

IN-REL FOCUS

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FAVORITE QUOTES:

- *"Minds are like parachutes—they only function when open."*

Thomas Dewar, submitted by Jeff Thymius

- *"Everyone experiences tough times, it is a measure of your determination and dedication how you deal with them and how you can come through them."*

Lakshmi Mittal, submitted by Ron Riley

- *"Between failure and the masterpiece, the distance is one millimeter."*

Paul Gaugin, submitted by Charles Stein

THE TOWER BUILDING UNDERGOES AN EXTENSIVE RENOVATION BY RON RILEY

In-Rel Management, Inc. purchased the Tower Building a 68,800 square foot 9 story office tower located in Birmingham, AL in November 2007. The Tower was primarily configured for a single tenant user when In-Rel purchased the building. While the building had its challenges as do the majority of the properties we buy, we saw opportunity.

The building has been undergoing a seven (7) month extensive renovation. Some of the renovations have included; parking lot work, landscaping, new lobby design, card access, new common area finishes, freshening up restrooms, new elevator mechanics, new elevator aesthetics, updating mechanical, flat screen TV in the lobby, etc. As we bring the renovations to a close, we are implementing the next phase of our plan and launching the building to the brokerage community in early October. We have already received rave reviews



Front of building—OLD



Front of building—NEW

from the existing tenants as well as those in the community that have seen the investment we are making. Melissa Meredith and the team have done an outstanding job on this project.

This building serves as a unique opportunity for an end user that complements the existing buildings we currently have in the Birmingham market. We are projecting an

aggressive lease up period in the quarters ahead.



New Lobby Area

WELCOME NEW EMPLOYEES

In-Rel warmly welcomes the following new additions to our team:

- Gary Forrester**—Maintenance, Birmingham, AL
- Jenna Thomas**—Property Administrator, Birmingham, AL

- Sarena Casella**—Controller, Lake Worth, FL
- Jessica Ecvoy**—Administrative Assistant, Lake Worth, FL
- Carras Lachica**—Administrative Assistant, Lake Worth, FL

- Debora Walker**—Administrative Assistant, Memphis, TN
- David Collier**—Property Manager, Nashville, TN

GOOD LUCK!

Guess Your Best!



Which In-Rel Employee is pictured here?

Here's the Answer Backwards:

Rrac irrehs

TENNESSEE DEP'T OF CHILDREN'S SERVICES OPENS AT OAKS TOWER AND GARDENS

In late July, construction was completed on the 14,430 sf. new home of the State of Tennessee Department of Children's

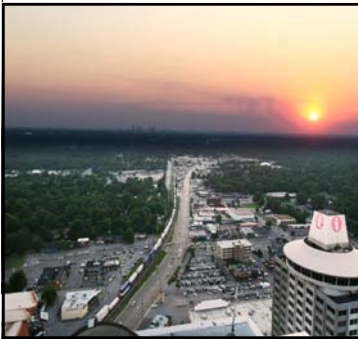
Services call center at The Oaks Tower and Gardens in Nashville, Tn. The construction was performed by DWC Construction of Nashville on behalf of In-Rel Management, Inc., who completed their purchase of the office complex in August of 2007. The call-center will be home to over 100 employees

and will operate on a 24/7 basis. The pickup of the State DCS along with the soon-to-open 5,100 sf. Preferred Alternatives Inc., represents an increase of nearly 16% in occupied average GLA (Gross Leasable Area) since In-Rel has assumed ownership. In-Rel's construction of the two spaces, in addition to other related building improvements completed in 2008, will total in excess of \$350,000.

Submitted by:
Richard Cotton



The Call Center at the DCS Nashville, TN



The spectacular view from atop the Tower Room Restaurant at Clark Tower

THE TOWER ROOM NEWS & EVENTS

Memphians have been enjoying the wide array of entertainment and dining opportunities available at The Tower Room recently. Sounds from *Swingtime*, a Jazz and Big Band ensemble, have enchanted patrons as they dined on a specially prepared four course menu. This three hour show can be heard at the Top of the Tower the second and fourth Fridays of each month.

right wine with his/her meal. What wine should be selected when choosing chicken, steak, or seafood? Come ready to eat the third Friday of each month and find out!

In August, the Tower Room was pleased to hire Vittoria Rodgers as its new dining room manager. She comes

events department is gearing up for another stellar banquet holiday season. With the holidays approaching, holiday parties are now being booked. Of course, the department is still open for wedding receptions and corporate events during this time as well. New Year's Eve is

highly qualified as she has worked numerous years in the fine dining arena. The Tower Room is excited about her taking the dining experience in the Tower Room to a new level. Finally, the catering and special

just around the corner—look for our exciting news on this event next time!

Submitted by:

Jeff Thymius

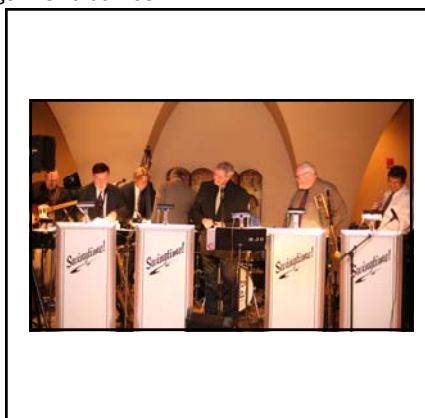
CHECK THIS OUT:

GO TO:
<http://maps.google.com/help/maps/streetview>

Click on Streetview, then type in one of our property's addresses in the Search field - for example, 5100 Poplar Avenue, Memphis, TN - and hit ENTER. Play around until you can see the property clearly. Have Fun!

Memphis is known for making its mark on music, and The Tower Room is bringing this to life on Wednesdays from 6:00 - 8:00 p.m. A live saxophone player entertains guests as they dine on the new Tapas menu and enjoy the new wine specials in the Sky Lounge.

Beginning in September, the new monthly wine dinner season will begin, and these dinners are perfect for the guest ready to be educated on the finer points of selecting the



Swingtime at the Tower Room on top of Clark Tower, Memphis, TN

WHAT MAKES A SUCCESSFUL PROPERTY? AN INTERVIEW WITH STEVEN A. FILOSA, VP OF FINANCE

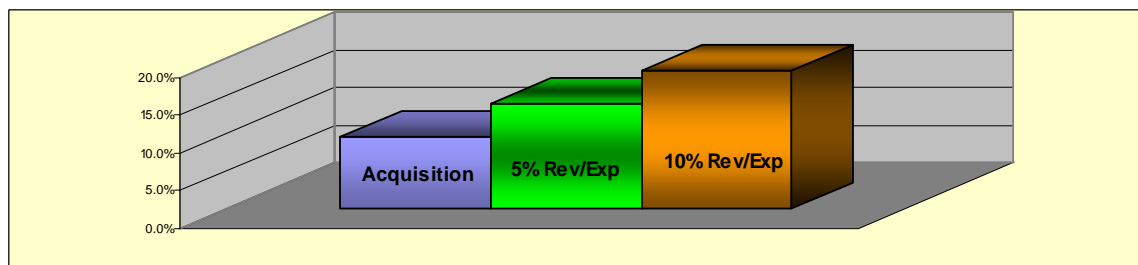
When talking to Steve Filosa, you get the distinct impression that he knows what he’s talking about. In a very short time with In-Rel, he clearly understands the company’s philosophies, values, and goals.

A Certified Public Accountant (CPA), Steve joined the management team of In-Rel in 2006. He holds a Bachelors degree in accounting from Virginia Commonwealth University and has lived in Florida with his family since 1996. According to Steve, the best thing about working at In-Rel is the **“unlimited upside to using your skills and knowledge to enhance the company.”** Building and continuing to develop a “team” atmosphere at In-Rel is what stands out the most in regards to Steve’s many accomplishments at the company. His management style and ability not only adds benefits to the company’s bottom line, but enhances the day to day operations within all of the In-Rel offices.

According to Steve, In-Rel purchases properties for a variety of reasons from sellers who want to sell them for a variety of reasons. Mainly, In-Rel acquires existing properties facing challenges, but that are still currently profitable. Why would a profitable property be for sale? Some reasons would be: the current owner holds several properties in a geographic region and has decided to leave the area, the property is older and in need of updating and they do not have either the funds or man-power to handle the project, or the owner just fears the economic challenges the future may hold and wants to get out. That’s where In-Rel steps in!

“At In-Rel, we are very active in our management and leasing of every single property we own. Our philosophy in running a property is very ‘hands on’. Strict attention to detail is paid whether to our smallest property or the largest. Unlike many other commercial real-state companies, In-Rel values little to no third party property management or leasing. In this way, we are able to run our operations in the most efficient manner possible,” says Steve. The following graph from Steve illustrates what constitutes a successful property:

	At time of Acquisition	5% Revenue and Expense Adjustment	10% Revenue and Expense Adjustment
Purchase Price	10,000,000.00	10,000,000.00	10,000,000.00
Loan	8,000,000.00	8,000,000.00	8,000,000.00
Equity	2,000,000.00	2,000,000.00	2,000,000.00
Revenues (80% occupied)	1,250,000.00	1,312,500.00	1,375,000.00
Expenses	500,000.00	475,000.00	450,000.00
Debt Service (7.0% Interest on Loan)	560,000.00	560,000.00	560,000.00
Net Income	190,000.00	277,500.00	365,000.00
Return on Investment	9.5%	13.9%	18.3%



Here’s a simple scenario. At the time of acquisition, In-Rel Management’s return on investment would be 9.5%. With our hands-on/in-house approach to leasing and property management, we should quickly be able to increase revenues by 5% (usually by leasing some of the vacant space) and reduce expenses by 5% (by using our buying power to renegotiate service contracts and actively managing all expenses), thereby our return increases to 13.9%. In one to two years after acquisition, by increasing the revenues 10% and reducing expenses by 10%, our return on investment becomes a whopping 18.3% (almost double what it was at time of purchase). So as you can see, a small increase in revenues and decrease in expenses can make the difference between an average property and a very successful property.



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"Intelligent Real-Estate"

NEW
ACQUISITION—
THE BRASWELL
BUILDING

In December of 2007, In-Rel purchased a 20,000 SF building attached to the Center Pointe Shopping Center which we own in Birmingham, AL. Although the existing tenant, Braswell Furniture is leaving, it has already been re-leased to a company called Planet Thrift.



**Braswell Building
Birmingham, AL**

LEASING NEWS SOUTH BY BRYAN ZENCHYK

In-Rel South completed 106,930 sq. ft. of new leases in the first half of 2008. Some notable tenants include national companies such as CitiTrends at the Two Rivers Center, Dunn Solutions Group at the 600 Building and Baker Concrete Construction at Carole Financial Plaza. Some other sizeable deals included Planet Thrift at Center Point Shopping Center for 20,000 sq. ft., Ladies Lifetime Fitness at Donelson Plaza for 9,212 sq. ft., Progressive Training Centers at Pompano Plaza for 5,800 sq. ft. and Eastgate CCF at Donelson Plaza for 8,100 sq. ft. Two new leases were signed for the brand new Courthouse Place to Balliro, Galasso & Leskovich as well as Barry Finkel.



Bryan, Jessica McEvoy and Nico Winningham at the In-Rel Booth at the ICSC Conference

The Florida Leasing team also attended the Florida ICSC Conference at the Gaylord Palms Resort & Convention Center in Orlando on August 18-19. Over 4,000 landlords, brokers, national tenants, bankers and property services company representatives were pre-registered for the event. Many more signed up the day of the event. The booth was in the "deal making" hall.

TEAM BOWLING

The Lake Worth office has been hitting the bowling lanes again! After a successful company bowling event last year the office has been getting together quarterly for some friendly competition at the alley. The Friday night get togethers are fun, team building events that everyone looks forward to!



The office is also excited about our upcoming trip to a Florida Panthers Hockey Game in October. Stay tuned for photos from that event.

Submitted by: Tania Danielian

ANNUAL LOBSTER BOIL IN MEMPHIS

In-Rel Management Memphis employees and loved ones enjoyed a taste of the coast at our Fourth Annual Company Lobster Boil. The event was held in Director of Leasing, Frazier Baker's backyard and the coastal fare included freshly boiled Maine lobster, corn on the cob and new potatoes, along with brownies made by the Tower Room for dessert.

This year, company President, Dennis Udwin, from our Lake Worth, Florida office and Melissa Meredith, Senior Property Manager from the Birmingham, Alabama office were both able to join in on the festivities here in Memphis. *Submitted by: Dana Whitmore*

