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**Allianz Investment Target:**

**Investment Size:** \$5 to \$30 Million, immediates (30 days) and forwards

**Markets:** major markets with long-term growth potential and strong local real estate conditions

**Rates:** competitive with market, par lender

**Property Types:** Distribution warehouse, anchored retail and class A suburban office

## MORTGAGE DEALS CLOSED

### REPEAT BORROWER

\$ 7.1 million—12 month forward

Eberhardt's Jim Cope of Milwaukee, Wisconsin sourced Allianz's third grocery anchored transaction in Madison, Wisconsin. **Sponsorship:** John Flad, principal of Flad Development and Investment Corporation, recently finished construction of the shopping center. John, a repeat client of Allianz, is regarded as one of the premiere retail developers in the Midwest. **Real Estate:** The 77,000 square foot retail project is solidly in the path of growth on Madison's southwest side. The area has excellent demographics, reflected in the surrounding, high-end housing. Convenient access and high visibility contribute to this strong location. **Tenancy:** The property is 97% leased with 88% occupied by Roundy's Inc. and Walgreens,



**Shops at Maple Grove  
Madison, Wisconsin**

credit quality tenants on 20-year leases. **Features of the Transaction:** This \$7,100,000 transaction has a term of 13 years, amortization of 22 years. Credit income as a percentage of debt service equal to 132%, with only 12% of the NRA dedicated to shop space.

### REPEAT BORROWER / ADDITIONAL ADVANCE

\$ 5.5 million—closed in 35 days

Allianz advanced an additional \$5.5 million under an existing loan to finance a recently completed 158,000 square foot, fully leased, office warehouse building in Ninigret Park.

This is the fourth advance under one loan which now totals \$21 million collateralized by five fully leased properties. **Sponsorship:** Randy Abood and Ninigret Park Development are developing Salt Lake City's premiere planned business park located on 170 acres just south of the SLC airport. Since 1995, approximately 1.5 million square feet of space has been completed in what is to be a \$70 million development.

**Real Estate:** Completed in October 1999, the construction features concrete tilt-wall, 30-foot clear-span, ESFR sprinklers,

and 125 foot truck courts. **Tenancy:** The Yankee Candle Company, a Whatley, MA based public company (NYSE ticker:YCC) leased the entire building for 7 years. **Features of the Transaction:** Starting with the financing of Ninigret I for \$5 million, we have successfully added Ninigret II, III, IV, and now building V. As a result of the pooled financing concept (one note secured by multiple properties) we were able to assist the developer and his team in this funding by including additional dollars for tenant finish on Ninigret III. The tenant finish requirement resulted from a lease extension by the credit tenant. Henry Schwendiman of Bonneville Mortgage in Salt Lake City introduced Allianz to the borrower, Randy Abood, principal of Ninigret Park Development, in September 1995 and has coordinated Allianz's financing of these Class A properties.



**Ninigret Business Park  
Salt Lake City, Utah**

“In an effort to provide our client with quick and efficient service, we chose Allianz for timely response and competitive pricing.”

Stephen W. Ruff,  
President

Daisley Ruff Financial

## NEW BORROWER

\$ 6.4 million—7 month forward

Steve Ruff, President of Daisley Ruff Financial sourced this grocery anchored transaction located in Lincoln, Nebraska. **Sponsorship:** Northern Lights LLC is a borrowing entity controlled by two local retail/residential developers. **Real Estate:** The 96,420 square foot retail project shares an intersection with a 400,000 square foot regional mall in Lincoln's path of residential growth. The area is populated with newly developed subdivisions, golf courses, office

and retail. **Tenancy:** The property is 81% pre-leased to Fleming Corporation, a credit quality tenant on 20-year lease. This local grocery operator is the market leader in Lincoln. **Features of the Transaction:** This \$6,375,000 transaction has a term of 20 years, amortization of 20 years. The income generated from the Fleming's lease covers 97% of the annual debt service, with 19% of the NRA dedicated for shop space.



**South Ridge Crossing  
Lincoln, Nebraska**

## EQUITY CORNER

One of the most acquisitive companies in the world continues to revamp its distribution system to accommodate aggressive growth. As a result, TYCO International dba Kendall Healthcare recently developed a multi-state “mega” warehouse in the Fulton Industrial Corridor in Atlanta. State-of-the-art construction techniques were used in developing this expandable, cross-docked, 32-foot clear building. The high thru-put requirements of the tenant were accommodated by the massive truck courts on both sides of the building allowing for ultimate flexibility of storage and movement of goods. Given the conflagration of interstate highways in Atlanta, Kendall Healthcare will be able to serve a multitude of customers across many state lines from this location. The Allianz of America, Inc. target

of quality tenants in quality buildings was surpassed with this opportunity. The property was developed by RACO of Atlanta and Kendall was represented by Trammell Crow.



**Tyco/Kendall Healthcare Building  
Atlanta, Georgia**

## FREQUENTLY ASKED QUESTIONS

AT LAST! ASTM PUBLISHES NEW STANDARDS FOR PROPERTY CONDITION AND SEISMIC REPORTS

ASTM has recently published the ***“Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process”***. While this publication provides a guide for conducting a property condition assessment and preparing a property condition report (PCR), it is only a minimum standard and is somewhat limited in its scope. Allianz has adopted ASTM’s PCR guidelines as its base report and may require an expanded scope of work, particularly in the case of new construction.

ASTM has also recently published the ***“Standard Guide for the Estimation of Building Damageability in Earthquakes”***. This publication provides an industry standard for assessing potential building damage from earthquakes. Allianz has adopted ASTM’s guidelines for those situations where a seismic report is required.

ASTM Property Condition Report standards are available by calling ASTM Customer Service (610-832-9585) or through their web site ([www.astm.org](http://www.astm.org))

## ALLIANZ ACQUIRES MAJORITY STAKE IN U.S. ASSET MANAGER PIMCO ADVISORS HOLDINGS, L.P.

MUNICH, NOVEMBER 1, 1999

**Allianz AG is acquiring a majority stake of approximately 70 percent in US asset manager PIMCO Advisors L.P.. The purchase price is US\$ 3.3 (DM 6.1 billion). The contracts necessary for the transaction were signed October 31st in Munich by the board of Allianz AG and the PIMCO partners.**

For Allianz and PIMCO, the agreed transaction represents a joint leap to the sixth place in the world league of asset management. In future the two companies will manage joint assets of around US\$ 650 billion (DM 1.2 trillion). The objective is to participate in the global growth opportunities presenting themselves in the field of asset management. From a strategic point of view, PIMCO and Allianz make an ideal fit – PIMCO, with its strong position in the US market, gives Allianz an entrée into the largest capital market in the world. Through Allianz, PIMCO will gain access to the increasingly important European market. Together Allianz and PIMCO will also become actively engaged in the Asia-Pacific market.

### **Breakthrough for asset management as third core business**

“We are delighted to welcome PIMCO Advisors to the Allianz Group,” said Henning Schulte-Noelle, CEO of Allianz AG. “For us a joint future with PIMCO represents the decisive step forward in our strategy of establishing asset management as our third core business. By combining the expertise and sales forces of PIMCO and Allianz we will in future be one of the top international providers in global asset management. Our customers will be the main beneficiaries of this transaction.”

Bill Thompson, Chief Executive Officer of PIMCO, explained: “From every perspective – clients, investors and unit holders – this is a very compelling transaction. The combined companies now possess a vast global reach and abundant capital resources. Allianz gives us improved global distribution; moreover, we will strengthen the equity side of our business and benefit from its position in the European bond market.”

“By combining the expertise and sales forces of PIMCO and Allianz we will in future be one of the top international providers in global asset management.”

Henning Schulte-Noelle,  
CEO

Allianz AG



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