



Madison at Northwoods, Middletown, CT

BPG Buys Its First Multi-Family Properties in Connecticut

In September 2008, BPG Properties, Ltd (BPG), one of the nation's leading private equity real estate fund managers, completed the first phase of a three property multi-family portfolio acquisition from a publicly traded REIT. The first phase of the transaction includes the acquisition of two Class B+ multi-family communities, totaling 650 apartment units, in Connecticut. The communities will be managed by BPG's multi-family operating arm, Madison Apartment Group, L.P. (Madison). The purchase was made on behalf of BPG Investment Partnership VIII & VIIIA, L.P., a fully discretionary private equity fund with total equity commitments of \$850 million. Later this fall, BPG will acquire a third community located in the Mid Atlantic

region, representing the second phase of the acquisition.

"The acquisition of Northwoods and Chestnut Hill provided us with the opportunity to expand our multi-family portfolio into the New England region of the United States," commented Steve Pogarsky, vice president of BPG who along with Greg Curci, acquisition manager, was responsible for the acquisition. "This transaction represents our firm's first multi-family acquisition in Connecticut."

Northwoods, a 336 unit community, and Chestnut Hill, a 314 unit community, are situated across from each other on West Lake Drive in Middletown, Middlesex

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BPG Acquires Office Building in Scottsdale, Arizona

In August 2008, BPG acquired Scottsdale Financial Center I, a 104,949 square foot office building, located in Scottsdale, AZ for \$19,000,000. The property is 75% leased. The purchase was made on behalf of BPG Investment Partnership VIII & VIIIA, L.P.

"The acquisition of Scottsdale Financial Center I provided us with the opportunity to acquire a well designed office building in the highly desirable Scottsdale submarket of Phoenix", said Andrew J. White, senior vice president of BPG and head of its Los Angeles Regional Office who oversaw the transaction with Gardner Ellner, associate in the firm. "We plan to implement a multi-million dollar improvement program to upgrade the property to a level commensurate with its Class A location."

Situated at the corner of Scottsdale and Indian School Roads, Scottsdale Financial Center I is within walking distance to restaurants, retail, housing and hotels of Old Town Scottsdale while being only a few

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Mesa Financial Plaza Garner's Renovated Building of the Year Award



Mesa Financial Plaza, Mesa, AZ

Mesa Financial Plaza has been recognized as the 2008 Renovated Building of the Year in Phoenix, AZ, by the Building Owners and Managers Association (BOMA). The honor otherwise known as the TOBY Award was created by BOMA International in 1985 to salute excellence in the office building industry.

The TOBY Award remains the most prestigious and comprehensive program of its kind in commercial real estate, recognizing quality in office buildings and awarding excellence in office building management. All facets of the building's operations are thoroughly evaluated including community involvement and site management to environmental and "green" policies and procedures.

"We are extremely pleased that Mesa Financial Plaza has been honored with the TOBY award," said Jonathan Praw, asset manager for BPG who was responsible for overseeing the renovation. "We believe this recognition is reflective of BPG's commitment to the property and the professionalism and dedication of

our property management team, CB Richard Ellis, in serving the tenants at the building."

BPG purchased the 16-story, 309,983 square foot property in July 2007 on behalf of Fund VIII. Since then, BPG has undertaken extensive capital improvements including chiller replacement, upgrades to the energy management system controls, new security/building access system, main lobby and full floor renovations and restroom upgrades.

Financial Plaza is the only Class A high rise in Phoenix's Southeast Valley, offering landmark visibility and expansive views of the entire metropolitan area. The building provides professional office space and a two-story atrium lobby with high quality finishes, along with conference facilities, a combination of both surface and structured parking and on-site security personnel. The building is close to many restaurants and retail centers and is also conveniently located across from the Fiesta Mall, which is currently being renovated. ■

CONNECTICUT ACQUISITION

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County, Connecticut. The communities are located in the North Middlesex submarket and benefit from their proximity to both Hartford and New Haven via Interstate 91.

"We will immediately begin a multi-million dollar improvement program to upgrade the physical condition of both the buildings and site," commented Greg Curci of BPG. "The program will address the roofs, facades, parking lots and site landscaping."

Despite a difficult credit market, BPG secured fixed rate financing for this multi-family portfolio through Fannie Mae. ■



Madison at Chestnut Hill, Middletown, CT

Third Quarter Acquisitions



MADISON AT CHESTNUT HILL
Middletown, CT
Multi-Family
314 Units
*Seller represented by Steve Witten
and Victor Nolletti of Marcus &
Millichap*



MADISON AT NORTHWOODS
Middletown, CT
Multi-Family
336 Units
*Seller represented by Steve Witten
and Victor Nolletti of Marcus &
Millichap*



**SCOTTSDALE FINANCIAL
CENTER**
Scottsdale, AZ
Office
104,949 SF
*Seller represented by Jim Fijan and
Jerry Roberts of CB Richard Ellis*

Third Quarter Dispositions



CARRIAGE PLACE
Atlanta, GA
Multi-Family
228 Units
*Seller represented by Keith Geiger
of CB Richard Ellis*

DOGWOOD GARDENS RENOVATION CONTINUED FROM PAGE 5

interrupt the linear appearance of the buildings. The windows and sliding doors were replaced with new LEED® rated insulated glass while the balcony and patio lighting was changed to new energy efficient lighting fixtures.

The renovation program also included extensive interior improvements to the common areas of the eight buildings. Each building received new ceramic tile flooring in the foyer entrances along with new carpeting, painting and new upgraded lighting throughout and new railings and handrails on the second floors. The doors to each apartment unit were also upgraded and replaced. Complete kitchen and bath renovations are being test marketed.

The Apartment Association of Greater Philadelphia's Best of Apartment Living recognized the community in September 2008 with two awards for Leasing Excellence and Curb Appeal, confirming that the renovations and the Madison management are a success. ■



Dogwood Gardens, East Norriton, PA - After Renovations



Dogwood Gardens, East Norriton, PA - After Renovations

Leasing Activity

Despite the current difficult economic climate, commercial leasing in BPG's more than 20 million square foot portfolio remained steady this quarter. 941,941 square feet of leasing was completed in 103 transactions throughout the firm's portfolio of industrial, office and retail properties. During the quarter, 372,889 square feet was leased to new tenants, while 569,052 square feet was leased to renewing and/or expanding existing tenants. These figures exclude the 220,000 square foot lease which BPG completed early in July at its Commonwealth Centre development in Chantilly, Virginia because it had been included in the prior quarter's activity. See the table on the right for a listing of the leasing agents and firm's that helped us complete these transactions. ■

BPG WOULD LIKE TO THANK THE FOLLOWING BROKERS AND THEIR FIRMS FOR HELPING US LEASE 941,941 SQUARE FEET IN THE 3RD QUARTER OF 2008:

Advocate (IL)	Mike Webber
Aegis Property Group (PA)	Jim Kinzig
Blake Commercial Realty (MD)	Bill Gordon
Bradford Allen Realty Services (IL)	Jeff Bernstein
CB Richard Ellis (AZ)	Jerry Noble, Pat Devine, Greg Mayer, Nate Goldfarb
CB Richard Ellis (FL)	Joe Ayers, Ashley Way
CB Richard Ellis (GA)	Tom Miller, Alex Cobble, Justin Cimino
CB Richard Ellis (IL)	Mark Smith
CB Richard Ellis (MA)	Andy Majewski, Matt Siciliano, Rob Walles
CB Richard Ellis (MD)	Jon Hamburger
CB Richard Ellis (PA)	Dan Dagit
CB Richard Ellis (VA)	Mike Pepper, Jeff Roman
Chicagoland Commercial (IL)	Randy Olczyk
Colliers International (CA)	Susan Gregory, John Kovaleski, Dion Campisi
Colliers Bennett & Kahnweiler (IL)	David Florent, Steve Kling
Colliers Turley Martin & Tucker (MO)	Jay Holland, Piers Pritchard, Mark Schumacher
Commercial Associates (NC)	Hunt Wyche
Cresa Partners (PA)	David Niles, Matt Feeney, Maureen Youg, Bob Schulman
Cushman & Wakefield (CA)	Charlie Allen, Ryan Hattersley, Sabrina Hughes
Cushman & Wakefield (FL)	Mark Scott
Cushman & Wakefield (MA)	Matt Adams, Emily Ou
Cushman & Wakefield (VA)	David Miller, Peter Berk
Cushman & Wakefield (PA)	Larry Meister
Dillon Commercial (NC)	Les Pearce
Galloway Commercial (CA)	Russel Galloway
GVA Advantis (GA)	Ann Cameron
GVA Advantis (NC)	Scott Stankavich
GVA Advantis (VA)	Diane Wahl
GVA Smith Mack (PA)	Linda Scultz, Jeff Mack, John Susanin, Doug Newbert
Grubb & Ellis (GA)	Michael Warren, Doug Wise
Grubb & Ellis (MA)	Jim Biondi
Grubb & Ellis (NC)	Chester Allen
Grubb & Ellis (PA)	Elaine Battaglia, John Perkins
Halakar (IN)	Jay Tucker
Jackson Cookssey (NC)	Paula Osborn
Jones Lang LaSalle (CA)	Rich Branning, Tony Guglielmi, Kent Hillegass
Jones Lang LaSalle (FL)	Mike Crissy
Jones Lang LaSalle (GA)	Liz Love
Jones Lang LaSalle (IL)	Rob Lundin, Jeff Liljeberg
Jones Lang LaSalle (MA)	Bill Bailey, John McHugh, Matt Giffune, Ben Heller, Patrick Nugent, Brooks Murphy
Jones Lang LaSalle (NC)	Ryan Lawrence
Jones Lang LaSalle (PA)	Jeffrey Flynn
Jones Lang LaSalle (VA)	Carroll Cavanaugh, Jacob Katz, Jay Farmer
King Realty (GA)	Bill Johnston
Kennedy Advisors (NC)	Loren Kennedy
Larsen Retail (VA)	Dan Brennan
McShea & Company, Inc. (MD)	Bob Dickman, Bob Wrightson
Meridian Real Estate Group (IN)	John Robinson
Meredith & Grew (MA)	Chris Lawrence, Larry Epstein
Millennium Realty Advisors (VA)	John McEvelly
NAI Brannen Goddard (GA)	David Beak, Stephen Pond, Bob Grigsby
NAI Geis Realty Group, Inc. (PA)	Jim Eaton, Charlie Tarloski, Jr.
NAI Merin Hunter Codman (FL)	Jason Sundook, Lesley Sheinberg
Newmark Knight Frank Global (GA)	John Poulos
Northstar Partners (MN)	Jill Rasmussen, Gordie Hampson, Jason Butterfield

New Hires

BPG DEVELOPMENT COMPANY, L.P.

KYLE TURNER, *Analyst*
Philadelphia Office

BPG MANAGEMENT COMPANY, L.P.

ROBYN CARRILLO,
Assistant Property Manager
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SZILVIA KAMMERER,
Tenant Coordinator
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JULIE MCGREGOR,
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Washington DC Office

MADISON APARTMENT GROUP, L.P.

TANYA ROSS, *AP Specialist*
Philadelphia Office

KELLY LYNNE HELD,
Operations Administrator
Philadelphia office

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Renovations Nearing Completion at Dogwood Gardens in Norristown, PA



Dogwood Gardens, East Norriton, PA - After Renovations

Madison is nearing completion on its extensive renovation of Madison at Dogwood, a 144 unit apartment community located in East Norriton, Montgomery County, a suburb of Philadelphia, Pennsylvania. The community was one of the 22 that BPG acquired in January 2007 as part of its \$314 million Northeast Apartment Portfolio containing 3,437 units in Pennsylvania.

“It is exciting to see the results of this improvement program,” commented Edward Hindman, senior director of operations for Madison who was responsible for overseeing the renovations. “We thoroughly updated the buildings with new Hardie Plank siding, shutters and gable style accents, creating a more contemporary look for the community.”

The renovation program transformed the look of the 40-year old community, which was originally constructed with mansard roofs extending down to the first floor. The mansard roofs were removed entirely and replaced with a two-story design comprised of low maintenance cementitious siding and new multiple gable roofs. Brick columns were added around the balconies to increase their size and to

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Dogwood Gardens, East Norriton, PA - Before Renovations

941,941 SQUARE FEET
CONTINUED FROM PAGE 4

Rein & Grosseohme Commercial Real Estate (AZ)	Jake Ertle
Synergy Commercial (NC)	Mac Hammer
The Taylor Company (GA)	Scott Taylor
Trademark Properties (NC)	Matt Honeycutt
Transnational Associates, Inc. (GA)	Paul Pillat
Transwestern (MN)	Steve Kellogg
Triangle Commercial (NC)	Sam DiFranco
Tri Properties (NC)	Tim Capps

SCOTTSDALE FINANCIAL CENTER
CONTINUED FROM PAGE 1

blocks from the amenities in and around Scottsdale Fashion Square. The property includes ample garage and surface parking, with a parking ratio of nearly five spaces per 1,000 square feet.

“We believe our active, direct operating approach and capital improvement program will position Scottsdale Financial Center I as a premier business address in Scottsdale,” said Jonathan Praw, asset manager of BPG who will oversee the asset management and repositioning of the property.

BPG will be executing an extensive \$3 million capital improvement program to renovate common areas including lobbies, entrances, restrooms, corridors, landscaping and building HVAC and security systems. The Scottsdale Financial Center I purchase follows BPG’s acquisition and repositioning of Mesa Financial Plaza, in nearby Mesa, Arizona. (See related story on page 2).

Jim Fijan and Jerry Roberts of CB Richard Ellis represented the seller in the transaction. Don Mudd, Jason Moore, Brett Abramson and John Bonnell with Grubb & Ellis BRE have been named the exclusive leasing agents for Scottsdale Financial Center I. CB Richard Ellis will be providing property management services. Current availabilities range in size from 1,500 to 11,000 square feet. ■



BPG PROPERTIES, LTD. is one of the nation’s leading private equity real estate fund managers. BPG’s portfolio consists of over 20 million square feet of office, retail, student housing, and industrial properties and more than 25,000 apartment units in more than 100 communities located throughout the United States.

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