

# ROC Acquires Opportunistic Asset

ROC is pleased to announce the acquisition of a high quality commercial office property in Denver, Colorado

**What:** Twelve-story Corporate Center (238k SF) 50% leased and three Campus buildings (355k SF) 100% leased

**When:** July 22, 2011

**Where:** Glendale, Colorado

- ✓ Premium office/retail district of Denver (Cherry Creek)
- ✓ Surrounded by exclusive residential neighborhoods
- ✓ High-traffic corridor; River-walk environment

	% of Replacement
Corporate Center	26%
Campus (3 buildings)	78%
Total	54%

**Why:** Strong fundamentals

- ✓ Remarkable Acquisition Price
- ✓ Current Distributable Net Operating Income (NOI)
- ✓ Excellent Location and Infrastructure
- ✓ Low Cost Financing
- ✓ Development Parcel Opportunity Missed by the Market



## Estimated Returns:

Disposal Year	Blended IRR	Multiple
Year 3	31.3%	1.9x
Year 4	30.9%	2.0x

Blended based on sale of Campus in year 2



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## ROC Strategy for Value Add:

- Implement comprehensive capital improvement strategy consisting of significant improvements to common areas, lobby, amenities and parking.
- Install new property management and leasing teams to operate the property and vitalize leasing efforts.
- Work with local partners, affiliates and city officials to reposition the development site as a high density multifamily residential use. (Directly adjacent to this property is a very high end residential tower with over 100 units per acre density, currently 95% leased. ROC has received initial interest from credible prospective buyers to buy this property for development as a high end residential property.)
- Market the Campus buildings for sale, once development and parking structure are approved.
- Use the sale proceeds from the Campus and/or the development land to construct a parking structure to add a covered parking element to the Corporate Center while maintaining the 4+ per 1,000 parking ratio.
- Lease the Corporate Center to 90%+ (stabilized occupancy) by the 3<sup>rd</sup> year, and will look to exit this final Tower of the Cherry Creek complex in year 4 or 5.

