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PPM-Global State of the Business 2009

A Year-End Look at the Activities of Portfolio Property Management Global, LLC

Growing in a Watershed Year

No doubt that the year 2008, Portfolio Property Management Global, LLC's (PPM-Global's) third full year of operations, was truly a tipping point. As we settled into our global corporate headquarters in Boca Raton, Florida, both our world of responsibilities and our professional expertise quickly spread throughout the country.

Perhaps the most surprising news is that in one of the worst real estate markets in 50 years we are flourishing as a team and systematically expanding the scope and services of our company.

We began this company with a simple premise: in the service business, real accomplishment should be measured by what you've actually done for your clients. In that regard, we spent the most time and effort over the past 12 long months helping clients deal with both the problems and the opportunities of a downturn.

As a result, we've expanded our portfolio of management assignments, and added several key professionals to our ranks. We've expanded our service lines to include several new business expansion initiatives that are focused on specific problem-solving objectives, like helping banks and financial institutions better manage their real estate owned (REO) portfolios.

PPM-Global also made significant progress in our mission to create internal capability programs to improve the sustainability and energy efficiency of our client properties, and enhance a recruitment effort that centers on providing a true career path for our management level specialists.

Marsha L. Bass, President, PPM-Global, LLC

PPM-Global's Management Portfolio Saw Several Significant Regional Gains and Leasing Wins

The most significant expansion of the PPM-Global portfolio came in the last twelve months with our management takeover of more than one million square feet in Raleigh and Cary, North Carolina. PPM-Global assumed full responsibility for:

- Crossroads Corporate Park, located in Cary, NC, is a Class "A" mid-rise suburban office park consisting of four buildings on 133 acres totaling 390,542 square feet. The buildings were constructed between 1991 and 1997 and are currently 91 percent leased. Major tenants collectively occupying almost half of the square footage available for lease include Connexion Technologies, Jacobs Engineering, Texas Instruments, Wake County Board of Education, and North Carolina Joint Underwriting Association. The property, which includes six additional development sites totaling 20.44 acres, is located within Research Triangle Park at the intersection of I-40, I-440 and U.S. 1, just minutes from downtown Raleigh and Raleigh-Durham International Airport.

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- Venture Center, a 475,000 square foot Class “A” five-building office portfolio on the 1,130-acre Centennial Campus of North Carolina State University was constructed between 1999 and 2003. Situated just 14 miles from Raleigh-Durham Airport within North Carolina’s world-famous “Research Triangle” area between the cities of Raleigh, Durham and Chapel Hill, the property is 95.2 percent leased and tenants include McKim & Creed, GlaxoSmithKline, Erimos Pharmaceuticals, the State of North Carolina, Red Hat, ABB, Inc., and the U.S. Department of Agriculture.
- BGK Group has engaged PPM-Global, LLC to manage three assets in North Carolina, including **One Harrison Park**, a 55,855 square foot office complex located at 401 Harrison Oaks Blvd. in Cary. Two other properties in Durham, NC were also included in the assignment: the **Headquarters Park**, a 146,658 square foot office building located at 2222 & 2224 E. Highway NC 54, and the **Meridian Building**, 104,179 square feet on four floors at 2530 Meridian Parkway. BGK Group is headquartered in Santa Fe, New Mexico and has a geographically diversified portfolio of more than 200 properties including office, industrial, retail and multi-family.

Six Months in the Trenches: PPM-Global’s EVP of Business Development David Oddo Is as Determined as Ever to Succeed

In the fall of 2008, David Oddo took over the business development responsibility for PPM-Global. Our new Executive Vice President not only brought a great deal of enthusiasm to the challenge, but also a deep wealth of experience in third party property management and landlord representation. “Bottom Line: It has been a good fit,” remarked PPM-Global President Marsha Bass. Recently, David had a few moments to reflect on his decision to join PPM-Global in an interview with Gallen.Neilly Associates:

- **Interviewer:** David, six months is obviously a short time to judge, but has your six months with PPM-Global been an extraordinary six months? Do you think this market has helped or hindered your efforts to generate new business for PPM-Global?
- **Oddo:** Not surprisingly, property owners and landlords in a softening market turn their focus and attention to improving their on-site operations. Tenant retention and cost controls once again are a central theme in the ownership’s strategy. PPM-Global specializes in these areas. Primary attention is paid to assure superior tenant services and while providing cost-saving measures and plans to help weather the economic storm. The timing for PPM-Global to grow as a management specialist could not be better. Landlords are ready for a different approach and our unique and innovative model is just what we believe real estate owners of all types are looking for.
- **Interviewer:** You are trying to expand PPM-Global’s national presence; but how do you do that in an economic downturn? Is it back to basics, or batten down the hatches?
- **Oddo:** In economically tough times, landlords must attack operational issues with extreme, but calculated urgency. The fundamentals of real estate management do not change in challenging times. The priority in which issues are addressed does need to be studied and plans executed in order to be in a position to lead in the recovery when it happens. Given the deteriorating market conditions, PPM-Global’s depth and breadth of operational expertise will provide creative cost-saving ideas that will attract and perhaps, more importantly, retain clients.
- **Interviewer:** David, you are the kind of person that does his homework, and we suspect you did your homework on PPM-Global company before deciding to join it. How would you grade us at this point?
- **Oddo:** PPM-Global is a very unique organization. Its leadership is forward thinking, nimble, hungry and smart. By virtue of our unique business model: Property First and Ownership Advocacy, PPM-Global is unparalleled in the industry today. As a pure third party property manager, no other firms do quite what we do and no one does it with our focused attention to client/customer service excellence. The future success of this firm is limitless. Our focused attention to operational details while providing superior customer service by a group of seasoned professionals driven for success is an unbeatable formula in the industry.
- **Interviewer:** One of your strengths as a team of professionals is that your property managers take charge like on-site, hands-on asset managers, looking out for their investors. Is this sort of a different approach?

- **Oddo:** As I mentioned, Ownership Advocacy is the cornerstone of our business model. We are not distracted or conflicted by being a brokerage/leasing company who also happens to perform property management services. We are dedicated third party property management specialists. Our model enables us to become an “extension” of the Ownership/Asset Management office. By employing an asset management mindset, our clients benefit by having a true on-site partner charged with executing the property plan and providing a trusted set of eyes and ears at the property level.

New Additions to PPM-Global’s Executive Talent Pool Continue to Raise the Bar Nationally

- Crossroads Corporate Park -- PPM-Global’s Crossroads management team is now in place on-site in Cary, NC. Under the direction of Property Manager Analisa Bellamy, the team includes Tenant Services Coordinator and Office Manager, Amani Abdul, and engineers Michael Jamieson and Shawn Winterberger.

Prior to joining PPM-Global, Ms. Bellamy worked as the Property Manager for Plaza Associates Inc., where she was responsible for the operational functions of a portfolio of properties including retail community centers, office, and warehouse/flex space. She managed over 800,000 square feet spanning between North Carolina and West Virginia. At Plaza Associates, Ms. Bellamy was also responsible for the leasing of office and warehouse/flex space. She is a licensed North Carolina Real Estate Broker and CPM candidate and a member of Triangle CREW. Additionally, Ms. Bellamy is a member of the first graduating class of PPM-Global’s new advanced training studies institute, the only formal training program of its kind in the industry.

- Venture Center -- Beth Preston heads the PPM-Global management team at Venture Center in Raleigh, NC. She is joined by Tenant Services Coordinator and Office Manager, Virginia Rodriguez, Chief Engineer Daniel McGraw and Engineer Travis Andrews.

Prior to joining PPM-Global, Ms. Preston was a Property Manager with America’s Capital Partners where she was responsible for 800,000 square feet of Class A office space in Research Triangle Park. Prior to managing Class “A” office space, Ms. Preston was a Property Manager at Colliers Pinkard in Raleigh, NC where she was responsible for the management of a 1.5 million square foot portfolio of office and industrial product. Ms. Preston is a member of the Triangle CREW Chapter and she is also a member of the second graduating class of PPM-Global’s new advanced training studies institute, the only formal training program of its kind in the industry.

- York Andrus joined the firm as a Senior Property Manager. He will manage PPM-Global's properties in California and Nevada and will be based out of the firm's office in Las Vegas. Mr. Andrus is responsible for the day-to-day management of PPM-Global's 693,000 square foot West Coast portfolio of Class “A” office, retail, and industrial properties. This includes a 286,674 square foot retail shopping center located in Dublin, Calif., the 204,277 Vista Industrial Center in Vista, Calif., and the 223,890 square foot flex office/light industrial center, Patrick Commerce Center, located in Las Vegas. Prior to joining PPM-Global, Mr. Andrus spent five years at Signa Realty Group as a property manager and property accounting manager focusing on grocery-anchored retail shopping centers, industrial and office locations in Las Vegas. Mr. Andrus is a 25-year resident of Nevada and a graduate of the University of Nevada, Las Vegas with a major in Finance of Real Estate, and a minor in Management. He completed his MBA from the University of Phoenix and is a veteran of the United States Army and Nevada National Guard.
- Chelsea FitzPatrick has been promoted to the position of Property Manager and has relocated from Detroit to Charlotte, N.C. Ms. FitzPatrick has assumed property management responsibilities at PPM-Global's 200, 201 and 237 South Tryon Office Buildings in Charlotte, as well as Colonnades West Shopping Center in Glen Allen, VA. Her responsibilities include day-to-day oversight of building operational and construction projects, coordinating collection activities, and managing tenant and community relations. Prior to joining PPM-Global, Ms. FitzPatrick served as Asset Manager for Detroit-based MayfieldGentry Realty Advisors, LLC, where she managed over 600,000 square feet of office, retail and industrial facilities. She is currently completing her BS degree in Economics at University of North Carolina.
- Ashley Atwater has joined PPM-Global’s REO Group. Ms. Atwater is responsible for business development of Portfolio Property Management Global, LLC’s, REO Group (PPM REO). Ms. Atwater has three years of experience in the commercial real estate industry, with specific roles in commercial brokerage, and third party property management. Prior to

joining PPM-Global, Ms. Atwater was a commercial real estate broker with Grubb & Ellis, specializing in both tenant and landlord representation for office properties. Ms. Atwater also worked in property management with a Cushman & Wakefield Alliance Partner where she managed office, industrial, and medical office properties. Ms. Atwater holds a BA degree from University of Michigan where she majored in Spanish. She holds a real estate license from the State of Michigan and is a member of the South Eastern Chapter of CREW.

Opportunity Knocks: PPM-Global's Focus on Bank-Owned REO

One of the key realizations in the market of late is that as loan problems spread to the commercial sector, banks and asset management companies increasingly require an outsourced partner to manage their foreclosed properties.

As a result, PPM-Global, LLC has formed PPM-REO, a group within the company dedicated to providing specialized property management services to banks and other lenders with distressed, foreclosed and Real Estate Owned property. The service is especially geared to the needs of local and regional banks as well as national lenders with properties in real estate markets in the Southeast, Mid Atlantic and Midwest, as well as in California, Arizona and Nevada.

By expanding its expertise and adding new human capital, PPM-Global, LLC provides specialized property management services to banks, lenders, and special servicers with distressed, foreclosed, or REO properties. This approach requires a full range of value preservation options, an analysis of potential risks and liabilities and recommendations on a plan of action appropriate to any given situation.

PPM-REO employs a full complement of property level due diligence and analysis, including expert engineering and financial assessments, to help institutions deal with commercial properties that come back to them, mainly through foreclosure. Many times lenders have to take physical possession of a distressed property, which usually has deferred maintenance issues and may also be losing tenants and value.

PPM-REO is well positioned and staffed to work with institutions facing one off problems in local markets and with a need to "quickly stop the bleeding of value from foreclosed properties and help bring back the asset value as close to the original loan exposure before the property is put up for sale." With the recent addition of Ashley Atwater to our business development team, PPM-Global REO is reviewing opportunities all over the country.

REO services is based on principles the firm employs in its own management portfolio which has grown quickly over the last four years to encompass 19 major properties totaling over 5 million square feet in markets including Arizona, California, Florida, Michigan, Nevada, North Carolina and Virginia. The portfolio includes retail, industrial, office and multi-family assets.

While many of the nation's largest service providers are strictly focused on larger institutions, PPM-Global decided to also approach smaller market players. The consensus thinking was is that for many of these lenders, the federal bailout program, even as originally conceived, was probably not going to filter down. Banks need to deal with their own real estate-owned problems, especially while values are still within reach of outstanding loan balances. The reasoning? Banks and lending institutions will one day have to explain to their shareholders what they did to handle this crisis. The PPM-Global team thinks they can help because many banks are underserved with the specialized capabilities necessary to make a difference. They may also require localized options to bring specialized techniques to return properties to good health.

The Toby Went To...PPM-Global, LLC

Three properties managed by Portfolio Property Management Global, LLC have received prestigious *The Office Building of the Year (TOBY) Awards* from the local chapters of the Building and Office Managers Association. (BOMA)

- One Detroit Center was awarded **Office Building of the Year** in the "500,000 to 1 million square foot category." PPM-Global's Danny Appiah and Danielle Parker manage the building.
- Grand Park Centre also received its award as **Office Building of the Year** in the "Renovated Building category." Danny Appiah manages the building.

- Crossroads Corporate Park was awarded **Office Building of the Year** in the “Suburban Office Park Low-Rise category.” Analisa Bellamy manages the building.

Commenting on the triple award, Marsha Bass, President of PPM-Global, said: "This is a great honor and we thank BOMA for their consideration as well as the owners of these buildings for entrusting these fine assets to our team. Our aim is to be best in class at what we do and recognition by the leading international trade organization in our field is tremendous. We aim to deliver even better service to our tenants and ownership in the years ahead." The TOBY Awards recognize quality in office buildings and excellence in office building management. All the awarded buildings will now contend for regional TOBY awards in their respective regions.

PPM-Global: At A Glance

Established in April 2005, PPM-Global has since become the largest African-American owned commercial real estate property management firm in the country.

The firm is headquartered in Boca Raton, Florida and provides services nationally through a network of offices in Michigan, Nevada, and North Carolina. The firm currently employs thirty-six full-time employees with extensive experience in property management, financial management, project management, engineering, construction, marketing, and real estate law.

Under the guidance of an executive management team headed by PPM-Global President Marsha L. Bass, the firm manages a national portfolio of assets including office, retail, multi-family, and light industrial properties and has seen exponential growth during its first four years of operations. Today, PPM-Global’s management portfolio spans more than 5 million square feet from coast to coast.

PPM-Global has evolved into a management specialist focused on the asset enhancement and ownership advocacy of commercial property. Since PPM-Global does not provide brokerage services, it does approach the responsibilities of comprehensive property management services with a business model based on property first.

This approach calls for PPM-Global to be an extension of the “ownership’s office” which empowers the manager to retain the flexibility to select the best brokerage team for the leasing and marketing of their assets while maintaining a stabilized operational management team. As a result, the team is poised to quickly and efficiently engage its highly skilled and experienced staff to preserve and/or enhance value. PPM-Global’s primary objective is to remain aligned first and foremost with the client’s operational objectives, and a specific focus on operating expense reduction and controls.

Empowered with the client’s financial return expectations, PPM-Global employs a “hands-on” approach to management assignments, paying close attention to the operating details, and deployment of local and national relationships with service providers. PPM-Global has also designed creative and effective management programs that provide tangible results to improve property maintenance, operations, cost controls and customer satisfaction. Management operates with a team approach; however, the PPM-Global property Manager will be the single point of contact to oversee day-to-day operational issues. This same manager also interacts with the leasing team to assist in the accomplishment of the property’s goals. PPM-Global’s Value Added Service Program is designed to enhance the value of the property by providing quality operations and customer service, all of which will translate into higher tenant retention and the maximization of net operating income.