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From: "Second City Capital Partners" [REDACTED] on
behalf of Second City Capital Partners <[REDACTED]>
Sent: Mon 12/5/2011 10:50:10 PM
Subject: Second City II closes / secures \$96 million of real estate in 6 months

Title: Second City II closes / secures \$96 million of real estate in 6 months

Contact: Kyle Dunn, [REDACTED]

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Current Portfolio

Cherry Creek Corporate Center - Denver,
Colorado ("Cherry Creek")

New Investment

"Thunderbird"

New Investment

"Bedford"

Cherry Creek is a 594,000 SF office complex comprising three distinct assets: the Campus, 356,000 SF of fully occupied buildings with long-term credit tenants; the Tower, a 238,000 SF value-added office tower; and the Development Lands, a multi-family development site. Cherry Creek was acquired in July 2011 for \$62.5 million.

The Campus properties (which represent the largest component of Cherry Creek) are presently generating a cash-on-cash return of approximately 22%, the Tower is undergoing a major upgrade, and the Development Land rezoning is underway.

City Center - St. Petersburg, FL ("City Center")

City Center is a Class A office building with a net rentable area of 242,000 square feet ("SF"). CITY II acquired City Center for \$16.5 million, equivalent to \$68 per square foot.

To date we have secured long-term lease renewals for approximately 31,000 SF and executed 36,000 SF of new leases.

Our strategy for City Center is to maintain high rental rates and to attract creditworthy tenants with compelling leasing deals that include an initial period of free rent.

Thunderbird is a value-added medical office / retail opportunity that CITY II has under contract for \$7.65 million with a December closing.

The 69% leased property comprises of four buildings with a net rentable of 55,000 square feet and two development pads totaling 2.6 acres.

We have engaged a highly regarded medical property management and leasing company to implement a rebranding and capital improvement project. Furthermore, we have initiated discussions with several key physicians tenants, allowing them to participate in our acquisition of the property. We believe having the physicians as co-owners will be helpful to entice new

Bedford is a class A multifamily apartment building located in Brooklyn, NY.

Brooklyn is the most populated area in New York City, with an estimate population of 2.6 million. Downtown Brooklyn is the third-largest central business district within New York City, after midtown and downtown Manhattan.

All 29 residential units are currently leased at below market rents and the tenants are primarily young professionals.

CITY II has secured Bedford for \$9.8 million (a 7.2% cap rate) and we intend to complete the acquisition in early 2012. Our business plan is to gradually increase the rent to market rates and, when the market warrants, either sell the

medical tenants to this project.

property en bloc or as condominiums.

We anticipate Thunderbird will initially generate a cash-on-cash return of approximately 12% per annum.

Based on existing leases we anticipate that Bedford will initially generate a cash-on-cash return of approximately 13% per annum.

CITY II Summary

Since launching on June 1, 2011 CITY II has completed / secured four acquisitions for a combined price of \$96 million. A quarterly profit distribution commenced on November 30, 2011, with an initial annualized yield of 5.7%. However, the investment strategy is to reinvest within the portfolio and achieve the majority of investment returns through long-term capital gains.

Final Closing

CITY II allows investors, fund managers, and private family offices the ability to align their capital on identical terms with the personal deployment of capital by Sam Belzberg and Bosa Properties, two of the more accomplished real estate investors in North America.

Mr. Belzberg and Bosa both believe that select situations exist in the United States with the potential for abnormal risk adjusted returns. Having the experience and sophistication to source and restructure these situations, CITY II is the ideal access point into the distressed U.S real estate market.

If you would like to learn more about the final closing of CITY II, please contact:

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