



Harbert Management Corporation

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FOR IMMEDIATE RELEASE

Harbert United States Real Estate Fund V Closes on Fountainhead Corporate Park

HUSREF V Completes Acquisition of Office Portfolio in Phoenix, Arizona

Birmingham, Alabama, Dec. 15, 2014 – Harbert United States Real Estate Fund V, L.P. (“HUSREF V”), in conjunction with Cypress Office Properties (“Cypress” or together with HUSREF V, the “JV”) recently held a simultaneous close on the acquisition of Fountainhead Corporate Park, a five building, 476,000 square foot, Class-A- office campus in Phoenix, Arizona, and the sale of three of those buildings to the largest tenant in the park, Allegis. Although initially underwritten as a five building portfolio acquisition, the JV pursued the simultaneous sale of the three buildings to Allegis, which represent 40% of the portfolio square footage, to capitalize on the opportunity to materially improve the base case return profile while also de-risking the execution of the transaction. The remaining two buildings in the portfolio that the JV purchased total 287,000 square feet and will undergo a targeted \$4.0 million renovation plan starting in Q1 2015. The planned renovation will modernize building common areas and create a more cohesive and better amenitized campus environment, which is intended to in turn drive leasing demand to the currently 72% occupied portfolio.

About Cypress Office Properties

Cypress Office Properties is a San Diego-based real estate investment and advisory firm specializing in the acquisition, asset management, and repositioning of office, R&D, and flex properties. Cypress focuses on enhancing performance and value through proven management, leasing, and capital improvement strategies and is active in the San Diego, Orange County, and Phoenix markets.

About Harbert Management Corporation

HUSREF V is sponsored by Harbert Management Corporation (“HMC”). HMC, together with its sponsored funds, has owned, developed and managed multi-family, office, industrial, retail and self-storage properties throughout the United States. HMC has a history of identifying real estate investment opportunities through its network of long-term, strategic relationships. HUSREF V’s approach is hands-on, targeting properties that the HUSREF V Investment Team believes are undervalued, and where value can be created through focused operational management. Additional information about HMC can be found at www.harbert.net.

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