

DRA ADVISORS

Meeting Date: 10/2/2014

Meeting Participants (MS): Scott Lebenhart

Meeting Participants (Greenwich): Peter Witham, Duke Fairchild

Meeting Location: 220 East 42nd Street, 27th Floor, New York, NY 10017

Meeting Notes:

- **Buckets of capital:**
 - 1) Fund 7: Completely closed out fund 7
 - 2) Fund 8:
 - Total Fund size targeted at \$1.8 Billion
 - Currently have \$600 Million to invest
 - Primarily focused on cash-flowing assets/investments
 - For development deals, target an 8% return on cost
 - Love recap deals, off-market/lightly marketed deals
- **Miscellaneous Notes:**
 - a. 90-95% of their deals are done through joint-ventures
 - b. Sale of CARS Automotive REIT to Brookfield has not closed as of yet (he is unable to talk about it). He was actually surprised that we knew about it. Sale includes the entire portfolio for approx. \$4.5 Billion (purchase price was \$3.5 Billion).
 - c. 2 Deals in past 18 Months in DC region:
 - i. Largo - Acquisition of Northampton Apartments in Largo, MD on 5-7-2013
 - a. Northampton Apartments is a Class B, 620-unit multifamily property originally constructed in two phases between 1977 and 1987.
 - ii. Laurel – Acquisition of Parke Laurel Apartments in Laurel, MD on 9-23-2013.
 - a. The property is a class B, 526-unit multifamily property
- **Summary – Deals To Follow Up On:**
 - a. Horizon Apartments
 - b. Charlottesville
 - c. Tysons
 - d. Tower Bridge?

- **Deals Discussed:**

- a. Tower Bridge:
 - i. *** did not take notes, but I don't think he was interested in this***
- b. 609 H Street & Dulles:
 - i. Likely not a fit due to their cost of capital. They tend to target 8% return on cost for development deals
- c. Horizon Apartments:
 - i. He would absolutely be interested in aligning with sponsors to chase deals together. Cannot do a blank check kind of program, but likes the idea of doing repeat business together. Likes the story behind this deal, and is interested in learning more.
- d. Charlottesville:
 - i. He would be interested in Charlottesville. They like to come into development deals once the site is zoned, and construction ready.
- e. Tysons:
 - i. The play on the CARS site was to sell it once it was pad-ready/zoned, not do the vertical development themselves. As such, this play is not exactly what they do, but he would be interested in learning more about it.
- f. Idlewilde:
 - i. Not interested