



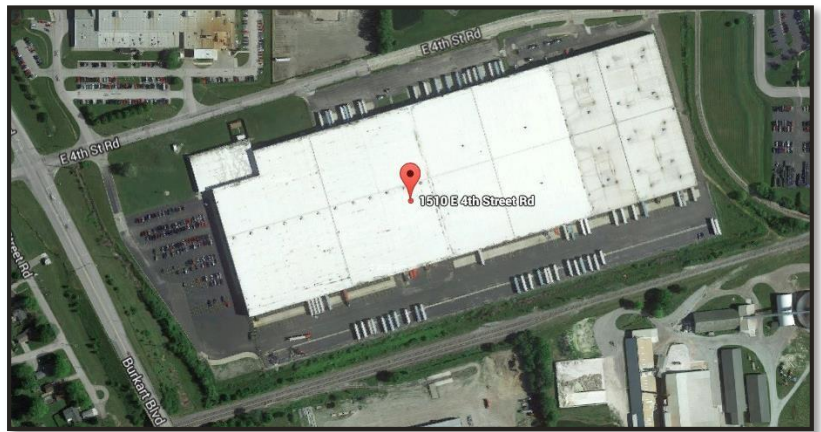
## CASE STUDY

Ben Franklin Stores DIP Asset Lexmark International D.C. Seymour, Indiana

### ALLIANCE PROJECT SUMMARY

Alliance Commercial was successful in the bidding of the Debtor- in-Possession (DIP) in Federal Bankruptcy court for the divestiture of Ben Franklin stores' DIP assets in several locations throughout the US including the 2 major distribution centers (DC's) in Seymour, Indiana and Hunts Valley, Maryland. Both assets were divested to the principal co-invest member, including that of the Seymour distribution center of 588,000 sf. Alliance Commercial within its assignment located directly Lexmark International from its Lexington, Kentucky headquarters. Lexmark International agreed to occupy the entire site with the understanding that expansion would be necessary shortly thereafter.

The facility was expanded by 175,900 sf for a total of 763,900 sf, taking on the excess land at the site. As tenant, Lexmark International occupied the facility which included tenant improvements (TI) to the office and DC itself expanding docking to 103 exterior docks and other incentives and entitlements were included in this expansion. The DC is located less than one hour south of Indianapolis, with direct access off of I-65.



### SPECIFICATIONS

- 763,900 sf
- 24,000 sf of office space
- 56 acre site
- 103 exterior docks, 5 rail doors and 2 drive-in door
- 30' clear ceilings
- ESFR sprinkler
- 175,900 sf expansion
- Direct access off I-65
- Less than one hour from Indianapolis

### ARP, LLC SUMMARY

The ARG Principals were very close to and understood the Indiana market as a preferred, lower-cost market to serve the regional and primary market need in the central US.

ARP, LLC acted as a JV co-invest principal partner. The initial rental was \$2.57 per sf with 2% annual escalations (15 year term). Construction commenced shortly thereafter with an initial acquisition bases of \$11.17m with the addition of \$3.97m for the 175,900 sf expansion. The property was sold in June 2006, for a realized gross IRR of 36.8%.

ARP views this project as an excellent consolidation example for direct end users and investor return.

Tenant	Location	Type	sf	Acquisition	Sale	Inv. Cost	Gross IRR
Lexmark International	Seymour, IN	Industrial	763,900	May 2003	June 2006	\$11.17m	36.8%