



Full-Cycle Event Details: Paladin Realty Income Properties, Inc.

Paladin Realty Income Properties, Inc., was formed on October 31, 2003, to invest in a diversified portfolio of high quality investments focusing primarily on investments that produce current income including apartments, office buildings, industrial buildings, shopping centers and hotels.

The REIT's initial offering of common stock was declared effective on February 23, 2005, and terminated July 28, 2008. Two follow-on offerings took place, and on July 16, 2012 Paladin REIT terminated its second follow-on offering, having received proceeds of \$82.6 million for 8,339,047 shares.

On July 18, 2013, Paladin REIT and Paladin Realty Income Properties, L.P. whose sole general partner is Paladin REIT, entered into an Agreement and Plan of Merger with Resource Real Estate Opportunity OP, LP, the operating partnership of Resource Real Estate Opportunity REIT, Inc. On December 16, 2013, the agreement was amended.

The consideration received in connection with the merger was \$51.2 million, exclusive of transaction costs, of which the Company's share was 99.8%, or approximately \$51.1 million. The merger consideration along with cash in the bank, less funds paid to Paladin OP and fees and expenses related to the transaction was distributed to shareholders.

On February 14, 2014, the board of directors of the Company authorized declaration and payment of a liquidating cash distribution of \$7.25 for shareholders of record as of February 14, 2014.

Key Highlights

- Fundraising time – 89 months
- Closed period – 19 months
- Total – 108 months
- As of September 30, 2013, Paladin had 7,720,859 shares outstanding.

Real Estate Portfolio

- At September 30, 2013, the REIT owned interests in 12 joint ventures that owned 13 income-producing properties.
- The properties consisted of 11 multifamily properties with 2,673 units, and two office properties with 75,518 square feet, which were 100% occupied.
- Net real estate assets totaled \$185.6 million as of September 30, 2013. Mortgages payable related to the REIT's properties totaled \$154.2 million.

Other Actions

- On October 4, 2013, the Beechwood Gardens Apartments were sold for gross proceeds of \$13,000,000 in which the Company received approximately \$3.0 million in net proceeds after repayment of the mortgage payable of \$8.4 million.

About Sponsor

- The business of Paladin REIT was managed by Paladin Realty Advisors, LLC. Paladin Advisors supervised and managed the day-to-day operations of Paladin REIT and selected the real property investments and real estate related investments it made. Paladin Advisors also provided marketing, sales, and client services on behalf of Paladin REIT.
- Paladin Advisors received 0.2% of the distribution at the closing date and was liquidated and dissolved. No other fees were paid to Paladin Advisors in connection with the merger.
- Since 1995, Paladin Realty and its predecessors have managed real estate investments for high net worth individuals, foundations and institutions. As of December 31, 2011, Paladin Realty or its affiliates had sponsored or advised 30 real estate investment partnerships.