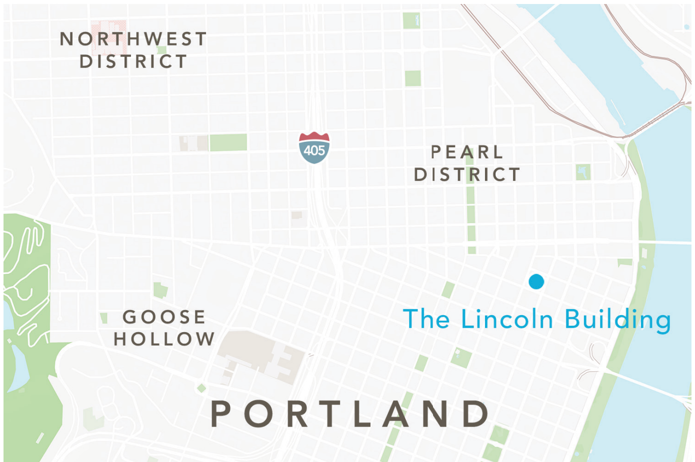
The Lincoln Building

In 2005, Unico completed an offmarket purchase of The Lincoln Building, a largely vacant, 256,935 square foot office building in downtown Portland. Owned and operated by Qwest Communications since the 1930s, the asset presented difficult owner/user challenges such as deferred maintenance and seismic upgrade needs.

Working with joint venture capital partner Broadreach Capital Partners, Unico negotiated a sale-leaseback with Qwest to occupy 30% of the office space, leaving 70% remaining to be leased. Not only did the remaining 70% vacancy need to be leased, the building required an extensive interior renovation and seismic upgrade.

The Lincoln Building is a 256,935 sf office building in downtown Portland

DISPOSITIONS



Unico secured a tenant-in-tow to bring the vacant building to 70% occupancy at closing

While under contract to acquire the property, Unico found a government credit tenant to lease 100,000 square feet, bringing the building to 70% occupancy at closing. The timing stipulations were so expedited for this tenant-in-tow that Unico had to skillfully negotiate space requirements with the seller while not giving away its proposed new tenancy. Once acquired, Unico successfully renovated the building to attract more tenants, while also completing a seismic upgrade and substantial sustainability improvements including LEED® Gold certification. Unico leased the remaining vacancy to five additional tenants during a period when Qwest downsized its space further (outperforming its underwritten stabilized occupancy level).

Having originally acquired the property for $43 per square foot on an all-cash basis, and increasing occupancy to 97%, in November of 2013 Unico put the Lincoln Building on the market, recognizing the opportune time to sell given market cycles and duration of remaining lease terms. With multiple bids received, and the last three percent of the building leasing up, a buyer was selected allowing Unico to ultimately deliver a 19% IRR to it and its investment partners over a nine-year hold.