



FULCRUM
▲ REAL ESTATE PARTNERS, LLC

60-70 CENTRE
OF NEW ENGLAND

INVESTMENT OPPORTUNITY





INVESTMENT HIGHLIGHTS

VALUE OPPORTUNITY

Purchase price at \$1,600,000 (\$45.90/SF) for 34,860 square feet of state-of-the-art, cross-dock, high-bay warehouse; significantly below replacement cost. Purchase price also includes a separate 3.78 acre, ready to build development site

100% LEASED TO TWO CREDIT TENANTS WITH MULTIPLE OPTIONS TO EXTEND

Ryan Herco Flow Solutions—a leading national distributor for fluid filtration systems & fluid handling products; good credit, strong private equity capital backing (Greenbriar Equity)

- New 10-year lease for 21,600 SF with options to extend to 2045

SolarCity—the national leader in full-service solar power systems for homes, businesses and governments; NASDAQ listed company financially backed by Elon Musk

- New 49-month lease for 13,860 SF with options to extend to 2023

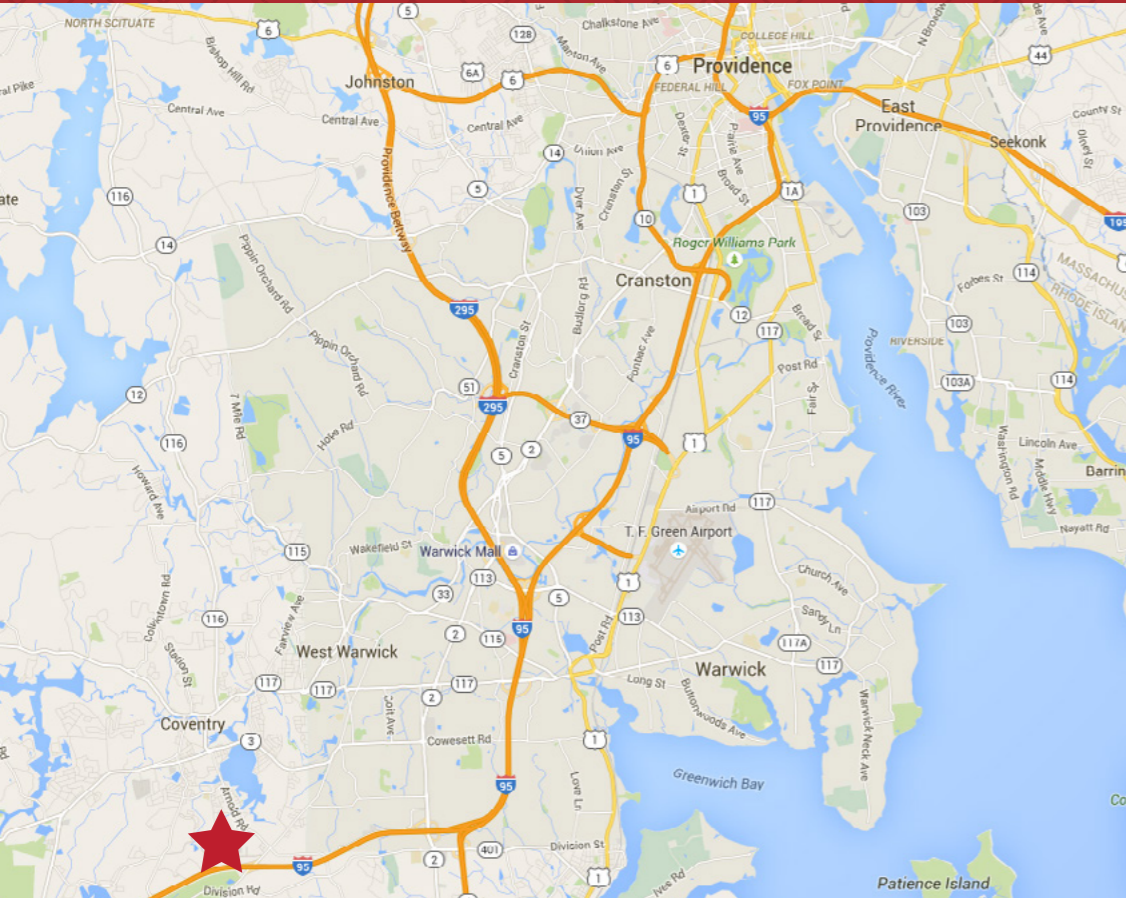
Each lease has contractual 1.5% annual rent increases over the initial term and any extension options

FUTURE VALUE POTENTIAL TO INCREASE RETURNS

Returns are calculated exclusive of the separate 3.78 acre, ready to build development site; the site can be sold to a user (market value of land in the park is estimated by local brokers to be \$100,000 - \$150,000 per acre), or developed by Fulcrum to add approximately 35,000 square feet, doubling the current leasable square footage of the property.

STRATEGIC LOCATION

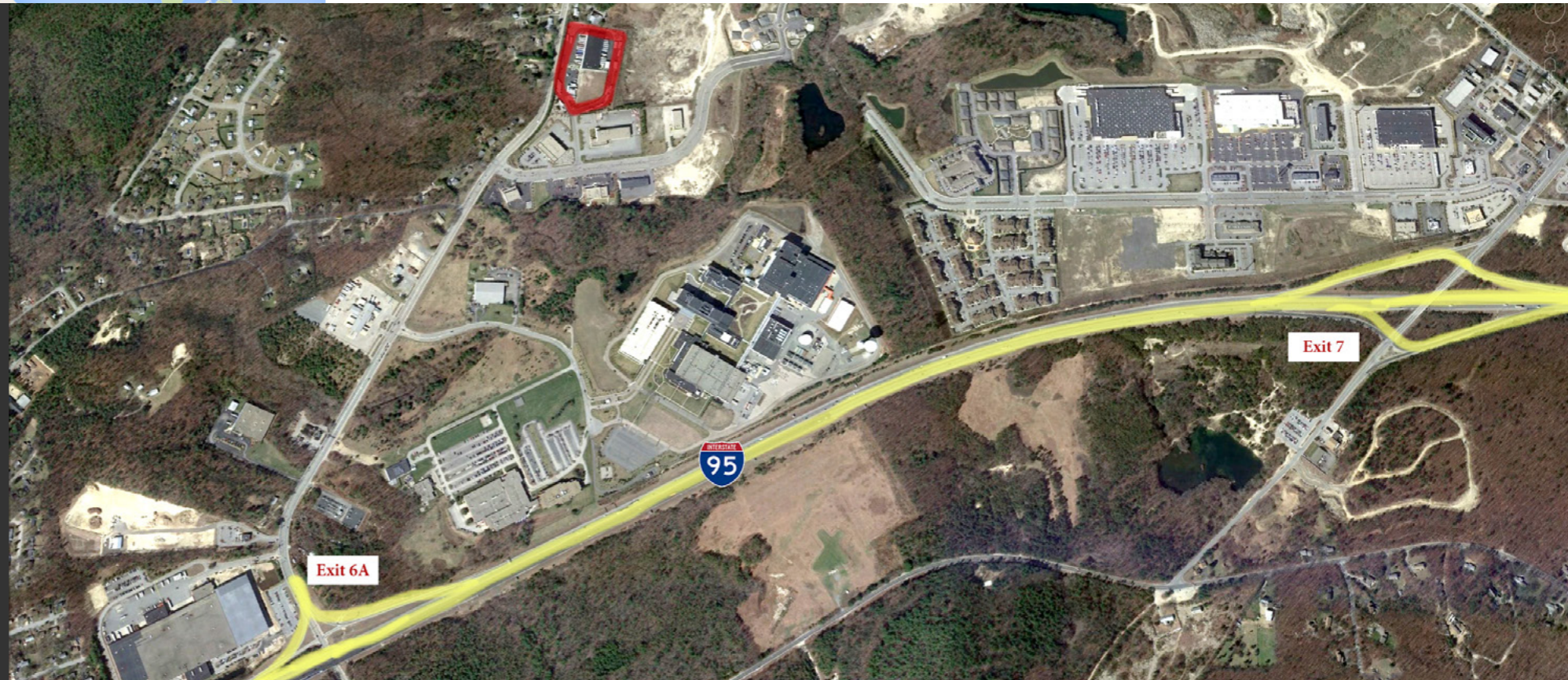
Property is located in a developing industrial park (Centre of New England) approximately ½ mile off I-95 at Exit 6A in Coventry, RI; Coventry is located in the geographic center of Rhode Island along I-95, the major North-South highway serving the eastern seaboard of the United States.



PROPERTY SUMMARY

LAND AREA.....	7.35 Acres
RENTABLE SF	34,860 SF (33,360 SF Warehouse 1,500 SF Office)
PARKING	80+ Cars (2.29 / 1,000 sf)
CEILING.....	23' Clear
YEAR BUILT	1998
LOADING	28 Tailboard Loading Doors
FIRE PROTECTION.....	Wet System
UTILITIES	National Grid (electric/gas) Municipal (water/sewer)
ZONE.....	Industrial

I-95 ACCESS
BETWEEN TWO
EXITS





TENANT DESCRIPTIONS

RYAN HERCO FLOW SOLUTIONS

Ryan Herco Flow Solutions is a leading distributor for fluid filtration systems & fluid handling products. Our family of products include tubing and hose, fluid control piping & pipe fittings, valves, pumps, filters, storage & drums. Ryan Herco will help you get the job done right. When working with clean and corrosive fluids in any industry application, RHFS is your one-stop source for all the top fluid control brands and problem-solving products.

Whether you're responsible for controlling fluids at your facility, sourcing fluid components, or providing installation services, we can make your job easier. Knowledgeable people, quality products and cost-saving solutions are our hallmark.

SOLARCITY

SolarCity (NASDAQ: SCTY) is America's largest solar power provider. They make cleanenergy available to homeowners, businesses, schools, non-profits and government organizations at a lower cost than they pay for energy generated by burning fossil fuels like coal, oil and natural gas.

SolarCity Corporation designs, installs, and sells or leases solar energy systems to residential and commercial customers, and government entities in the United States. It offers solar energy systems; solar lease and power purchase agreement finance products; and energy efficiency products and services, as well as develops a proprietary battery management system, which is designed to enable remote, bidirectional control of distributed energy storage that can provide benefits to customers, utilities, and grid operators. The company also sells electricity generated by solar energy systems to customers. It offers its products and services through direct outside sales force; door-to-door sales force; call centers; channel partner network; and robust customer referral program. The company was founded in 2006 and is headquartered in San Mateo, California.

Information provided by tenants



60-70 Centre of New England

70 Centre of New England Blvd



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FINANCIAL OVERVIEW*

LEASES	RYAN HERCO	SOLARCITY
Square Feet (SF)	21,600 SF	13,260 SF
Terms	10 Years	49 Months
Starting Rental Rate	\$5.00/SF	\$6.11/SF
Annual Increases	1.5%/yr	1.5%/yr
Option(s) to Extend	Four 5-year options with 1.5% rent increases/yr	One 4-year option with 1.5% rent increases/yr

CAPITALIZATION

Estimated Total Capitalization	\$2,200,000
Purchase Price	\$1,600,000
Estimated Going-In Cap Rate	8.1%
Acquisition Fee	\$75,000
Estimated Closing Costs ¹	\$525,000
Estimated Debt/Equity	\$1,870,352 / \$329,648

¹ (including an allocation for identified capital, tenant improvements, due diligence costs, etc.)

Limited Partner Preferred Return—8.5% (Distributed Quarterly)

Waterfall Split After Preferred Return—60%LP / 40%GP



*As of May 2015, all estimates are subject to change until closing.

PROJECTED CASH FLOWS AND RETURNS (5 year analysis)

	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rental Revenue	\$180,885	\$190,224	\$193,078	\$195,974	\$194,496
Expense Reimbursements	\$140,730	\$143,545	\$146,415	\$149,344	\$134,948
Total Gross Income	\$321,615	\$333,769	\$339,493	\$345,318	\$329,444
Vacancy on Rollover	\$0	\$0	\$0	\$0	-\$19,964
Allowance for Credit Loss	-\$3,216	-\$3,338	-\$3,395	-\$3,453	-\$3,294
Effective Gross income	\$318,399	\$330,431	\$336,098	\$341,864	\$306,185
Building Expenses (NNNs)	-\$140,730	-\$143,545	-\$146,415	-\$149,344	-\$152,331
Net Operating Income	\$177,669	\$186,887	\$189,683	\$192,521	\$153,854
Capital Costs and Reserves	(\$7,229)	(\$7,334)	(\$7,440)	(\$7,549)	(\$34,387)
Cash Flow before Debt Service	\$170,440	\$179,553	\$182,242	\$184,972	\$119,467
Debt Service Payments	(\$121,420)	(\$136,387)	(\$151,355)	(\$151,355)	(\$151,355)
Cash Flow after Debt Service	\$49,020	\$43,166	\$30,888	\$33,617	(\$31,888)
Anticipated Capital Event					
Estimated Reversion Sale @ 8.00% Cap Rate Value @ \$70/SF					\$2,428,513
Transaction Costs					(\$97,141)
Net Reversion Sale Value					\$2,331,373
Mortgage Balance					(\$1,731,676)
Limited Partner Returns					
Limited Partner Capital	(\$329,648)				
(8.5% Preferred Return)	\$28,020	\$28,020	\$28,020	\$28,020	\$28,020
(Residual Cash Flow)*	\$21,000	\$15,146	\$2,868	\$5,597	\$510,519
Internal Rate of Return	15.33%				

* Residual cash flow to be reserved and/or distributed

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MARKETBEAT

INDUSTRIAL SNAPSHOT PROVIDENCE, RI ~ Q1 2015

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION



ECONOMIC OVERVIEW

Companies that were taking a wait and see approach on either purchasing or leasing over the past few quarters have pulled the trigger and moved forward with their plans. Supply of quality facilities continue to become a major problem in the Providence market, especially now that companies have moved forward with expansion plans.

OVERALL RATES

Vacancy reached a low of 5% in the state's premier industrial parks. Although vacancy rates have consistently remained in the single digits over the past several years in well located industrial, this is definitely the lowest vacancy rate in the past five years.

RENTAL RATES

The Providence industrial market rental rates still maintain rates in the \$4.50 - \$6.50 NNN per square foot (psf) range for facilities in the 20,000 - 50,000 square foot (sf) range 'as is' but now landlords are achieving rents on the higher end of the range due to the lack of product and increased activity. Rents for facilities 60,000 - 80,000 sf tend to remain in the \$3.50 - \$4.25 NNN psf range. Once you get to 100,000+ sf rents remain in the mid to upper \$2.00 NNN psf range.

OVERALL MARKET REVIEW

The RI industrial market does not have the large peaks and valleys that most primary markets have with both good and bad economic times. The RI market still seems to be moving along at a moderate pace no matter what the conditions. We have relatively low supply and demand so in good times when companies are looking to either buy or lease the supply is limited due to the fact most companies are not looking to sell or lease because businesses are flourishing and vice-versa when the market conditions are poor. The recently announced plan to make extensive changes to the corporate tax laws is a huge step in the right direction. This legislation will make the corporate tax rate the lowest in New England.

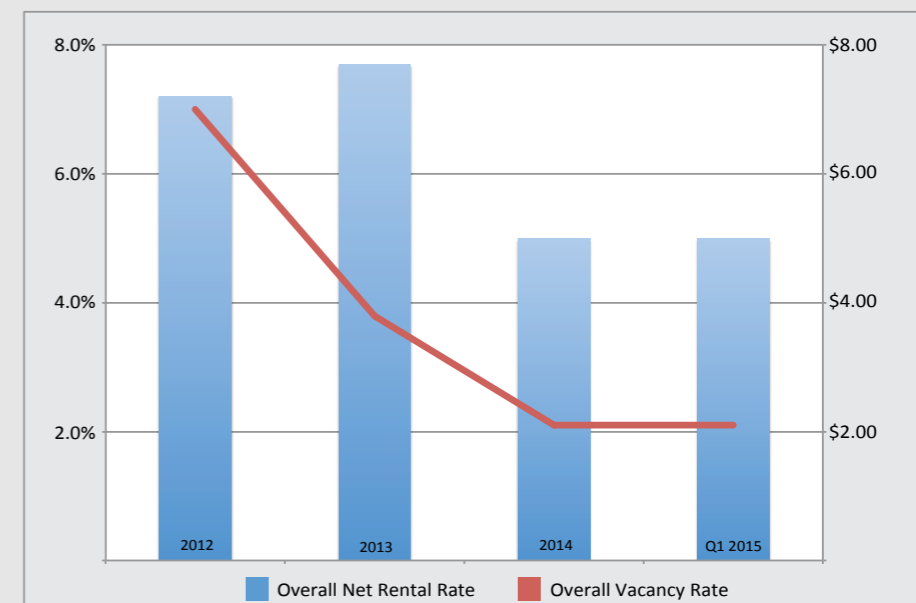
OUTLOOK

The outlook for the remainder of 2015 looks optimistic as companies remain hopeful that the local economy will continue to improve although only incrementally better. The increased demand and diminished supply due to recent activity leave us with an all too familiar problem of quality available space. There may be a glimmer of hope regarding build-to-suit opportunities if we continue along this path.

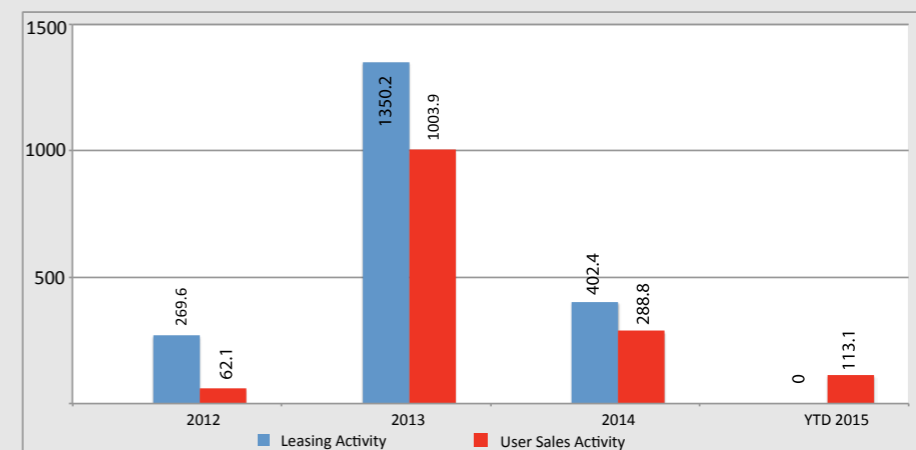
STATS ON THE GO

	Q1 2014	Q1 2015	Y-O-Y Change	12 Mo. Forecast
Overall Vacancy	2.6%	2.0%	-0.6 pp	▼
Direct Asking Rents (psf / yr)	\$7.62	\$4.67	-38.7%	▼
YTD Leasing Activity (sf)	140,301	0	-100.0%	▼

OVERALL RENTAL VS. OVERALL VACANCY



OVERALL OCCUPIER ACTIVITY



SPONSOR INFORMATION

Fulcrum Real Estate Partners is a private equity commercial real estate investment firm focused on acquiring *office and industrial assets* in the metro Boston marketplace. Driven by its principals who have more than 50 years of cumulative experience, Fulcrum will purchase commercial assets located throughout New England, and target assets up to \$15 million dollars. The portfolio will consist of a spectrum of assets ranging from core and stabilized, to value-add opportunities. It is our expectation that our investors will enjoy risk-adjusted overall returns in the *mid-teens*. We believe we have a distinct advantage investing in assets with these characteristics given our professional experiences, relationships within the marketplace, and the expertise gained through our years in the commercial real estate business.

Robert C. Kirschner, Principal—Rob has approximately 20 years of acquisition, asset management, portfolio, and appraisal/asset valuation experience. For the past 15 years, Rob was directly involved in acquiring over 7 million square feet of office and industrial investments while a part of the acquisition teams at New Boston Fund, and, most recently, Charles River Realty Investors and National Development.

Richard E. Putprush, Principal—During his 30 year career, Rick's experience spans the spectrum of real estate - from corporate real estate for Exxon, to REO dispositions for Bank of Boston, to asset management for Copley Real Estate Advisors, to investment sales for Grubb & Ellis and Cushman & Wakefield. In his career, Rick has been a part of nearly one billion dollars of real estate transactions, highlighted by his recognition for "Investment Sale of the Year" in 2002 by the Greater Boston Real Estate Board.



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