

Apartment Trust of America was formed in 2006 to acquire apartment communities with stable cash flow and growth opportunities located in U.S. metropolitan areas. As of the end of the second quarter, the REIT had \$362.2 million in assets in 15 properties totaling 2,573 units plus master tenants on four properties. In December 2010, the company changed its name from Grubb & Ellis Apartment REIT. In November 2010, the REIT suspended its follow-on offering. In February 2011, the REIT entered into a new advisory agreement with ROC REIT Advisors.

With its offering suspended and now closed, the REIT has been transitioning into the Maturing LifeStage of Closed REITs, which is characterized by a refinement of the portfolio through dispositions, strategic acquisitions, and debt.

Key Highlights

- The transition from Grubb & Ellis Apartment REIT to Apartment Trust of America with the accompanying suspension, the closing of its follow-on offering has placed the REIT in a position to stabilize its portfolio and operations.
- The REIT is the third-party manager for 39 properties.

Capital Stack Review

- Capital Raised – \$200.9 million has been raised since inception; capital raise was suspended in late 2010.
- Debt – At 69.4%, the debt ratio has risen modestly over the last two years from 67% at year-end 2009. The REIT's debt is 76% fixed rate and 24% variable rate with over 57% having a maturity of 5 years or greater.
- Loan Activity – Note outstanding to old affiliate NNN Realty Advisors of \$7,750,000.
- Cash on Hand – At 0.3% of assets, cash on hand has been steadily declining for the past five quarters.

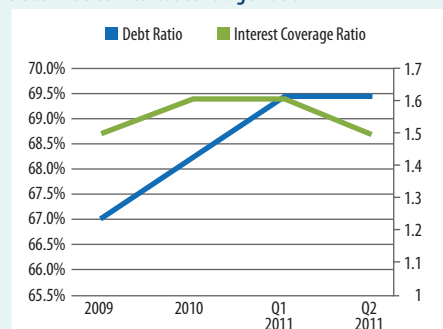
Metrics

- Distribution – Lowered to 3.0% from 6.0% due to expenses associated with the various sponsor changes and other litigation.
- Distribution Source – Distributions in excess of cash flow were paid from other sources.
- MFFO Payout Ratio – Increased substantially to 158% from first quarter at 100%; 2010 averaged 143%.
- Fee Waivers and Deferrals – None reported.
- Interest Coverage Ratio – Declined modestly to 1.5x EBIDTA, continuing a trend of slight declines over the past 5 quarters.
- Impairments – An impairment loss was recognized associated with the purchase of the NNN/MR Holdings interest.

Real Estate

- Acquisitions – In the second quarter the REIT completed the acquisition of the previously nonowned 50% joint venture interest in NNN/MR holding company that owns the master tenants for 4 multifamily properties.
- Occupancy – Not reported.
- Revenue – No same-store results were reported.
- Dispositions – None reported.
- Diversification – The portfolio is primarily located in Texas (63%), Georgia (13%), and Virginia (12%).

Debt Ratio to Interest Coverage Ratio



MFFO Payout Ratio to Distribution

