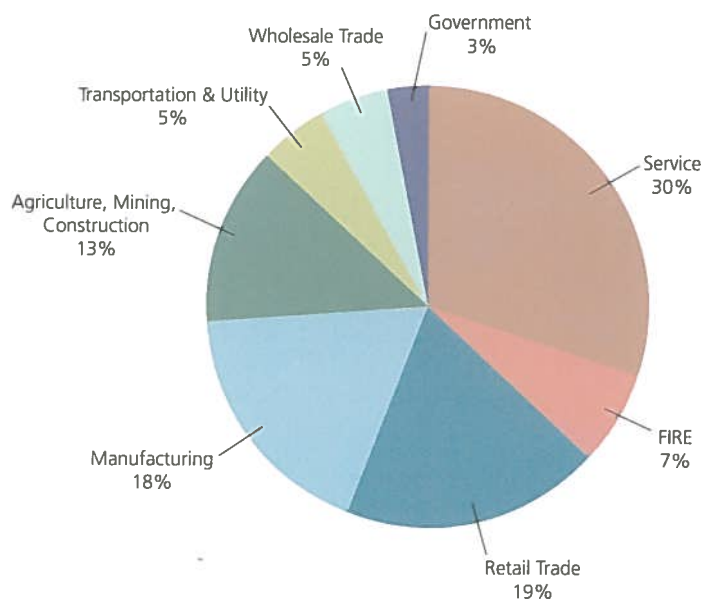
Company	Rank	2005 Revenue in Millions
Bank of America	9	\$117,017
Lowe's Companies, Inc	45	\$46,927
Wachovia Corporation	46	\$46,810
Duke Energy	143	\$15,967
Nucor	161	\$14,751
Sonic Automotive	285	\$8,706
Family Dollar	359	\$6,395
B.F. Goodrich	390	\$5,878
SPX	471	\$4,723

Source: www.Hoovers.com



Several additional employers, representing a wide variety of economic sectors, have entered the Charlotte business culture announcing significant future employment plans. Most notably, TIAA-CREF completed the 367,000 square foot second phase of their East Coast Operations Center in Charlotte's University Research Park bringing the facility to 930,000 square feet. Other significant Charlotte area employment events include, Lowe's Home Improvement Warehouse relocated their corporate headquarters to Mooresville, just outside of Charlotte, Microsoft's expansion of their East Coast Product Support Center, Fortune 500 firm SPX, Inc. relocating to Charlotte, Wells Fargo expanding and relocating much of their Home Mortgage operation to Fort Mill, South Carolina, the Billy Graham Evangelistic Association moving from Minneapolis to Charlotte, and the culinary school, Johnson & Wales consolidating their Charleston, South Carolina and Norfolk, Virginia campuses in Charlotte's Gateway Village located downtown.

Charlotte Economy By Sector



Other large Charlotte employers include Duke Energy, US Airways, Carolinas Healthcare System, IBM, and Harris Teeter, Inc. Duke Energy is the nation's largest utility company and the fourth largest Fortune 500 firm headquartered in Charlotte. A list of many of the city's largest employers is shown below.

Employer	Number of Employees
Wachovia Corporation*	17,000
Mecklenburg Schools*	13,683
Bank of America*	12,770
Carolinas Healthcare System*	11,100
Duke Energy Corporation*	7,042
US Airways	7,000
North Carolina State Government	6,418
City of Charlotte*	5,855
US Government	5,038
Mecklenburg County*	4,825
Presbyterian Healthcare/Novant Health*	3,866
Ruddick/Harris-Teeter, Inc.*	3,290
Belk, Inc.*	2,500
BellSouth Telecommunications*	2,300
The Compass Group*	2,100
UNC at Charlotte*	2,099
IBM	2,000
Food Lion	1,980
Royal and SunAlliance*	1,800
Microsoft	1,600
Family Dollar Stores*	1,559
Interstate Brands-Merita	1,500
Allstate Insurance Company	1,430
Continental General Tire, Inc.*	1,367
Lance, Inc. *	1,350
Rea Construction Company*	1,273

* Headquartered in Charlotte

Source: Charlotte Chamber of Commerce

305 "Fortune 500" firms have established themselves in the Charlotte market with nine of these firms headquartered here. Additionally, 701 firms having a net worth of over one million dollars are headquartered in the city creating a sizable and diverse economy. 399 Foreign-owned companies are in the marketplace, proving that Charlotte's business ties extend far beyond the two Carolinas or the Southeast. Charlotte has truly become a popular corporate and regional headquarters location. In the last decade alone, close to \$6.6 billion was invested in the local economy by over 8,951 new firms.

Workforce

The Charlotte-Gastonia-Rock Hill MSA labor force totals 839,900 and had an unemployment rate of approximately 4.5% at the end of April 2007. The present unemployment rate is equal to the national rate and is lower than the State of North Carolina rate of 4.8%. (Annualized unemployment rates for the Charlotte MSA, the State of North Carolina and the US are shown below.) Since the late 1980's, Charlotte's Mecklenburg County has outpaced the national rate of employment while the size of the Charlotte workforce has grown considerably. Since 1996 Charlotte employment has grown by 28%, nearly twice the national average of 15% and greater than the state average of 17%.

Annual Unemployment Rate

	MSA	State	US
1998	2.7%	3.5%	4.5%
1999	2.6%	3.2%	4.2%
2000	3.3%	3.6%	4.0%
2001	4.6%	5.0%	4.7%
2002	5.7%	6.4%	6.0%
2003	6.2%	6.1%	5.7%
2004	5.2%	5.2%	5.4%
2005	4.6%	5.1%	4.9%
2006	4.6%	4.9%	4.5%
April - 07	4.5%	4.8%	4.5%

Source: US Bureau of Labor Statistics

Excellent Location

The city's optimal geographic location means more than just easy mountain and beach getaways. Sitting in the middle of the United States' eastern seaboard, approximately 56% of the entire American population rests within a 650-mile radius of the city, an area easily accessible by 24-hour truck delivery or two-hour jet time. Charlotte is situated 143 miles from Raleigh, 210 miles from Charleston, and 241 miles from Atlanta. The city's tremendous location is a short two-hour drive to the North Carolina mountains and a three-hour drive to the coast.

Due in part to its excellent location, Charlotte has evolved into a major wholesale center, boasting the sixth highest level of wholesale sales in the country. Over 3,800 manufacturers in the Charlotte region have taken advantage of its prime location, and employ more than 232,000 workers in the textile, furniture, electronics, and metal working industries. The state of North Carolina boasts the 2nd highest productivity index in the nation as a Right to Work state, and the lowest union membership dues in the country.

Transportation

One of the more influential drivers of Charlotte's tremendous growth over the past several years has been the city's excellent transportation system. With over 570 flights leaving Charlotte each day to over 145 cities on 10 major airlines, Charlotte's airport ranks as the 23rd most active in the country. Each year over 11.5 million passengers travel through Charlotte's airport. Additionally, Charlotte's immediate access to several major US interstates further enhances the city's accessibility and transportation qualities. I-85 and I-77 run north-south through Charlotte and I-40 runs east-west forty miles north of the city. These major interstates connect Charlotte to not only the Southeast but to the entire country. Presently, the final legs of Charlotte's outer loop (I-485), all on the north side of town, are under construction. This interstate is approximately 75% complete and will be finished within 6 years, circling the city, and will provide additional connection points to both I-77 and I-85. Charlotte voters have approved a city light-rail service, which will eventually transport residents throughout the city – originating in Pineville in south Charlotte and concluding in Mooresville just north of the city. Currently, Norfolk Southern Railway and CSX Transportation Systems, which bring more than 300 trains through Charlotte weekly, provide transportation to and from Charlotte. Amtrak provides passenger rail service, and Greyhound and Trailways provide over 250 arrivals and departures weekly.

Quality of Life and Education

Perhaps the most compelling selling point on Charlotte is simply its remarkable quality of life. Though a leading national business center, Charlotte has been able to maintain a low cost of living, high quality of life, and the charm and hospitality for which the Carolinas and the Southeast have come to be known. In fact, in recent years the U.S. Conference of Mayors acclaimed Charlotte as being the "Nation's Most Livable City." The mild winters and falls coupled with the favorable springs and summers create a comfortable climate proven to be attractive to Charlotte's numerous new residents.

The Charlotte community is rich with a diverse menu of entertainment opportunities ranging from professional sporting events to the arts and outdoor recreational activities. Charlotte is home to the NFL's Carolina Panthers and the NBA's Bobcats while hosting the 3rd largest attended sporting event in the country each year, NASCAR's Coca-Cola 600.

In addition to Charlotte's attractive entertainment options, the city is in close proximity to several nationally acclaimed universities. Within North Carolina alone, Duke University, the University of North Carolina, and Wake Forest University continually rank within the top 30 national universities, each school is accessible within a three-hour drive from Charlotte. The University of North Carolina at Charlotte, a sister school to the University of North Carolina at Chapel Hill, has recently begun offering doctoral programs elevating the university's status as a quality research institution.

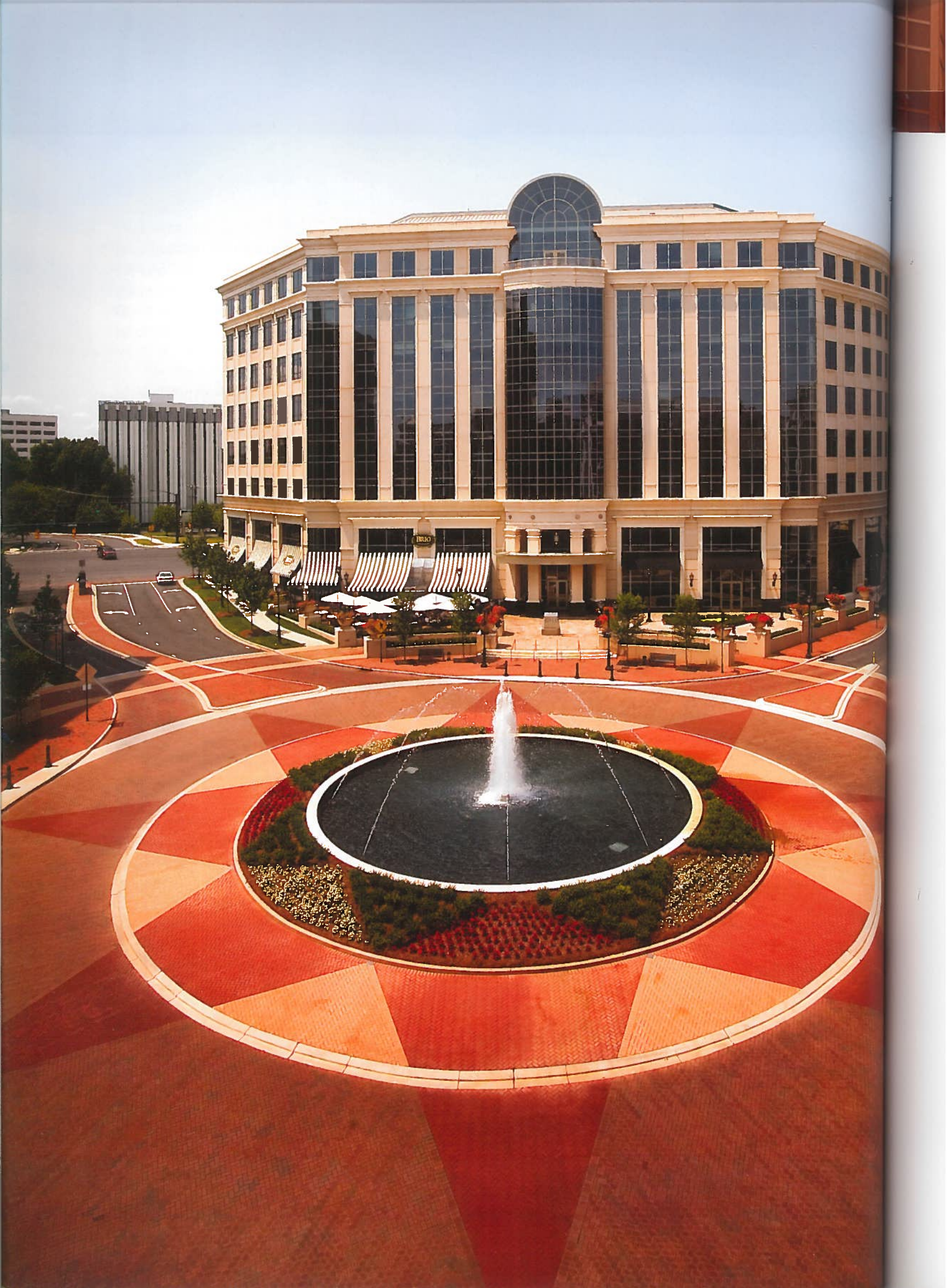
While maintaining a remarkable quality of life, Charlotte has grown significantly over the past two decades. Mecklenburg County has over 20,000 new residents move into the area each year. The growth of the county has helped Charlotte to expand by 74% from its size just twenty years ago. Breaking down this growth, Charlotte grew by 25.5% in the 1980's only to exceed this growth in the 1990's by growing at 26.3%. Presently, Charlotte is the nation's 26th largest city with an estimated 610,949 people living within the city limits and 1.6 million living in the metropolitan area. This incredible population growth has been matched with steady job growth over the past two decades as well. Since 1996, Charlotte has added an annual average of 8,322 jobs each year, including 13,418 new jobs in 2005 alone. These jobs are supported by Charlotte's extensive draw of over 137,000 commuters who travel in from the surrounding counties each business day.

Despite its recent growth surge, Charlotte and Mecklenburg County have maintained low living costs for their residents. Local per capita taxes are the 35th lowest in the United States among the nation's fifty largest county governments. More than 700 counties nationwide have higher per capita tax rates. Furthermore, of all American cities with populations between 300,000 and 600,000 residents, Charlotte boasts the 5th lowest cost of living index, well below the national average and lower than cities such as Atlanta, Minneapolis, Denver, Miami, and Washington, D.C. Among the same 26 cities, Charlotte has the 7th lowest health care cost rating as well. In a similar study of US cities achieving greater than \$20 billion in wholesale sales each year, Charlotte ranks as the 4th most affordable housing market.

Household & Population Composition

	Charlotte METROPOLITAN	U.S. METROPOLITAN
Average Household Size	2.52	2.52
Median Age (years)	35.27	36.58
Average Household Income (2007)	\$71,403	\$57,692
Percentage Unemployed (April 2007)	4.5%	4.5%

Source: Claritas & US BLS



SOUTHPARK AREA OVERVIEW

Simply put, SouthPark is Charlotte's premier office submarket and one of the most exclusive communities in the city. With an average household income in the three-mile radius of SouthPark at \$106,343, few neighborhoods compete with the area amenities, quality of life, and overall elegance of this charismatic community. SouthPark has developed an indisputable reputation as Charlotte's premier live, work and play location. The solid reputation of SouthPark has steadily evolved over time from its roots as the farm of a prominent Charlotte family to its present personality as an excellent location for Corporate America and Charlotteans to call home.

The five-mile population of SouthPark is 199,494, representing a dense community of high-income households. With such a dense population base surrounding the SouthPark area, the community has 32.6% of the City of Charlotte's total population within five miles. SouthPark's overall personality has historically attracted people to the area as the community offers a spectacular menu of shopping, entertainment, dining, and career opportunities.



Unmatched Retail

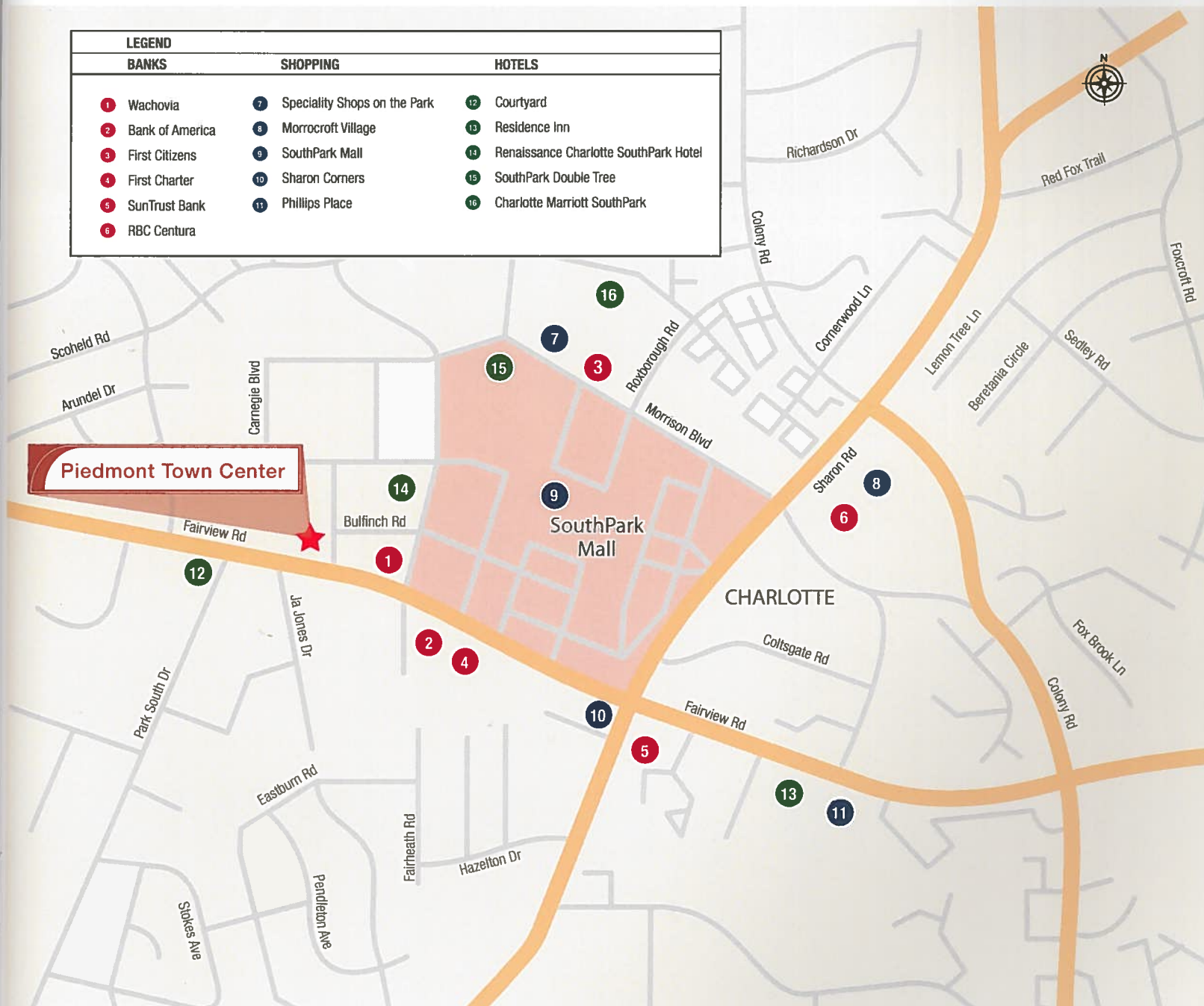
In large part, it is the area amenities of the community that create the desirability and strength of SouthPark. SouthPark Mall, a Simon Properties' mall of approximately 1.81 million square feet, which was recently expanded by 560,000 square feet, is highly regarded as the finest shopping between Washington DC and Atlanta. The mall has historically achieved high-end rents and has been the home to many elite retailers over the years. As the cornerstone of the community, the mall has created an appeal for the area that the local residents enjoy. The high-end residential communities that comprise SouthPark have encouraged additional supporting amenities to emerge in the area. Numerous hotels, banks, shopping centers, luxury apartment complexes and Class "A" office properties dot the landscape of SouthPark. Phillips Place, a tremendously successful upper-end life-style shopping center, along with the Specialty Shops on the Park, located within close proximity to Piedmont Town Center, offer attractive retail destinations for both entertainment and shopping needs. Included in these eye-catching retail centers is a Dean & DeLuca, Williams Sonoma, Talbot's, Harold's, Smith & Hawken, The Capital, Restoration Hardware, the Palm Restaurant, and P.F. Chang's. Additionally, the expansion to SouthPark Mall has added a Cheesecake Factory restaurant, Morton's Restaurant, Nordstrom Department Store, and a Dick's Sporting Goods. Presently the SouthPark Mall is home to Tiffany, Belk, Dillard's, Brooks Brothers, Coach, Ann Taylor, Banana Republic, and the Pottery Barn. Furthermore, Grubb Properties is redeveloping the site where the current Park South apartments are located at the intersection of Colony and Sharon Roads. This redevelopment is a mixed-use project that will offer additional retail to the area.



Abundant Hotels

SouthPark has a considerable inventory of hotels and restaurants providing an extensive offering of cuisine and hospitality services. The Park Hotel, a four star Marriott Hotel offers immaculate lodging as does the Renaissance Charlotte SouthPark hotel, which has carried the four star designation in previous years as well. Additionally, the Doubletree, Residence Inn, Courtyard By Marriott and the Hampton Inn and Suites at Phillips Place offer the community additional attractive lodging destinations. Each hotel offers conference suites for corporations while having a strong reputation for excellent customer service.

LEGEND		
BANKS	SHOPPING	HOTELS
1 Wachovia	7 Speciality Shops on the Park	12 Courtyard
2 Bank of America	8 Morrocroft Village	13 Residence Inn
3 First Citizens	9 SouthPark Mall	14 Renaissance Charlotte SouthPark Hotel
4 First Charter	10 Sharon Corners	15 SouthPark Double Tree
5 SunTrust Bank	11 Phillips Place	16 Charlotte Marriott SouthPark
6 RBC Centura		



Local Amenities

SouthPark provides a residence to every major bank presently operating within the Charlotte area. Bank of America, Wachovia, Central Carolina Bank, First Citizens, First Charter, and RBC Centura are among the many bank branches located in the area. These branches, along with the previous, mentioned hotels and retailers, offer residents and corporate professionals a wide array of amenities and services. On the entertainment side, SouthPark offers excellent dining, elegant ballrooms in the hotels for receptions, an attractive movie theater, and an outdoor pavilion for summer symphony concerts and performances. The Harris Pavilion has recently completed its third summer in Charlotte holding the Charlotte Symphony evening concert performances each Sunday in June. This tremendously successful event known as "Pops in the Park" is a popular SouthPark event each year. Residents travel from all over Charlotte to enjoy the pleasant summer experience in the attractive new venue.

Excellent Neighborhoods

SouthPark, although in the suburbs, is an urban destination. Isolated between residential communities along all sides, there is little available land for new development. Myers Park Country Club and the Foxcroft neighborhood border SouthPark along the North and Northeastern perimeter of the community while Quail Hollow and Gleneagles border the southern edge. These exclusive neighborhoods, in addition to the Morrocroft neighborhood, are home to leading corporate professionals who find their nearby office location attractive and convenient to numerous country clubs, downtown and the interstates.

While traditionally the SouthPark area has featured predominantly single family residential and some garden-style multifamily apartment and condominium complexes, the area has witnessed an increase in demand for high density multifamily residential. Many of these new developments are still in the construction or planning phase including Morrison and Charlotte Colony, furthermore Lennar is planning on developing a tract of land located behind SouthPark Towers into high density residential. The Morrison development which is under construction will include 261 luxury condominiums/townhomes and 293 apartments while the Charlotte Colony project has not announced the mix of housing, however, the development will include two high-rise towers. Drafting off of the success of Phillips Place, many of the aforementioned projects are designed as mixed-use developments with retail components similar to Piedmont Town Center. Piedmont Town Center's Piedmont Row, the retail and residential portion of the development, has sold all but three residential units indicating the extreme demand for residential components associated with mixed-use developments in SouthPark.

SouthPark's Employment Base

As previously stated, SouthPark is home to over 50 Fortune 500 firms and the headquarters location to Nucor, 342nd on the prestigious Fortune list. The primary makeup of SouthPark's economy is FIRE (Finance, Insurance and Real Estate) with strong services and retail trade components as well. Numerous insurance, financial services, banking and real estate companies operate within the community. This sector, often composed of sound credit, runs throughout SouthPark as the largest sector leasing office space in the submarket. As Charlotte's banks solidify their presence in the city, the overall Charlotte economy promises to suit financial services companies well. Given such a deep and diverse corporate underpinning, SouthPark should remain the beneficiary of consistent tenant demand well into the future.



PIEDMONT
TOWN CENTER

De
Frisco's

Target for Investment Capital

From an investment perspective, SouthPark typically receives the highest sales prices and the greatest competition among buyers for area investments. In all property sectors ranging from office to retail the highest price per square foot sales comparables are typically achieved in SouthPark. In the last three years alone, six office buildings sales, Morrocroft Centre (One, Two, and Three Morrocroft), Rotunda, the Roxborough Building, and Fairview Center traded between \$170 and \$260 per square foot while on the retail side, Morrocroft Shopping Center and the Specialty Shops on the Park traded for \$258 and \$374 per square foot respectively. Additionally, two free standing office and retail deals also traded during this time frame as the First Citizens Bank branch sold for \$759 per square foot and the Eckerd Drug Store at Barclay Downs and Fairview Road traded for \$405 per square foot. Although these sales represent a variety of property types they illustrate the strong investment appeal of the area. SouthPark simply has the strongest demographics and investment fundamentals of any other area within the City of Charlotte.

Highlights

In summary, Piedmont Town Center enjoys an irreplaceable location with many distinguishing characteristics.

- ◇ Centralized Access – 6.5 miles to downtown, 10 miles to the Charlotte International airport, and 5 miles to I-77
- ◇ Over 10 banks, 6 hotels, 5 shopping centers, and numerous restaurants within the area
- ◇ Located in close proximity to Myers Park, Quail Hollow, Raintree, and Carmel Country Clubs
- ◇ High barriers to entry – only one vacant site exists in the SouthPark submarket
- ◇ Approximately 200,000 people live within a five mile radius of Piedmont Town Center, over 32% of the city's population
- ◇ Average household incomes are \$89,094 and \$106,343 within a 5- and 3-mile radius, respectively
- ◇ Located at the center of the SouthPark office submarket, which contains 35 office buildings comprised of 3,837,007 square feet
- ◇ Nearby SouthPark Mall, considered to have the finest shopping between Washington, D.C. and Atlanta, GA



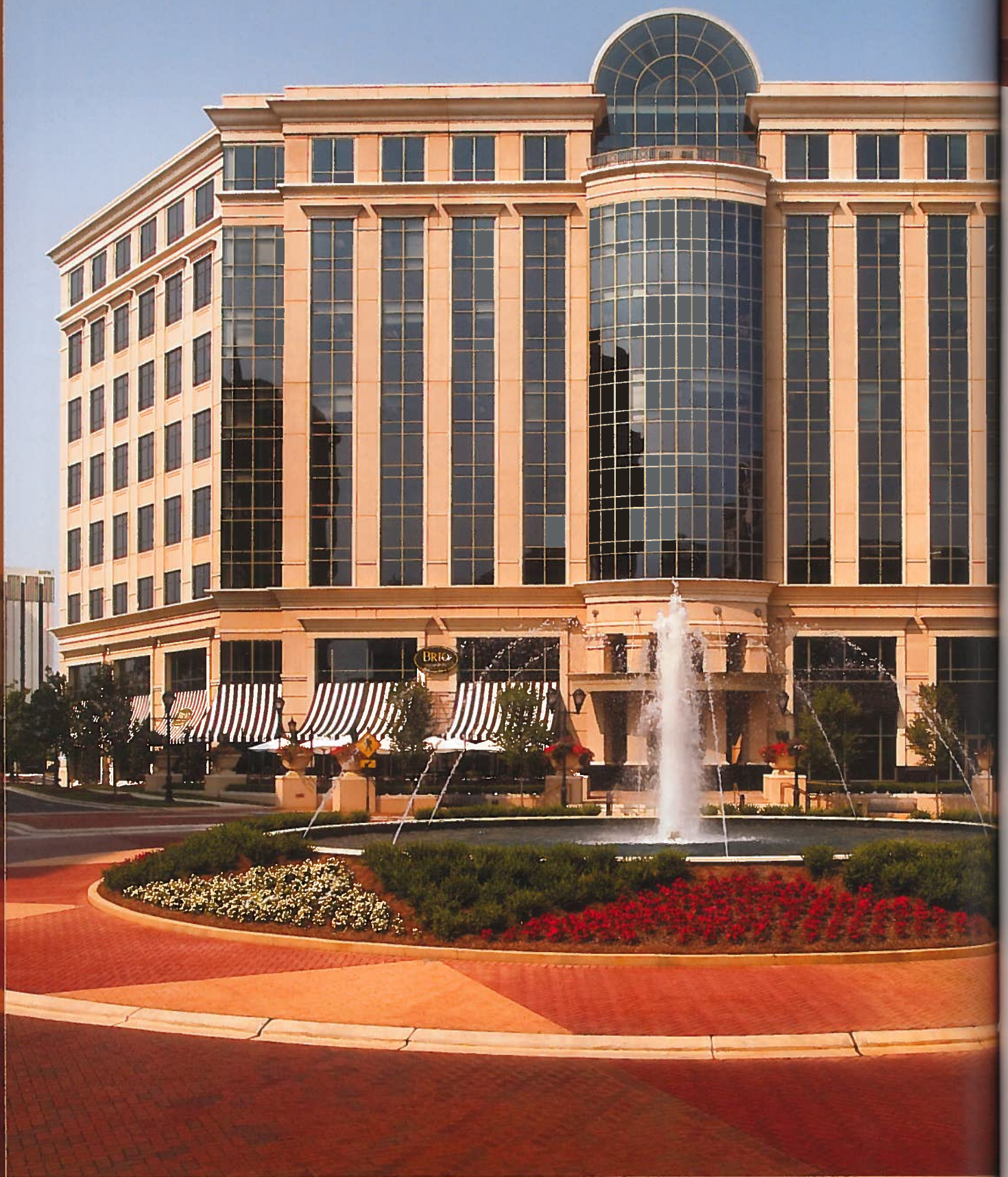
Charlotte and SouthPark Area Demographics

Through SouthPark's emergence as the preeminent Charlotte address, many Charlotte citizens have moved to the area. Over the years, as the number of households have grown in SouthPark, the area has solidified itself as the cornerstone to the overall Charlotte marketplace. SouthPark, referred to as Charlotte's Second City, has become an exclusive, self-supporting community composed with a demographic profile of primarily high income households. Considering that 32.6% of Charlotte's population resides within five miles of SouthPark, the five mile average income of \$89,094 is extraordinary. These citizens represent the leaders of the community and the decision makers of local, regional, and national firms. Within the three-mile radius of SouthPark, the average incomes are over \$106,343. These high incomes not only demonstrate the nature of the residents in the area, but they strongly support the submarket's office market along with the upper-end retail found throughout SouthPark.

Although SouthPark may witness a more competitive environment in the future as new submarkets grow, SouthPark will remain a compelling location as its deep amenity base will continue to cater to the dense and wealthy population base in the community.

SouthPark's remarkable demographics indicate that the submarket is not only resilient to emerging threats, but it also remains extremely attractive for residents and corporate tenants presently in other areas of the city. Piedmont Town Center's appeal within the center of the attractive SouthPark submarket, competitively positions the property to lure away tenants from neighboring submarkets and other SouthPark properties. Piedmont Town Center's draw to office users as a Class "A+" buildings in Class "A+" locations within the submarket enables tenants to locate near their residence in a community that serves the needs of their clients, their employees, and their overall corporate objectives.

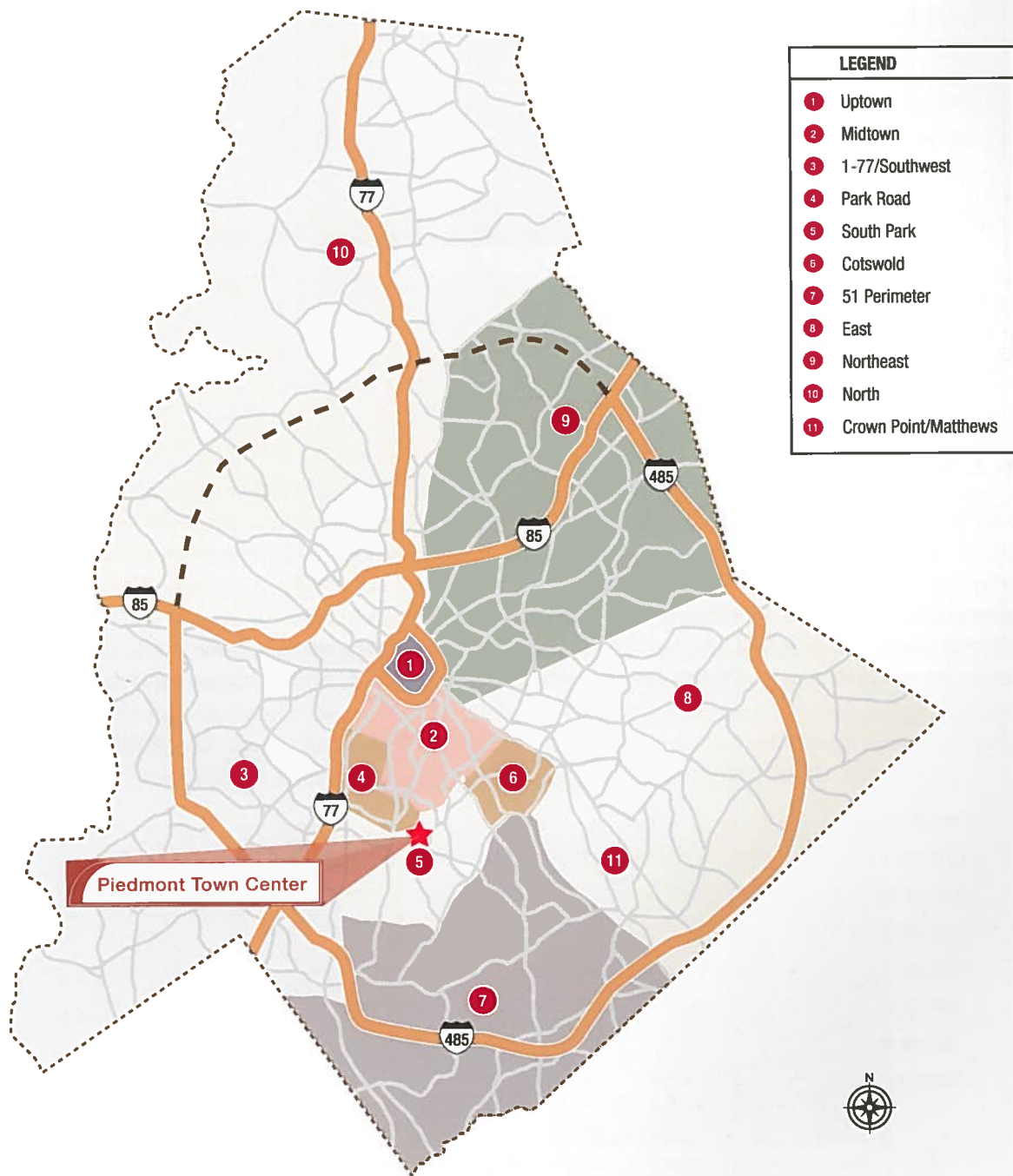
	Charlotte	Piedmont Town Center
Population	610,949	73,507 (3 Mile Radius) 199,494 (5 Mile Radius)
Average Household Size	2.41	2.14
Median Age (years)	34.32	39.26
Average Household Income (2007)	\$75,125	\$106,343 (3 Mile Radius) \$89,094 (5 Mile Radius)
Average Income Per Family (2007)	\$88,591	\$131,509 (3 Mile Radius) \$109,099 (5 Mile Radius)
Household Income Above \$100,000 by Percentage	20.3%	30.7%
2007 Marital Status	45.8% Single 54.2% Married	43.9% Single 56.1% Married
Top 3 Employment designations	16.6% Professional 15.4% Office Support 13.9% Sales	19.4% Professional 16.6% Sales 15.8% Management
Median Owner-Occupied Property Values	\$144,904	\$261,641 (3 Mile Radius)



Market Summary

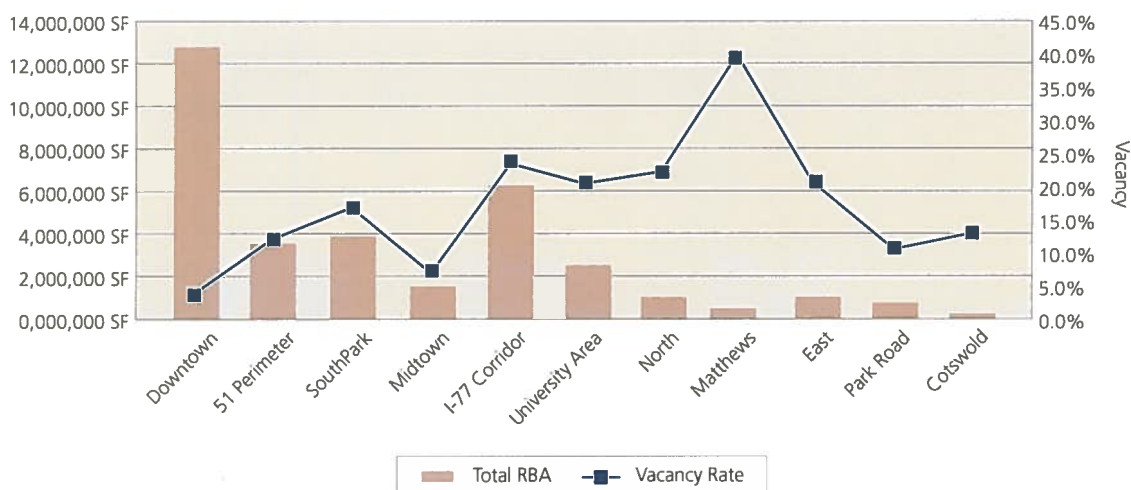
Charlotte Office Market Overview

The Charlotte office market totals 33,628,667 square feet of multi-tenant space. Adding in the single tenant buildings, the Charlotte market is over fifty million square feet in eleven submarkets. The largest submarket is Downtown with 12.7 million square feet of space followed by the I-77 Corridor, SouthPark, and the 51 Perimeter with 6.19, 3.83, and 3.29 million square feet respectively. The Charlotte multi-tenant market has grown considerably over the last several years. Since 1996 the office market has grown by approximately 70%. Throughout this period of incredible growth, office rents grew steadily as Charlotte recorded a 25% growth in average office rents from the first quarter of 1996 through the first quarter 2007. Average asking rents climbed \$4.04 per square foot from \$16.45 to \$20.49.



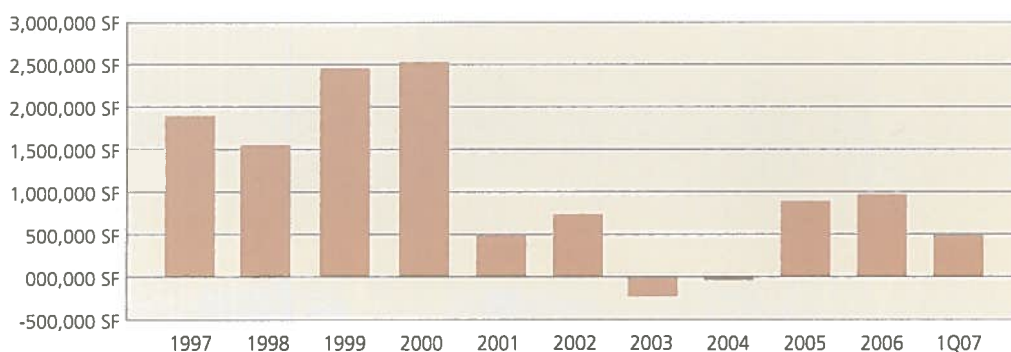
The Charlotte office market growth over the past ten years is directly correlated to steady job growth over this time period. In fact, the Charlotte economy has been the beneficiary of healthy job growth for almost two decades, climbing over 35% since 1986. The steady increase in jobs climaxed in 1999 when 37,910 new jobs were added to the economy. Between 2003 and 2005 job growth has accelerated again with 69,125 new jobs created representative of an increase in the labor force of 7.7%. This remarkable resurgence of sustained job growth will inevitably lead to increased office space absorption moving forward.

Charlotte Office Market Base Versus Vacancy



The steady job growth in the Charlotte economy has fueled significant office space absorption during the past decade as the overall office market absorbed over 11 million square feet. Although 2001 through 2003 brought a slower economy to many US markets, Charlotte continued to show positive absorption during this timeframe with the only significant negative absorption activity occurring in 2003, when 249,588 square feet were given back to the marketplace. The market began its recovery in 2004 as only 34,250 square feet of negative absorption occurred. Most of the negative absorption during this timeframe was limited to a few large tenant consolidations, and was not the result of a widespread contraction in market demand.

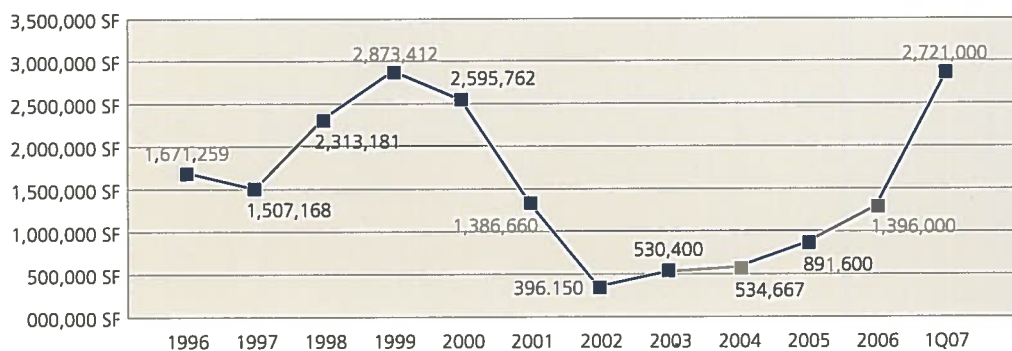
Charlotte Annual Absorption



The recovery in the market gained significant momentum in 2005 and 2006 as 894,623 and 1,118,553 square feet was absorbed representing a considerable improvement from the previous two years. Combined absorption for 2005 and 2006 totaled 2,013,176 square feet, approximately 6% of the office market. Furthermore the trend of aggressive leasing activity and ample positive absorption continued into the first quarter of 2007 as 484,885 square feet was absorbed market-wide. The availability rate (general vacancy plus sublease space) also fell 470 basis points to 13.2% during the past two years. As this activity continues throughout the remainder 2007 and into 2008, the market will continue to improve. With several quarters of positive absorption helping the availability rate to fall, the overall market vacancy rate has also dropped, falling 220 basis points in 2005, 41 basis points in 2006, and 158 basis points to its present level of 12.5% during the first quarter of 2007.

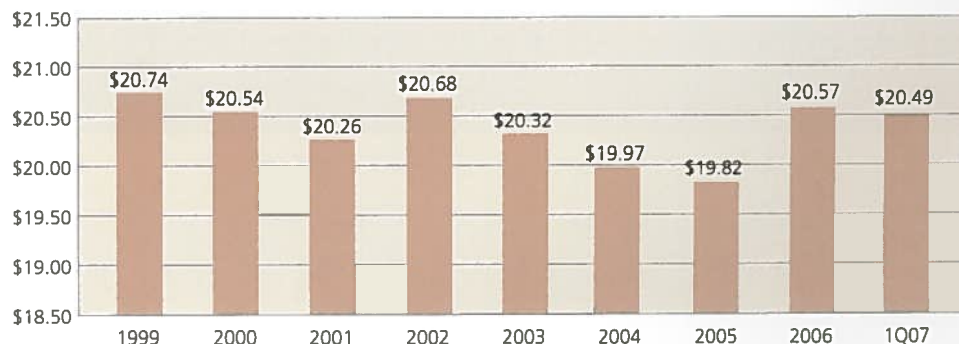
In the development market, 2,721,000 square feet are presently under construction. The bulk of this construction is located in two Downtown office towers which are not scheduled to deliver until 2009 and 2010. These two buildings are in reaction to the extremely tight Downtown market and will have little impact on suburban properties. The limited new suburban construction will play a favorable role in preventing the suburban office market from reaching a point of over supply. As the economy recovers, this dynamic will help vacancy rates to fall more rapidly.

New Construction in Charlotte Office Market (under construction)



From a rental rate standpoint, weakened demand prevented any sizable rent growth in the overall market between 2001 and 2005, however, throughout 2006 the rates began an upward trend. Furthermore, with rental rates at \$20.57 for year-end 2006 Charlotte market rents are within 17 cents of their "high water" mark of \$20.74 per square foot recorded at the end of the 1999. Nonetheless, as the economy continues to improve in 2007 and into 2008, and new construction is limited, rents will continue the trend upward which will gain momentum in 2007 and likely cause a rent spike throughout Charlotte in 2008 and 2009.

Average Charlotte Market Asking Lease Rates



Office Market Outlook

In 2007, the Charlotte office market will add approximately 196,000 square feet of new space, primarily in the I-77 Corridor and Cotswold submarkets. The amount of sublease space, which has contracted significantly since its peak in 2001, should continue to decline as market dynamics improve in 2007 and 2008. As the Charlotte economy continues to improve and new construction is limited, the availability rate (market vacancy plus sublease space) will continue to steadily fall.

By the end of 2007, the Charlotte sublease market should represent less than 0.5% of the overall market while the overall vacancy rate will fall to approximately 11.0%. These trends will continue in 2008 and 2009, returning the market to similar levels witnessed in 1999 and 2000.

As the overall market vacancy rate falls in 2007 and 2008, renewed upward pressure on rents will take hold, accelerating rent growth into 2009. In addition, the lagging construction market will be slow to match the renewed demand.



SouthPark Submarket Overview

SouthPark is Charlotte's premier office submarket. The 3,837,007 square foot submarket represents 11.4% of the overall Charlotte market base which places the submarket third in size behind Downtown and the I-77 Corridor. However, SouthPark is much more than simply an office destination. The community is home to many of Charlotte's finest neighborhoods and shopping areas. The dense population base, both in SouthPark and throughout south Charlotte, further enhances the attraction of a central office location in the submarket. Collectively, these variables have helped SouthPark to claim the title of Charlotte's "second city". The premier image of SouthPark within the overall Charlotte marketplace is particularly apparent at Piedmont Town Center as these "best in class" quality assets offer a SouthPark address in the immediate vicinity of the SouthPark mall, at the center of the submarket.

As indicated in the Area Overview section of this offering, SouthPark's attractive community setting has encouraged many financial services companies to office in the submarket making FIRE industries (Finance, Insurance, and Real Estate) the driving economic catalyst for the area. Multiple insurance companies, stock brokerage firms, real estate companies and banks have chosen SouthPark for their offices. Many of the over 50 Fortune 500 companies with a presence in SouthPark operate in the financial services industry.

SouthPark & Charlotte Vacancy Rates

Supported by its strong economy, SouthPark had the highest first quarter suburban office rental rate average at \$22.36 per square foot. The submarket is second only to downtown in average overall market rents as it routinely operates on low vacancy levels. At the end of the first quarter of 2007, SouthPark recorded a 17.6% vacancy rate. This vacancy rate is somewhat artificial as Piedmont Town Center, totaling 384,636, attracted many tenants from other SouthPark buildings upon completion. Although the vacancy in the submarket has experienced a small spike in 2006 and early 2007, the submarket is expected to return to historic occupancy levels quickly. According to CB Richard Ellis, the SouthPark sublease market inventory has fallen from its first quarter 2002 mark of 192,616 square feet to 57,555 square feet or 1.5% of the existing submarket base as of the first quarter of 2007.

SouthPark Office Market Trends

Class "A" & "B"	2000	2001	2002	2003	2004	2005	2006	1Q 2007
Space Under Construction	0	53,348	0	0	0	384,636	0	0
Annual Net Absorption	451,605	14,079	-14,137	8,147	-91,640	63,652	85,119	25,313
Vacant Space	243,195	229,116	422,491	414,175	506,912	443,260	698,335	675,313
Vacancy Rate	6.9%	6.5%	11.7%	11.8%	14.5%	12.0%	18.2%	17.6%

Major Employers Located In SouthPark

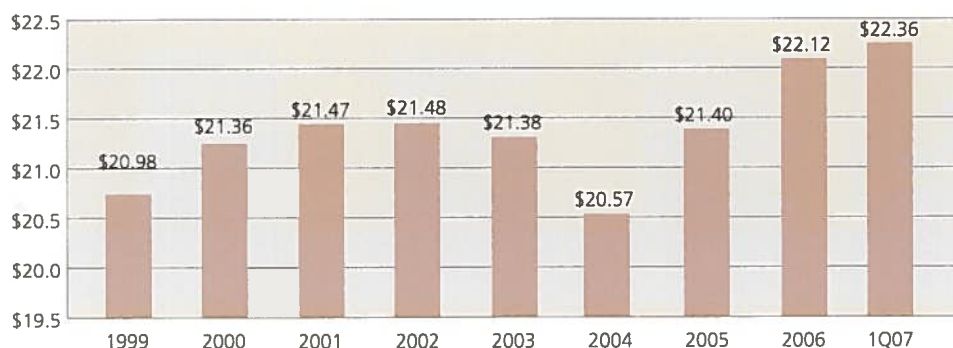
CitiFinancial
Coca-Cola Bottling
CoreSource, Inc.
DuPont
Information Architects
InServe Corporation
JA Jones, Inc.
Maersk Sealand
Merrill Lynch & Co., Inc.
National Gypsum
Nucor
Piedmont Natural Gas
Solomon Smith Barney

Source: CoStar

SouthPark Construction Market – High Barriers to Entry

Over the past five years, Piedmont Town Center was the only new office development in the SouthPark submarket constructed. In terms of other projects, there were no other buildings under construction as of the first quarter of 2007, and only one other prospective development is planned for the future. The other planned development is the 122,000 square foot Pinnacle Building, proposed by the Keith Corporation. This site represents one of the last remaining parcels available for office development in SouthPark. Nonetheless, with limited sites and rising construction costs, any new construction in the years to come will likely demand higher rents than Piedmont Town Center. The economic feasibility of these sites coupled with the overall low availability of vacant land continues to create significant challenges for investors and developers who wish to enter the SouthPark submarket. Importantly, these high barriers to entry promise to escalate rents and tighten vacancy rates well into the future.

SouthPark Average Asking Lease Rates



In summary, Piedmont Town Center's location is superior to the locations of each of the available sites within SouthPark. The Buildings will only benefit from future Class "A" development that must achieve rents above those found at the Property. In SouthPark, the escalating barriers to entry and strengthening community dynamics further solidify this submarket into the foreseeable future. The upward movement of market rents coupled with a healthier economy will drive asset prices up and capitalization rates down. The potential to acquire the "best in class" development within the city's most desirable suburban market offers a rare and appealing opportunity.





Office Lease Comps

1. SouthPark Towers



Size: 524,395 SF
 Rental Rate: \$24.00
 Occupancy: 83.7%
 Parking Ratio: 4.25/1,000
 Year Built: 1988, 1998

2. Morrocroft Centre



Size: 291,493 SF
 Rental Rate: \$24.00
 Occupancy: 96.7%
 Parking Ratio: 3.84/1,000
 Year Built: 1992, 1999, 2000

3. Rotunda



Size: 228,672 SF
 Rental Rate: \$25.00
 Occupancy: 93%
 Parking Ratio: 3.3/1,000
 Year Built: 1988

4. Siskey Building



Size: 70,839 SF
 Rental Rate: \$26.00
 Occupancy: 97.3%
 Parking Ratio: 3.5/1,000
 Year Built: 1999

5. Carnegie VIII



Size: 105,055 SF
 Rental Rate: \$23.00
 Occupancy: 88.5%
 Parking Ratio: 6.5/1,000
 Year Built: 1996

6. Carnegie X



Size: 96,956 SF
 Rental Rate: \$25.00
 Occupancy: 90.6%
 Parking Ratio: 3.6/1,000
 Year Built: 1999

7. 6101 Carnegie



Size: 106,240 SF
 Rental Rate: \$23.50
 Occupancy: 94.8%
 Parking Ratio: 4.0/1,000
 Year Built: 1986

Aerial of Office Lease Comparables



SouthPark Retail Market Overview

The SouthPark retail market has a number of core ingredients that have contributed to its success in attracting the premier retailers and restaurants in the country.

First and foremost, the primary trade area served by SouthPark retailers contains some of the finest and most affluent neighborhoods in the Carolinas including Myers Park, Eastover, Dilworth, Foxcroft, Quail Hollow, Piper Glen and Ballantyne. These neighborhoods contain an affluent, highly educated customer base with high levels of disposable income.

In addition to a strong residential base, SouthPark holds the distinction as the premier suburban office market in Charlotte containing some 3.7 million square feet of space with a daytime population estimated between 30,000 and 40,000. Business and leisure travelers are attracted to SouthPark's six hotels due to their convenient location, high level of service and unparalleled amenity base.

The combination of a high income residential base, first class suburban office environment and strong hospitality business have made SouthPark a coveted location for leading luxury goods retailers and fine dining restaurants.

SouthPark Mall

SouthPark Mall opened on February 12, 1970 with three department stores and one million square feet. Today, it is the largest shopping mall in the Carolinas with over 1.5 million square feet of space, five department stores and wide selection of luxury stores and restaurants. SouthPark Mall is widely recognized as the premier shopping destination between Atlanta and the Washington metropolitan area. Located about five miles south of Uptown, in its namesake neighborhood, the mall is at the corner of Sharon and Fairview Roads.

The area was considered the outskirts of Charlotte at the time it opened; people were skeptical about a big shopping mall in the middle of pastureland. The mall was developed by the Belk and Ivey families, owners of the eponymous department stores, who jointly owned and operated the mall. After the flagship Belk and Ivey's stores, Sears was the third anchor store to join the mall.

In 1988, a major expansion was completed that brought Thalheimer's and a new wing of stores. In 1990, Dillard bought out, and subsequently renamed, Ivey's department stores, and in 1992 Thalheimer's was converted to Hecht's as a result of May Company's buyout. After this, Belk, Dillard's, Hecht's and Sears were the mall's "anchor" stores.

In the late 1990s, SouthPark accelerated its transformation when it was then announced that Saks Fifth Avenue and Nordstrom would join the mall in its biggest expansion yet. Soon after, the Belk and Ivey families sold their interests in the property to Rodamco, who then sold the mall to Simon Property Group. Saks did not materialize, but Nordstrom opened their doors in 2004. In late 2005, Simon Property Group announced that Neiman Marcus would be the tenant in the final available anchor spot, along with another wing of boutiques to be constructed as part of a \$100 million addition. The ultra-luxury department store opened in late 2006. Specialty retailers who followed Nordstrom and Neiman's included Tiffany, Louis Vuitton, Burberry, Kate Spade, Hermes and Ralph Lauren.

Peripheral development at SouthPark over the last few years has brought major change as well. Dick's Sporting Goods replaced Sears with a free standing store and Crate & Barrel located in a 37,000 square foot two story



building fronting Sharon Road. Morton's Steakhouse and McCormick & Schmick's rounded out the restaurant offerings by joining Cheesecake Factory and Maggiano's. On the grounds of the mall an outdoor stage called Symphony Park has been built. Here, during the summer months, the Charlotte Symphony Orchestra stages its annual "Pops in the Park" free concert series.

The Village at SouthPark

Adjacent to SouthPark Mall, The Village at SouthPark is comprised of a mid-rise building with street-level retail shops and 150 residential units. The project creates an additional 48,000 square feet of specialty retail space adjacent to Crate & Barrel store. The Residence at SouthPark includes one, two and three bedroom units with the feel and finish of a luxury home, and services and amenities equivalent to those of a luxury hotel.

The project is part of a growing residential trend in SouthPark of combining higher-density quasi-urban luxury living with close proximity to retail establishments and restaurants. Rental units at The Residence at SouthPark range from \$1,700 for a one bedroom unit to \$6,099 for a three bedroom penthouse. Partners in the project include Simon, The Hanover Company and Met Life.

Specialty Shops on the Park

Specialty Shops on the Park is home to many of Charlotte's finest and most exclusive retailers such as Williams-Sonoma, Harold's, Pendleton Woolen Mills and Talbots. Adjacent to The Marriott and across the street from SouthPark Mall, Specialty Shops benefits from the concentration of the corporate, hospitality and residential real estate components of SouthPark. Additional tenants include Harold's and Charles Grayson SpaSalon and restaurants Frank Manzetti's and BrickTop's.

Morrison Place

Located on the corner of Sharon and Colony Roads, Morrison Place is one of the newest mixed-use projects in SouthPark. 127,500 square feet of retail is being combined with 500 luxury apartments, lofts, condominiums and town homes on the 24 acre site. Tenant commitments for the \$250 million project include a two-story 28,500 square foot Barnes & Noble, organic grocer Earth Fare, Stickley Furniture and unique gift and paper store Swoozies.

Morrocroft Village

Morrocroft Village is a 119,000 square foot upscale community center which is home to Harris Teeter, Borders Books and Music, Jos. A. Bank Clothier and some of Charlotte's finest boutiques. Harris Teeter is Charlotte's leading upscale grocer and Morrocroft serves as the flagship location for the chain which operates a 62,911 square foot 24-hour store with a full time wine consultant, sushi bar, full service pharmacy and an extensive assortment of ready to eat prepared meals.

**Sharon Corners**

Originally constructed on the outskirts of Charlotte in 1961, Sharon Corners is the oldest commercial property in SouthPark. Built a decade before SouthPark Mall, Sharon Corners was a typical neighborhood center with a small grocer, drugstore and public library. Nine years later, the mall opened across Sharon Road

Sharon Corners operated as a neighborhood center for more than 30 years until a radical \$7 million transformation in 1993. The center was redesigned into a 2-story "L" shape configuration with a covered pedestrian promenade. Architectural elements were added including white-columned exteriors, steep gables, dormer and tower features, and copper cupolas atop slate roofs.

The eclectic tenant mix at Sharon Corners includes well know restaurants Harper's and The Original Pancake House as well as destination merchants Jesse Brown's Outdoors and Men's Wearhouse.



Phillips Place

Phillips Place is a pedestrian-friendly 35 acre mixed-use development which includes 130,000 square feet of specialty retail, restaurants and cinema with a 124-room suites hotel and 402 multi-family housing units. This innovative mixed-use development combines specialty retail with residential units, 48 of which are over the retail, and a hotel, all of which are organized around a "main street".

Key retailers at Phillips Place include P.F. Chang's China Bistro, The Palm, Phillips Place Cinemas, Dean & DeLuca, Restoration Hardware, Smith & Hawken and Upstream Seafood Restaurant.

Charlotte Colony

Across from Morrison, Charlotte Colony is being planned by Schlosser Development and First Landmark USA as a destination for shopping, eating and living. The tract, a 24-acre site which is presently occupied by a low density 350 unit apartment complex, will include Charlotte's first Whole Foods as well as ground level retail. The area will also house a large number of dwellings giving the project an urban, village-like feel.

South Fair Plaza

Another mixed-use redevelopment dubbed South Fair Plaza is in the initial stages of development and furthers the vision of SouthPark's emergence as a quasi-urban village with residential development complementing shops and offices.

LNR Property Corp. has recently disclosed plans for a proposed development of condos, apartments, stores, restaurants and hotel rooms on 10.5 acres behind SouthPark Towers in the 6000 and 6100 blocks of Fairview Road.

Its master plan calls for up to 185,000 square feet of retail, a 150 room boutique hotel and 685 dwellings, including 14 stories above shops in each of two condo towers and five stories above retail in each of two condo midrises. Condo residents would have access to concierge services provided by the hotel.

As part of the project, the developers would demolish a single-story, 65,000-square-foot building that housed Eastern Airlines reservation center from the early 1960s until the late 1980s. Initial estimates on total project costs are over \$200 million.

Retail Lease Comps

1. SouthPark Mall



Size:	1,576,000 SF
Rental Rate:	\$40 - \$100
Occupancy:	100%
Anchors:	Nordstrom, Neiman Marcus, Belk, Dillard, Macy's, Dick's Sporting Goods, Crate & Barrel
Year Built:	1970 & Renovated in 2006

2. Morrocroft Village



Size:	119,192 SF
Rental Rate:	\$35.00
Occupancy:	97.5%
Anchors:	Harris Teeter, Borders Books
Year Built:	1992

3. Specialty Shops on the Park



Size:	63,149 SF
Rental Rate:	\$37.00 - \$39.00
Occupancy:	94.9%
Anchors:	Talbots, Williams Sonoma, Harold's
Year Built:	1979 & Renovated in 1990

4. Phillips Place



Size:	130,059 SF
Rental Rate:	\$35.00
Occupancy:	98.6%
Anchors:	The Palm, PF Chang's, Restoration Hardware, Phillips Place Cinemas
Year Built:	1997

5. Morrison Place



Size:	127,500 SF
Rental Rate:	\$36.00 - \$40.00
Occupancy:	84%
Anchors:	Barnes & Noble, Earth Fare, Stickley Furniture
Year Built:	2007

6. Sharon Corners



Size:	88,022 SF
Rental Rate:	\$29.00 - \$32.00
Occupancy:	92.9%
Anchors:	Harper's, Destination Maternity, Original Pancake House
Year Built:	1962 & Renovated in 1993

7. The Village at SouthPark



Size:	48,000 SF
Rental Rate:	\$40
Occupancy:	100%
Anchors:	Paul Simon
Year Built:	2007

Aerial of Retail Lease Comparables





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