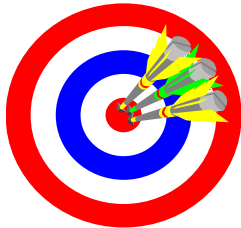


PORTFOLIO FINANCING EDITION

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Investment Target

Distribution
Warehouse

Class "A"
Suburban Office

Anchored Retail
(debt only)



"FLEXIBILITY BEFORE AND AFTER CLOSING"

ALLIANZ REAL ESTATE LENDING & ACQUISITION PROGRAMS

Whether building, buying, selling or refinancing, Allianz works to customize financing structures to help Real Estate Investors achieve their financial objectives. The following provides a summary of Allianz's Real Estate Lending and Acquisition Programs:

Investment Target:	Distribution Warehouse Class "A" Suburban Office Grocery Anchored Retail Centers (debt only)
Target Markets:	Major markets in the United States
Transaction Size:	\$5 to \$50 million (larger for diversified portfolios)
Funding:	Immediate (30 days or less) and Forward commitments up to 12 months
The Allianz Advantage:	Experience, reputation, and flexibility Portfolio transactions/ partial release/ substitution Quick close (less than 30 days)

Sample Portfolio Lending Transactions

Ninigret Park

Location:	Salt Lake City
Property Type:	Distribution Warehouse
Square Feet:	1.1 million SF
Loan Amount:	\$30 million
Term/Amort:	10/25



Allianz financed the first bulk distribution warehouse property developed in this well located business park just south of the Salt Lake City Airport. The original loan totaled \$4 million for the initial 150,000 square foot building. Over the next seven years, Allianz made five **additional advances under the existing loan**. The loan now totals \$30 million secured by 1.1 million square feet. Under this loan structure, the park developer, Ninigret Investment Company, has been able to continue to build product as market demand dictates, **using the debt service coverage from the existing pool** to finance inventory buildings. Each additional advance was negotiated at the then current market interest rate. These transactions represent the flexibility afforded by Allianz portfolio financings!

Who is Allianz of America?

In North America, Allianz of America, Inc. acts as investment advisor for companies including:

- ◆ Fireman's Fund Insurance Company
- ◆ Allianz Life Insurance Company of North America
- ◆ Allianz Canada
- ◆ Allianz Mexico

Allianz of America manages over \$20B in assets. These assets include:

- ◆ Mortgages
- ◆ Real Estate
- ◆ Fixed Income
- ◆ Equities

Allianz of America is a wholly-owned subsidiary of Allianz AG, the second largest insurance company in the world.

Allianz AG

- ◆ Is headquartered in Munich, Germany,
- ◆ Is listed on the NYSE, ticker symbol "AZ"
- ◆ Ranks among the top five investment managers in the world
- ◆ Has market capitalization of more than 70B Euro
- ◆ Has assets under management of 1.2 Trillion Euro

All corporate data as of December 31, 2001

Sample Portfolio Lending Transactions

Ashcraft Real Estate

Location: Albuquerque
Property Type: Suburban Office
Square Feet: 190,000 SF
Loan Amount: \$14.6 million
Term/Amort: 15/15
Tenants: Multi-tenanted



Features of this Loan Transaction: The initial \$4.5 million loan was secured by a newly constructed suburban office building under a long term lease to a credit tenant. The loan was **modified to add four more suburban office properties** leased to various credit tenants and included a **forward commitment** to finance a to-be-built building. The laddered lease expirations mitigated lease rollover risk. These transactions demonstrate the creativity and flexibility of the Allianz mortgage process.

Harsch Investment

Location: Portland
Property Type: Office Warehouse
Square Feet: 575,000 SF
Loan Amount: \$18.8 million
Term/Amort: 5/25
Tenants: Multi-tenanted



Features of this Loan Transaction: The initial \$3.8 million loan was secured by a newly constructed 125,000 square foot warehouse property. The loan was **modified to fund an addition \$15 million** and add four more newly constructed warehouse properties as collateral for the loan. Harsch Investment is a repeat client of Allianz and holds a diversified real estate portfolio in excess of \$1.1 billion.

Duke Realty

Location: Indianapolis
Property Type: Office Warehouse
Square Feet: 365,000 SF
Loan Amount: \$6.2 million
Term/Amort: Interest Only



Features of this Loan Transaction: Its possible to have flexibility even without a pool! To facilitate Duke's sale of a 2.0 million square foot portfolio sale, Allianz allowed for a **substitution of collateral**, even though it was not provided for in the loan documents. Duke avoided a prepayment premium and retained an attractive debt constant. Duke received the loan commitment the day Allianz received information on the substituted property and **closed in under two weeks!**

Sample Portfolio Financing Transactions

AMB Property Trust

Location: Minneapolis
Property Type: Distribution Warehouse
Square Feet: 604,000 SF in 7 properties
Loan Amount: \$10.5 million
Term/Amort: 15/15
Tenants: Hoffman Engineering, Gaines & Hanson, Regis, Nevers Ind.



Features of this Loan Transaction: Allianz originated this loan with MGI in 1993 as a *portfolio loan* (seven properties under one loan with *partial release and substitution rights*). In 1994, AMB acquired this portfolio for a pension client and the loan was *transferred and assumed*. By assuming the loan, AMB avoided a prepayment premium and the cost to place new financing while achieving market financing terms. In 1997, AMB sold one property and avoided a prepayment premium when Allianz allowed a *collateral substitution*. When AMB went public, Allianz approved the *transfer* of ownership to the REIT. In January 2002, Allianz issued a commitment to provide an *additional funding* of \$4 million and allow the *partial release* of one property that was under contract for sale. These transactions are representative of the flexibility and service offered by Allianz *AFTER* the initial loan closing. In each instance, Allianz responded quickly and with minimal documentation which expedited the transactions, while minimizing costs.

Allianz's Unique Lending Features

- ◆ Competitive rates
- ◆ Portfolio financings with partial release and substitution of collateral
- ◆ Closings: Less than 30 days for immediate fundings & forward commitments
- ◆ Long-term (+20 years) fixed rate financing
- ◆ Flexible credit enhancements through letters of credit, master leases and escrows
- ◆ Additional loan fundings to accommodate expansions, acquisitions or refinances
- ◆ Ability to underwrite foreign credits
- ◆ Flexibility *AFTER* the initial closing

Dedeaux Properties

Location: Chicago and Los Angeles
Property Type: Distribution Warehouse
Square Feet: 2.0 million SF
Loan Amount: \$47.0 million
Term/Amort: 5/25



Features of this Loan Transaction: The initial \$25 million loan was secured by 1.0 million square feet of warehouse space in Ontario, CA. **Three loan modifications** later, the loan totaled \$47 million and 2.0 million square feet including property in Chicago.

Glenborough Realty Trust

Location: Denver
Property Type: Distribution Warehouse
Square Feet: 900,000 SF in 7 properties
Loan Amount: \$27.2 million
Term/Amort: 10/25
Tenants: FedEx, Boise Cascade, Best Buy, Bunzl, Pfizer, Penske Logistics, Majestic Industries, C.H. Robinson



Features of this Loan Transaction: Glenborough purchased a portfolio of four properties in 1998 and *assumed* the existing Allianz indebtedness, avoiding a prepayment premium and the cost of acquiring new financing while retaining an attractive debt constant. When Glenborough acquired three more buildings in the same park, Allianz was able to make an *additional advance under the existing loan*. This portfolio loan structure allowed the borrower to avoid a holdback and master lease for near-term lease rollovers.

Sample Portfolio Acquisition Transaction

Duke Realty

Allianz acquired a portfolio of four distribution warehouse properties totaling 1.35 million square feet from Duke Realty. Three are well-located, suburban Atlanta buildings under long-term leases with Siemens AG, Bombay, and Rickett Benckiser. The fourth property is a newly completed, 500,000 square foot distribution property in suburban Chicago, leased to Sears Logistics. Duke developed these credit-leased properties and desired to harvest some gains, re-deploying their capital into new developments. Allianz achieved an attractive initial return on quality properties with credit tenants and no near-term lease risk. Allianz has bought land from and sold land to Duke as well as financed property!



Allianz Real Estate

55 Greens Farms Road
P.O. Box 5160
Westport, CT 06881-5160

Visit our Website at:
www.azoa.com

Allianz Real Estate Contacts

<u>Team Member</u>	<u>Position</u>	<u>Direct Line</u>	<u>E-Mail Address</u>
Wendell R. Kurtz	Managing Director	203-221-8576	wkurtz@azoa.com
Paul D. Wolters	Director, Commercial Mortgages	203-221-8506	pwolters@azoa.com
John McNamara	Director, Commercial Mortgages	203-341-5749	jmcnamara@azoa.com
Jim Kearns	Director, Commercial Mortgages	203-221-8577	jkearns@l melody.com
Eric C. Frisk	Manager, Mortgage Administration	203-221-8563	efrisk@azoa.com
Laurie M. Sullivan	Manager, Comm. Mortgage Servicing	203-221-8566	lsullivan@azoa.com
Brian S. Brennan*	Director, Real Estate Acquisitions	203-221-8561	bbrennan@azoa.com
Pat O'Reilly	Real Estate Analyst	203-341-5741	poreilly@azoa.com

Fax : 203-221-8531

Allianz Commercial Mortgage Loan Correspondents

*For acquisitions contact Brian Brennan at Allianz

Please contact the mortgage correspondent in your area with transactions that hit the Allianz investment target:

<u>City</u>	<u>Correspondent</u>	<u>Phone Number</u>	<u>Fax Number</u>	<u>Contact Person</u>	<u>Email</u>
Albuquerque	Realty Mortgage & Investments	505-883-1400	505-888-3158	Mike Kelly	mkelly@realtymtg.com
Atlanta	L.J. Melody & Company	770-730-3664	770-552-4949	Dennis James	dennis.james@l melody.com
Austin	GMACCM	512-327-1933	512-327-3711	Jim Lemos	Jim_Lemos@gmaccm.com
Boston	Holliday Fenoglio Fowler	617-848-1555	617-338-2150	Fred Wittmann	fwittmann@hfflp.com
Boston	New England Realty	617-426-4454	617-426-8938	Jim Murphy	fmurphy@newenglandrealty.com
Chicago	L.J. Melody & Company	847-518-2354	847-518-2492	John Clifford	john.clifford@l melody.com
Dallas	GMACCM	214-363-5700	214-363-3106	William Ross	william_ross@gmaccm.com
Denver	Essex Financial	303-796-9006	303-796-0623	Jeff Riggs	jeff@essexfinancial.com
Houston	NorthMarq Capital	713-402-1526	713-622-3439	Rene Joubert	rjoubert@northmarq.com
Kansas City	NorthMarq Capital	913-469-5840	913-469-6536	Dave Farrell	dfarrell@northmarq.com
Los Angeles	Dwyer-Curlett & Co.	310-226-2700	310-226-2726	Shelley Magoffin	smagoffin@dwyer-curlett.com
Milwaukee	Collateral Mortgage Capital	262-785-8441	262-785-8455	Jim Cope	jcope@collateral.com
Minneapolis	NorthMarq Capital	952-356-0111	952-356-0097	Pat Minea	pminea@northmarq.com
Omaha	Daisley Ruff Financial	402-391-2110	402-391-1127	Steve Ruff	steve.ruff@q10drfc.com
Orange County	Dwyer-Curlett & Co.	949-222-1100	949-955-0360	Tom Kenny	tkenny@dwyer-curlett.com
Philadelphia	Urban Poole & Heath	215-914-0337	215-914-0237	Tim Heath	theath@upheath.com
Phoenix	Keig Financial Corporation	602-248-2800	602-248-4455	Tom Keig	tkeig@keig.com
Portland	National Mortgage Co.	503-226-2681	503-226-6244	Mike Glanville	mglanville@nmco.com
Salt Lake City	Bonneville Mortgage Co.	801-323-1030	801-323-1001	Henry Schwendiman	hschwendiman@bmslc.com
San Diego	Pacific Southwest Realty Services	858-514-2100	858-514-2105	Dan Phelan	dphelan@psrs.com
San Francisco	NorthMarq Capital	415-433-1072	415-433-1429	Jeff Haskell	jhaskell@northmarq.com
San Francisco	Mason-McDuffie Financial	510-839-9559	510-839-9630	Campbell O'Neill	coneill@mmfc.com
Seattle	Peter W. Wong Associates	425-828-1404	425-828-3040	Peter Wong	pwong@pwwa.org
Tampa	L.J. Melody & Company	813-209-0005	813-225-1505	Don Jennewein	donald.jennewein@l melody.com
Washington DC/Balt	Phillips Financial	301-229-9000	301-229-3019	Steve Shaw	sshaw@phillipsfinancial.com