

100% NNN LEASED INVESTMENT OPPORTUNITY



HIGHWAY 101

# Circle Star Plaza

1 & 2 circle star way  
san carlos, california

**CBRE**



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# CBRE

**CBRE, INC.**  
**BROKER LIC. 00409987**

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# Circle Star Plaza

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Circle Star Plaza  
**EXECUTIVE SUMMARY**



## THE OFFERING

CBRE, as exclusive advisor, is pleased to present the outstanding opportunity to acquire the fee simple interest in Circle Star Plaza (the "Property"), two Class "A" office buildings totaling 207,896 square feet located in San Carlos, CA. The Property is currently 100% leased to a subsidiary of SoftBank Corp. and features high-visibility from Highway 101. The offering is being made un-priced and on an "as-is" basis.

### OFFERING SUMMARY

Property Name	Circle Star Plaza
Address	1 & 2 Circle Star Way
City	San Carlos
Year Built	1999-2000
Total Rentable Area	207,896 SF
Floors	Four (each)
Site Area	6.38 Acres
% Leased	100%
Parking Ratio	3.44 per 1,000 SF
Tenant	Starburst I, Inc. (Guaranteed by SoftBank Holdings Inc.)



### INVESTMENT HIGHLIGHTS

- The lease is NNN with annual fixed escalations, providing a predictable and secure income stream.
- In-place contract rents are approximately 22% below today's market rent, presenting a sizable mark-to-market opportunity.
- Given the recent market movement and projected market rent growth, in-place rents are poised to be substantially below market rents upon lease expiration.
- The tenant has made significant contributions towards their improvements, demonstrating a long-term commitment to the Property.



## PROPERTY HIGHLIGHTS

- Class A product with excellent visibility from Highway 101.
- Built in 1999–2000, among the newest and highest quality buildings in the submarket.
- Excellent parking at a ratio of 3.44 spaces per 1,000 square feet.

## LOCATION HIGHLIGHTS

- Centralized Mid-Peninsula location approximately 20 miles south of San Francisco and 20 miles north of San Jose.
- Excellent access to Highways 101, 280 and 92 as well as the San Francisco, San Jose and Oakland International Airports.
- Close proximity to CalTrain with the San Carlos and Redwood City stations each approximately one mile from the Property.
- Abundant nearby amenities including restaurants, hotels, and retail.







## TENANCY HIGHLIGHTS

- 100% leased to Starburst I, Inc. at below market rates with an approximate 6 year remaining term.
- Lease is guaranteed by SoftBank Holdings Inc., a wholly-owned subsidiary of Softbank Corp., which is headquartered in Tokyo. The SoftBank Group has approximately 67,000 employees (as of September 2013).
- SoftBank Corp. was founded in 1981, and through its Group companies, offers a comprehensive range of mobile communications, fixed-line communications and Internet services.
- SoftBank Corp. is listed on the Tokyo Stock Exchange and has a market cap of approximately \$100 billion (as of December 2013) and an S&P credit rating of BB+ (as of July 2013).

## EXISTING VERSUS MARKET COMPARISON

Suite	Tenant at April 1, 2014	Square Feet	Lease Start	Lease End	Existing Rent as of Apr 1, 2014	Market Rent as of Apr 1, 2014	Percentage Above/(Below) Market Rent [1]
CS 1	Starburst I, Inc.	103,948	Apr-13	May-20	\$2.32 PSF NNN	\$2.95 PSF NNN	-21.36%
CS 2	Starburst I, Inc.	103,904	Jan-14	May-20	\$2.30 PSF NNN	\$2.95 PSF NNN	-22.03%
Storage	2500 W.L.B. Inc.	44	Apr-00	Apr-20	\$1.20 PSF NNN		
<b>Total Existing Square Feet</b>		<b>207,896</b>			<b>\$2.31 NNN</b>	<b>\$2.95 NNN</b>	<b>-21.69%</b>

[1] The calculation of total "Percentage Above/(Below) Market Rent" only includes existing tenants as noted in this schedule.



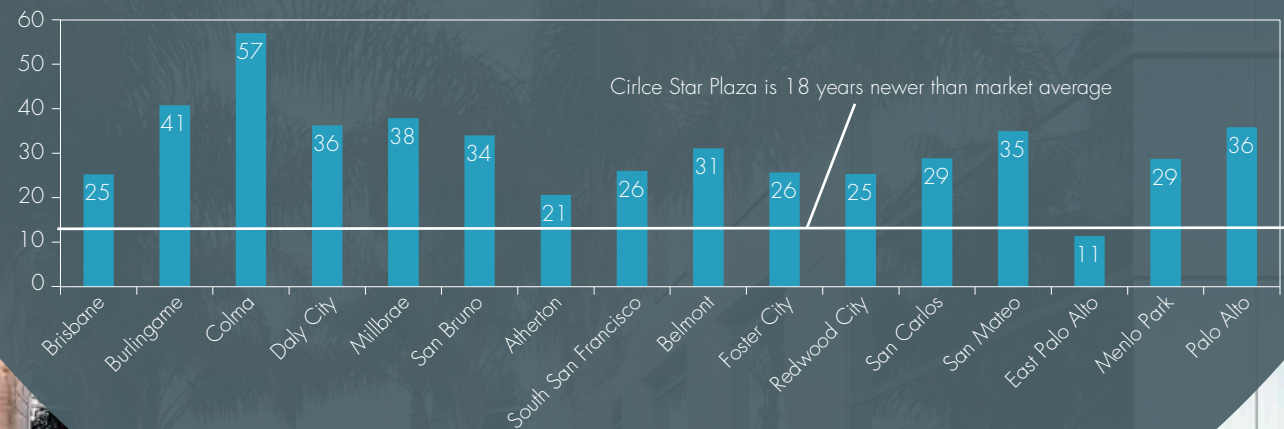
## MARKET HIGHLIGHTS

- Positive San Francisco Peninsula office market fundamentals with the third quarter of 2013 marking the twelfth consecutive quarter of increased averaged asking rates.
- Strong office leasing demand with approximately 3.9 million square feet of active requirements and 18 active tenant requirements exceeding 50,000 square feet each.
- San Mateo County has a strong employment market with a current unemployment rate of 4.7%, the second lowest in the state of California.
- CBRE Econometrics projects strong continued growth over the next five years with rents forecast to grow 23% over that time period.

## SUBSTANTIALLY NEWER THAN THE MARKET AVERAGE

Circle Star Plaza was built in 1999–2000, 18 years newer than the average age of office product on the Peninsula. The outdoor plaza between the two buildings further enhances the tenant pool, solidifying this property as a premier asset in the market.

### PENINSULA OFFICE BUILDING AGE

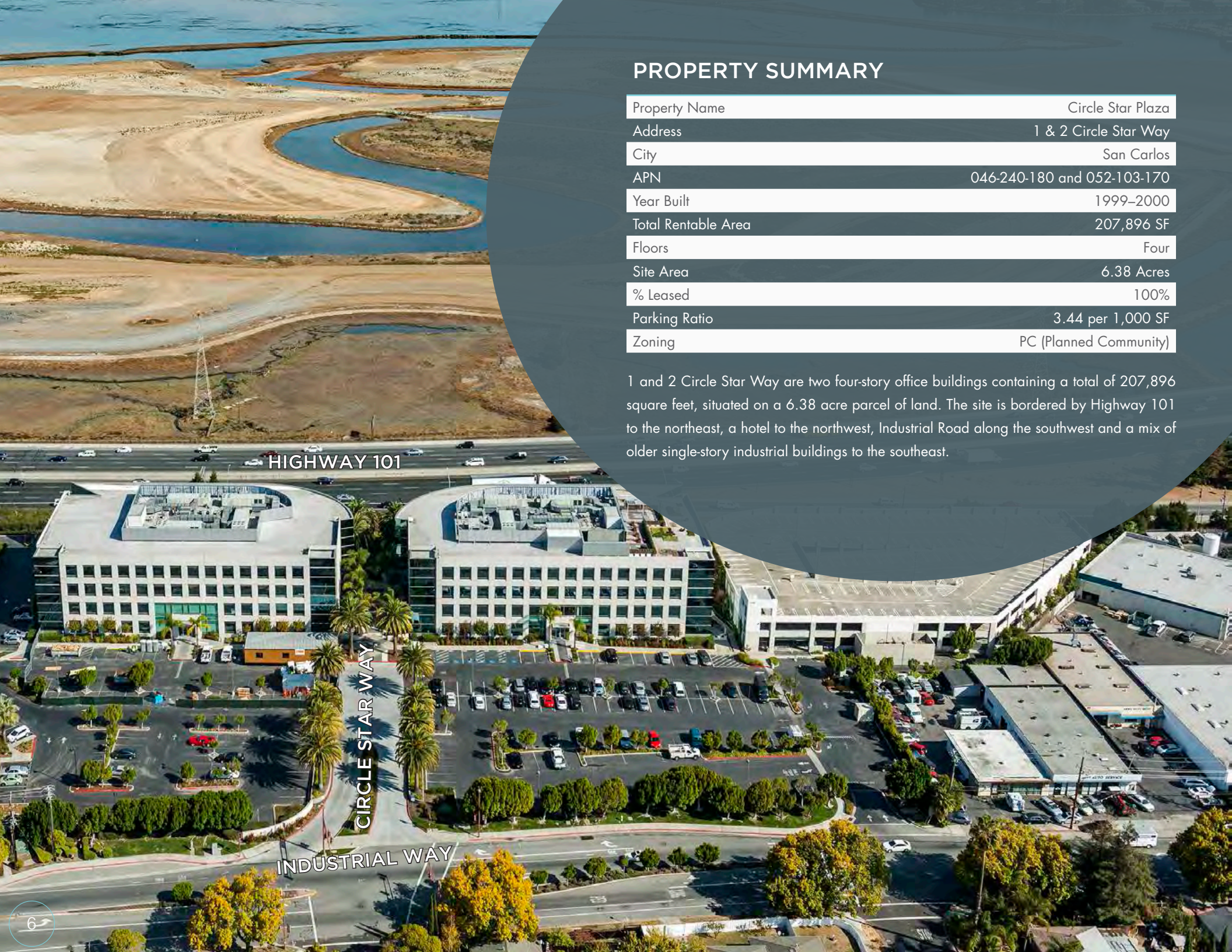






Circle Star Plaza  
**PROPERTY OVERVIEW**





# PROPERTY SUMMARY

Property Name	Circle Star Plaza
Address	1 & 2 Circle Star Way
City	San Carlos
APN	046-240-180 and 052-103-170
Year Built	1999-2000
Total Rentable Area	207,896 SF
Floors	Four
Site Area	6.38 Acres
% Leased	100%
Parking Ratio	3.44 per 1,000 SF
Zoning	PC (Planned Community)

1 and 2 Circle Star Way are two four-story office buildings containing a total of 207,896 square feet, situated on a 6.38 acre parcel of land. The site is bordered by Highway 101 to the northeast, a hotel to the northwest, Industrial Road along the southwest and a mix of older single-story industrial buildings to the southeast.

HIGHWAY 101

CIRCLE STAR WAY

INDUSTRIAL WAY





## SITE ACCESS

Vehicular access is provided to the site via two entries from Industrial Road.

## LOADING DOCKS

A dock-high loading dock is provided at the south side of 1 Circle Star Way for city-type delivery vehicles.

## PARKING

Parking is providing by both open surface stalls and a 3 level above grade parking structure. There are a total of 715 parking spaces on the property, providing a parking ratio of approximately 3.4 spaces per 1,000 square feet.

## CIRCLE STAR SIGN

The video sign at Circle Star Plaza is owned by Mozart and is not included with the offering. There are CC&Rs providing an easement for the operation and use of the Circle Star Sign. The sign is currently operated by a third party, which rents space at 2 Circle Star for sign control equipment and operations (see rent roll for detail).

## CONSTRUCTION/BUILDING SYSTEM DETAILS

### FOUNDATIONS

The foundations of the two buildings are precast concrete pile.

### STRUCTURAL FRAME

The buildings are steel-framed.

### FRAMING /EXTERIOR WALLS

The exterior walls consist of precast concrete panels with architectural reveals, and silicone sealant panel joints.

### ROOF STRUCTURE

The roof system at each building consists of a 4-ply fiberglass, mineral surfaced cap sheet membrane installed over a sloped structural concrete deck.

### HVAC

Base building heating and cooling for each of the buildings is provided by 4 rooftop-mounted boxcar-type package units, each equipped with 100% economizer capability and variable frequency drive for fan speed and static pressure control. Tenant added auxiliary cooling systems (approximately 9-13 units per building) that are mounted on the roof. One-way moisture and vapor vents are installed at the roof of 2 Circle Star Way.

### ELECTRICAL

Power is provided to each building by pad-mounted transformers at 480/277-volt, 3-phase, 4-wire. Each building is provided with a single 3,000-amp metered service. The parking garage is provided with a separate 400-amp metered service also at 277/480-volt, 3-phase, 4-wire to a separate main panel located in the lower level of the garage.

### ELEVATORS

There are 3 hydraulic elevators at each building that each have a capacity of 3,500 lbs. and travel at a speed of 180 feet per minute. The garage has 1 hydraulic elevator that has a capacity of 3,500 lbs and travels at a speed of 140 feet per minute. All elevators were installed by Golden Gate Elevator.



## INTERIOR DETAILS

### FLOOR COVERINGS

Floor finishes consist of commercial grade carpeting, with vinyl composition tile provided at break rooms and tenant utility rooms. Exposed concrete is provided at core area utility rooms.

### WALLS

Interior walls consist of metal stud construction with a painted gypsum board finish. Core area corridors have a stained painted wood base and the walls at the main lobby of each building consist of stained wood veneer with stainless steel reveals.

### CEILINGS

Ceilings consist of 2x2 or 2x4 suspended acoustical tiles with lay-in type fluorescent light fixtures.

### RESTROOMS

Multiple restrooms are provided on each floor at each building.

### STAIRS

Two sets of fully enclosed exit stairs are provided at each building.

### UTILITIES

**Water:** California Water Service Company

**Sanitary/Sewer:** City of San Carlos

**Electric:** Pacific Gas and Electric (PG&E)

**Gas:** Pacific Gas and Electric (PG&E)

**Telephone:** AT&T Communications

### FIRE /LIFE SAFETY

Both buildings are fully sprinklered with fire and water provided from the city water main on Industrial Boulevard. Each building is outfitted with a Notifier model AFP-200 fully addressable fire alarm panel with lobby-mounted remote annunciator.

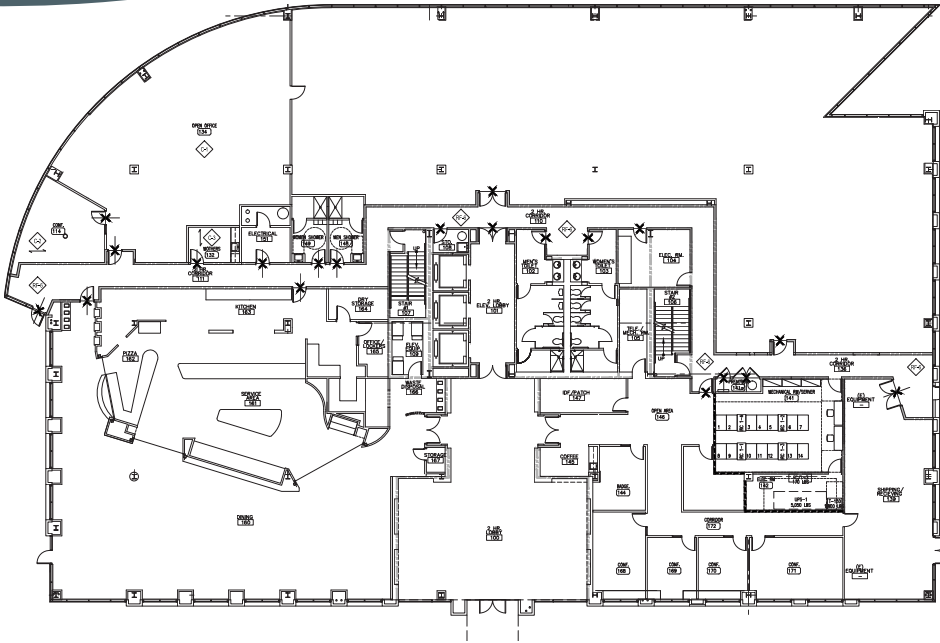
### TRASH

There is a trash enclosure with a metal deck roof and chain link gates adjacent to the parking garage. A similar enclosure is provided adjacent to the west elevation of the parking structure, which contains an emergency power generator.

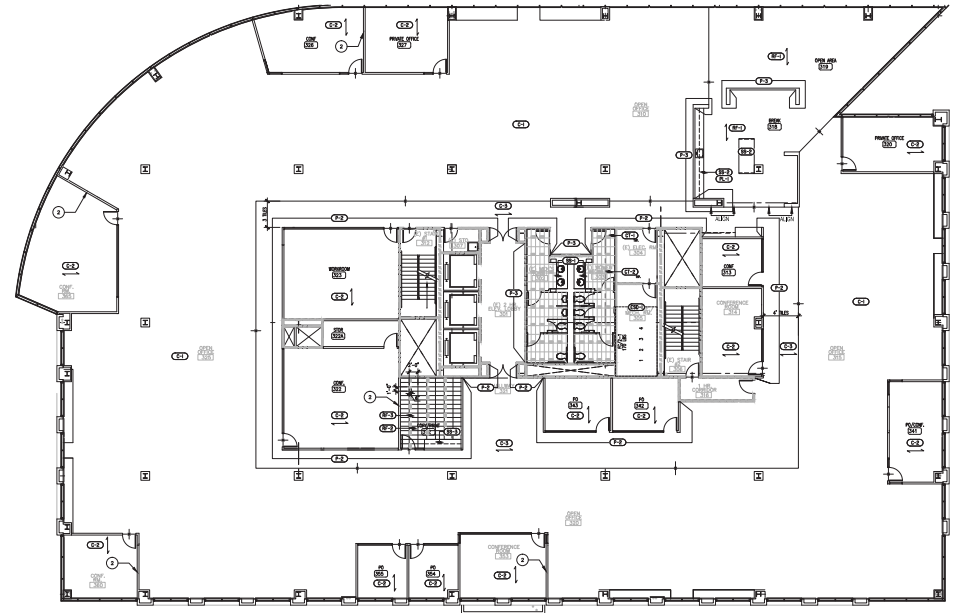




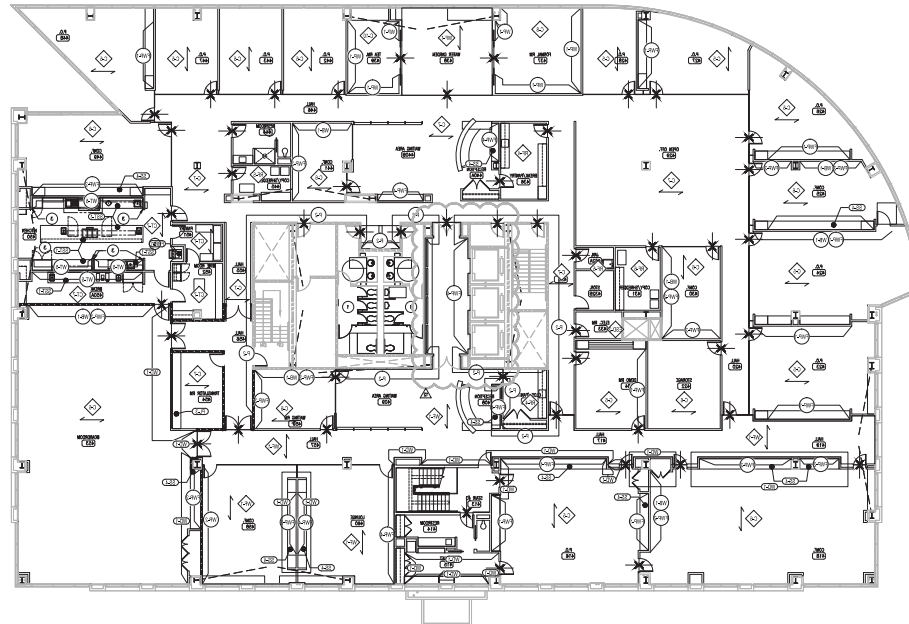
## FLOOR PLANS



1 CIRCLE STAR WAY FIRST FLOOR



REPRESENTATIVE TENANT BUILDOUT



2 CIRCLE STAR WAY FOURTH FLOOR





Circle Star Plaza  
**AREA OVERVIEW**

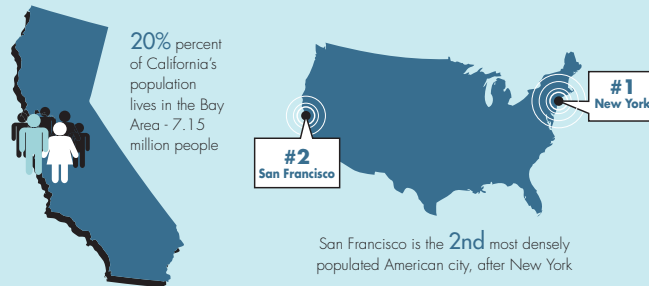


# SAN FRANCISCO BAY AREA OVERVIEW

The San Francisco Bay Area has the unique distinction of being the most innovative place in America, the byproduct of a highly-educated and productive workforce, a deep venture capital pool, world-class educational and research organizations, excellent transportation infrastructure, and superb quality of life.

The Bay Area serves as the financial center of the west coast, gateway to the Pacific, and the world's high-tech innovation capital. These intrinsic attributes have solidified the Bay Area's position as one of the nation's primary economic engines, and will continue to deliver a competitive advantage in the evolving global economy.

## TALENTED, WELL-EDUCATED LABOR FORCE +



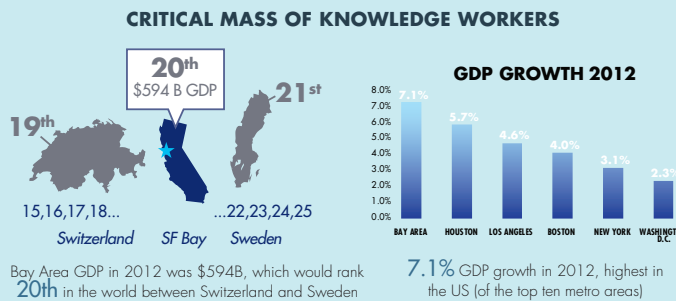
**15%/2X**

The Bay Area generates 15% of all U.S. patents, more than double the next largest region, New York

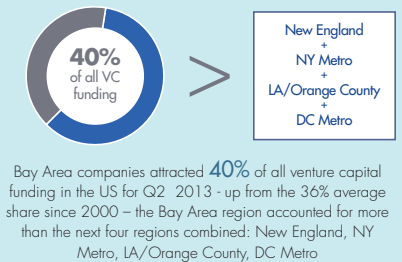


60 top ten graduate school programs in business, medicine, science and engineering are located in the Bay Area – more than any other region in the country: Boston 43, New York 29

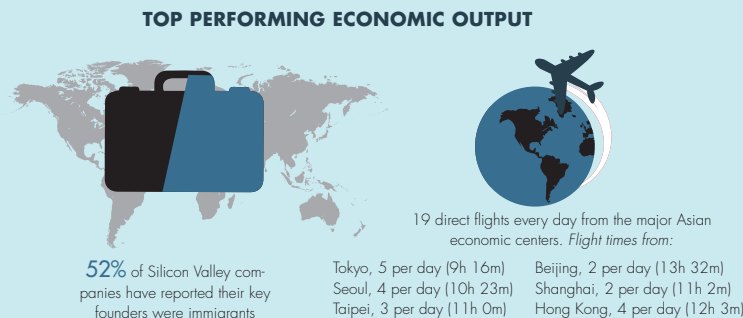
## INNOVATIVE, HIGHLY PRODUCTIVE ECONOMY +



## WORLD-CLASS EDUCATIONAL AND RESEARCH ORGANIZATIONS

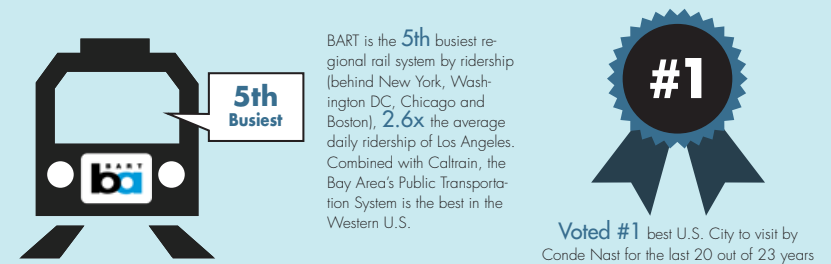


## REGIONAL INTANGIBLES



## DIRECT ACCESS TO FOREIGN TALENT AND CAPITAL

## PRIME BLEND OF ELITE CORPORATIONS AND WELL FUNDED START-UPS



## EXCEPTIONAL PUBLIC TRANSPORTATION AND QUALITY OF LIFE

## = SUSTAINED GLOBAL COMPETITIVE ADVANTAGE



# SAN FRANCISCO BAY AREA ECONOMIC DRIVERS

## WORLD CLASS RESEARCH INSTITUTIONS

The Bay Area is home to the nation’s largest concentration of basic and applied research facilities in the country with six leading research universities, five national laboratories and numerous private and independent research labs and organizations.

LEADING RESEARCH UNIVERSITIES	NATIONAL LABORATORIES
Stanford University	Lawrence Berkeley Laboratory
University of California - Berkeley	Lawrence Livermore Laboraroty
University of California - San Francisco	Ames Research Center
Santa Clara University	SLAC National Accelerator Laboratory
San Jose State University	Sandia National Laboratories (Livermore)
San Francisco State University	



STANFORD UNIVERSITY





## ROBUST, DIVERSE ECONOMIC BASE

The San Francisco Bay Area is home to 30 of the Fortune 500 Companies, representing a broad group of industries including technology, financial services, retail, energy, and health care. The top 10 public companies (by revenue) headquartered in the Bay Area generate nearly \$1 trillion in combined revenue.

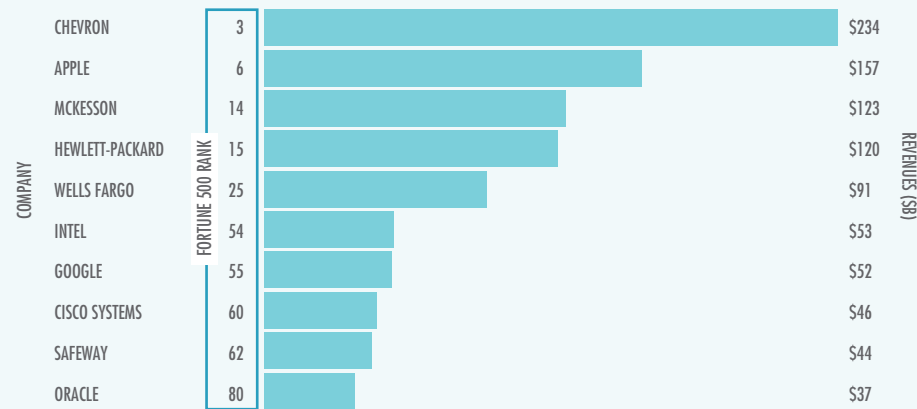
## TALENT CLUSTERS DRIVE INNOVATION

With its long-standing reputation for cutting-edge innovation, the Bay Area has always required one of the most specialized and educated work forces in the country. The high concentration of technology talent fosters innovation, and firms migrate to the Bay Area in order to leverage this talent. The Bay Area's share of technology talent is nearly three times the national average.

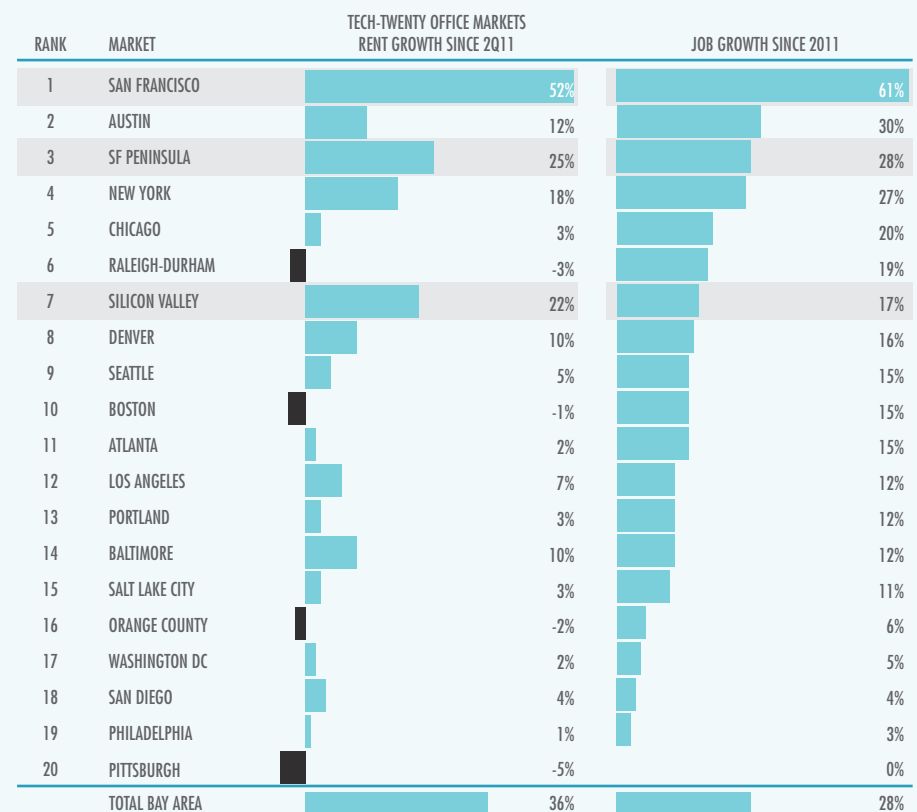
## HIGH-TECH COMPANIES EXPANDING OFFICE USE

Companies involved in software development, mobile and social media technologies, and information technology products and services have added jobs five times faster (17.4% growth) than the national average since 2009 (3.5% growth). These firms increasingly employ office workers, with the high-tech services sector responsible for one out of every four new office-using jobs in the country. The "Tech-Twenty Office Markets" are those with a high concentration of high-tech services employment. The Bay Area has by far seen more job and rent growth than any market in the country.

## TOP 10 BAY AREA PUBLIC COMPANIES BY REVENUE



## TECH-TWENTY OFFICE MARKETS





## BAY AREA TRANSPORTATION

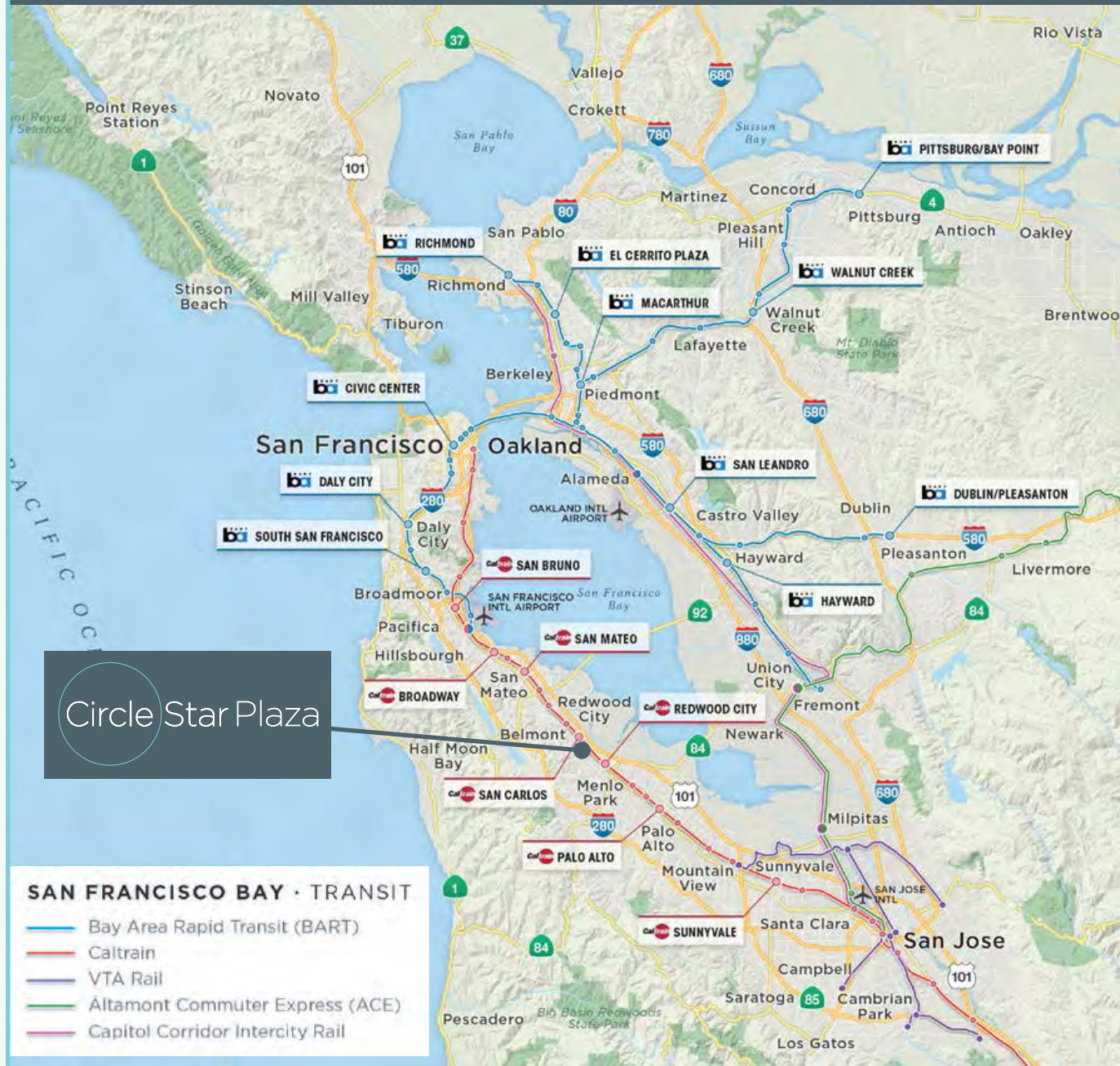
The Bay Area enjoys a superlative transportation infrastructure, providing a logistical base that ensures its companies are among the most globally connected in the world.

### AIRPORTS

The Bay Area has three major international airports, the San Francisco International Airport (SFO), the Oakland International Airport (OAK) and the Mineta San Jose International Airport (SJC). Combined, the three airports carry over 52 million passengers per year. Serving 44 airlines, SFO is the second largest airport in California, the tenth busiest airport in the United States, and the twentieth largest airport in the world.

### FREEWAYS

The major freeways in the San Francisco Bay Area are Interstates 80, 680, 280, 880, 5, 380, 580, 780, 980 and Highway 101. These freeways serve as the connecting roads for many professionals traveling to and from San Francisco and the nine counties that the region encompasses.





# PUBLIC TRANSPORTATION

## BAY AREA RAPID TRANSIT (BART)

BART is the heavy-rail public transit and subway system that connects San Francisco with cities in the East Bay and suburbs in northern San Mateo County. BART operates five lines on 104 miles (167 km) of track with 44 stations in four counties. With an average weekday ridership of 379,300 passengers and 309,420 weekend day passengers, BART is the fifth-busiest heavy rail rapid transit system in the United States.



**CALTRAIN** – Caltrain is a California commuter rail line on the San Francisco Peninsula and in the Silicon Valley. The northern terminus of the rail line is in San Francisco, at 4th and King streets and its southern terminus is in Gilroy. Trains operate out of San Francisco and San Jose almost hourly on a daily basis every weekday, with more frequent service provided during commute hours and for special events (such as sporting events).

**AMTRAK** – There are several Amtrak stations throughout the Bay Area. Major stations in Martinez and Emeryville feature Coast Starlight and Zephyr service. The Starlight also serves Oakland and San Jose. The Capitol Corridor connects Bay Area cities to Sacramento and Auburn, and features BART transfer stations at Richmond and the Oakland Coliseum. The San Joaquin line serves Sacramento and Oakland, with trains to Bakersfield.

**FERRIES** – The San Francisco Ferry terminal located at the base of Market Street is the central hub of the Golden Gate Ferry, which serves ferry transit to the waterfront Bay Area communities of Marin County, Alameda, and Oakland.



## REGIONAL MAP





## SAN FRANCISCO PENINSULA

Positioned between San Francisco and San Jose, the San Francisco Peninsula is comprised of San Mateo County and the northern part of Santa Clara County. The region offers a rich suburban atmosphere with over 20 distinct communities that provide a diversity of culture, lifestyle, climate and recreational opportunities. With its key location between the business hubs of San Francisco and Silicon Valley, the Peninsula has become a premier location for a diverse mix of businesses from high tech to life tech, professional and financial services.

The Peninsula maintains several unique qualities that have contributed further to its highly desirable location for business. No other market in the world has access to such a high concentration of workers experienced in all technology sectors. The Peninsula's near-equidistant location between San Francisco, San Jose and the East Bay provides accessibility to all Bay Area markets to maximize employee recruiting. Three major transit systems service the Peninsula, including CalTrain, BART and SamTrans bus service. The Peninsula is home to the San Francisco International Airport, Stanford University and the most influential venture capital infrastructure in the world which is based on Sand Hill Road in Menlo Park.

Coupled with the fact that approximately one-third of the country's venture capital dollars are placed in the Bay Area, all these contributing factors ensure that the Peninsula will be a hub of innovation, technology and business growth for decades to come.



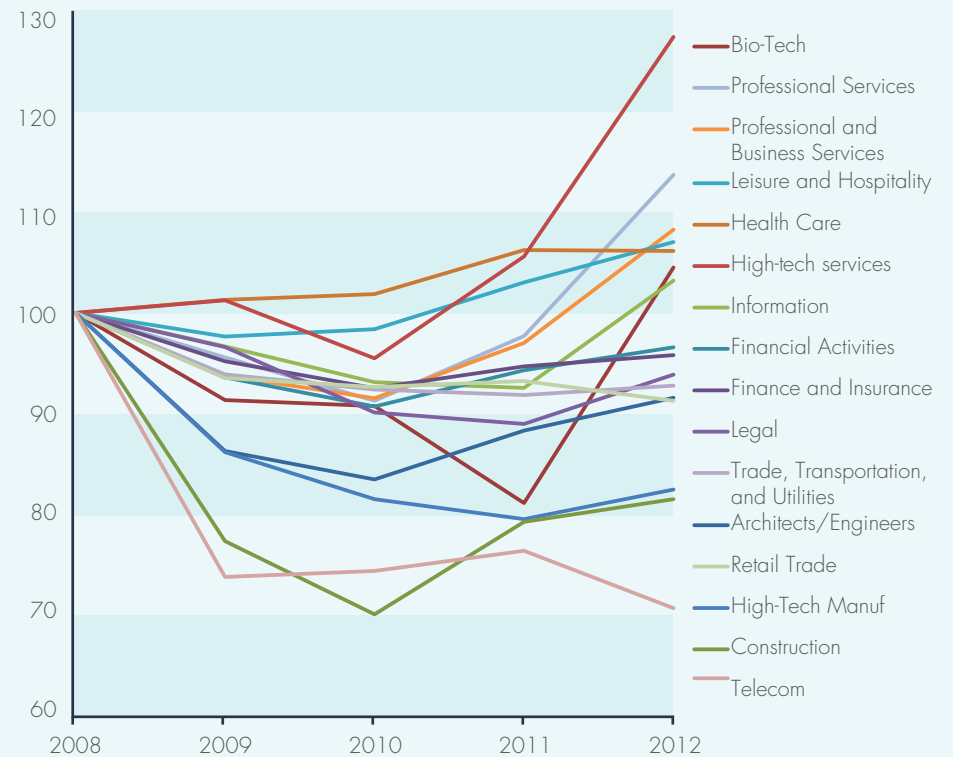
## EMPLOYMENT AND TENANT BASE

The Peninsula's pivotal location between Silicon Valley, San Francisco, and the East Bay has attracted a strong and diverse employee base that varies greatly in size, business sector and needs. Boasting a workforce of approximately 391,000, San Mateo County is home to over 22,000 businesses. Several leading edge businesses are headquartered on the Peninsula including VISA, Genentech, Facebook, Franklin Templeton, Sony Computer Entertainment, Applied Biosystems, Oracle, Hewlett Packard and Electronic Arts. In addition, other nationally recognized firms have recently established offices on the Peninsula including Virgin America, Shutterfly, SuccessFactors, YouTube, Solar City, Tesla, Dreamworks, Netsuite and GoPro.

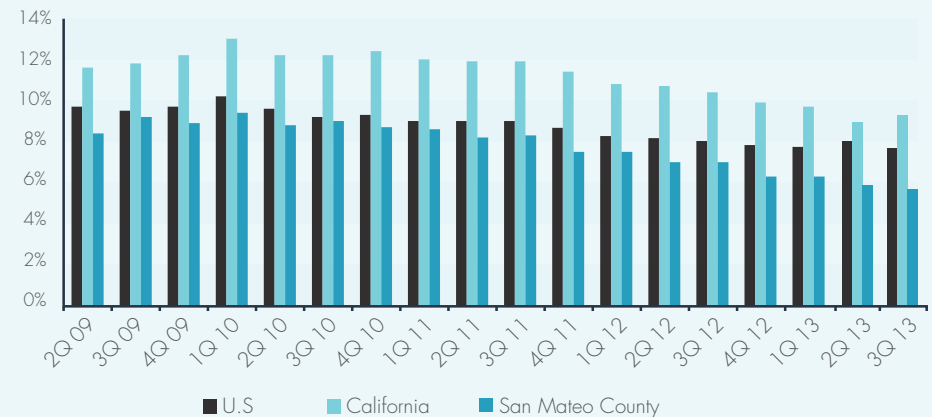
The Technology surge has been fueling another hiring boom in the Peninsula region. San Mateo sits between two booming areas- San Francisco to the north and Silicon Valley to the south- and it has greatly benefited from this location. As technology has come roaring back in both places, this has helped push down San Mateo's unemployment rate to 5.9% as of the first quarter of 2013, ranking San Mateo County the 2nd lowest in California. Employment has grown 8.7% since its low in the beginning of 2010, and as the unemployment rate in California and the U.S. continues its steady decline, this growth is expected to continue.



## PENINSULA EMPLOYMENT GROWTH BY INDUSTRY (INDEX 100)



## UNEMPLOYMENT IN THE U.S., CALIFORNIA, AND SAN MATEO COUNTY (2009-2013)





EXTRAORDINARY TALENT POOL




The San Francisco Peninsula has direct access to the nationally renowned research institutions at Stanford University, the University of California at Berkeley and the University of California at San Francisco. These academic institutions have been catalysts for growth in numerous industries including high technology, engineering and biotechnology. The Bay Area has the highest percentage of college educated adults in the nation and its academic institutions will continue to play a major role in its position as one of the world’s high-tech and biotechnology capitals.

EXCEPTIONAL QUALITY OF LIFE

As a hub for cutting-edge technology and top-reputed resources, along with a centralized location, San Carlos provides an unparalleled quality of life that other cities in the nation do not. Some of the most upscale residential markets in the country can be found in Woodside, Atherton, Menlo Park, Portola Valley and Hillsborough while broad ranges of single-family homes, town houses and apartments are available in the dozen, plus other communities that make up the Peninsula from Daly City to Redwood Shores and Half Moon Bay to South San Francisco. San Carlos is rich in character and is home to a highly educated employment base and is in close proximity to all points of the Bay Area. San Carlos has a traditional downtown core, vibrant high-tech and pharmaceutical employment base, and great access to rail-served public transit.



GRADUATE SCHOOL RANKINGS AMONG UNIVERSITIES IN THE UNITED STATES

Stanford University	University of California Berkeley	University of California San Francisco
		
MBA Program: 1st	Biological Sciences: 2nd	Pharmaceutical School: 1st
Law School: 2nd	Engineering School: 3rd	Nursing School: 4th
Engineering School: 2nd	MBA Program: 7th	Medical School: 7th
Medical School - Research: 2nd	Law School: 9th	
Education School: 5th		

Source: US News & World Report



## SAN MATEO COUNTY

2012 Population	739,311
Median Household Income	\$87,633
Median Age	39

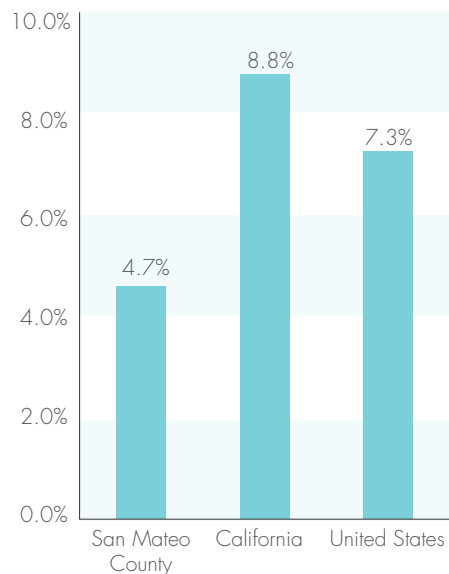
## HOUSING

Median Property Value	\$256,423
Housing Units	271,333

Source: US Census Bureau

## UNEMPLOYMENT RATE (AS OF SEPTEMBER 2013)

San Mateo County	4.7%
California	8.8%
United States	7.3%



Source: Bureau Labor of Statistics

## CITY OF SAN CARLOS

Incorporation	1925
Chamber of Commerce	1500 Laurel St San Carlos, CA 94070
Mayor	Bob Grassilli
City Hall	600 Elm Street San Carlos, CA, 94070
Website	<a href="http://www.cityofsancarlos.org/">http://www.cityofsancarlos.org/</a>
Electricity	Pacific Gas and Electric
Gas	Pacific Gas and Electric
Telephone	AT&T
Trash	San Mateo County
Water	California Water Service

## LANDMARKS AND TOURIST ATTRACTIONS IN SAN MATEO COUNTY

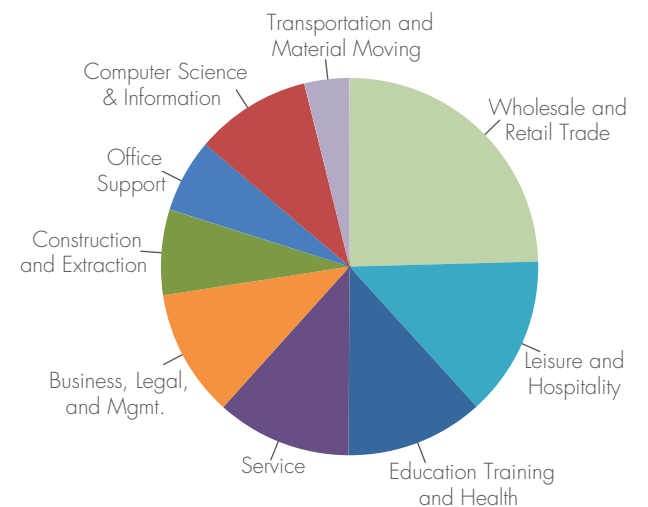
Montara State Beach
Coyote Point Museum
Gray Whale Cove State Beach
Mariners Point Golf Center
Burlingame Museum of Pez Memorabilia

Source: <http://www.cityofsanmateo.org/>

## SAN MATEO COUNTY METROPOLITAN EMPLOYMENT BY OCCUPATION

Wholesale and Retail Trade	241,700
Leisure and Hospitality	134,600
Education Training and Health	116,200
Service	113,600
Finance, Business, Legal, and Mgmt.	107,400
Construction and Extraction	72,000
Office Support	62,000
Computer Science & Information	97,700
Transportation and Material Moving	38,000

## EMPLOYMENT BY OCCUPATION



Source: Bureau Labor of Statistics





Circle Star Plaza  
**MARKET OVERVIEW**





## SAN FRANCISCO PENINSULA OFFICE MARKET

The San Francisco Peninsula office market consists of over 40.3 million square feet and has seen 12 consecutive quarters of increasing average asking rates, a rise of 45% over this time period, which now surpass their last peak in 2007. After the overall vacancy reached its most recent peak of 16.9% at the end of the fourth quarter of 2009, the long term vacancy rate trend remains downward hitting 10.9% at the end of the third quarter of 2013. While the market did slow during the summer months, a historically consistent trend, leasing activity quickly picked up in September, resulting in six of the ten submarkets experiencing positive absorption in the third quarter, further demonstrating positive market fundamentals through rising tenant demand and asking rates.

### SAN FRANCISCO PENINSULA - Q3 2013

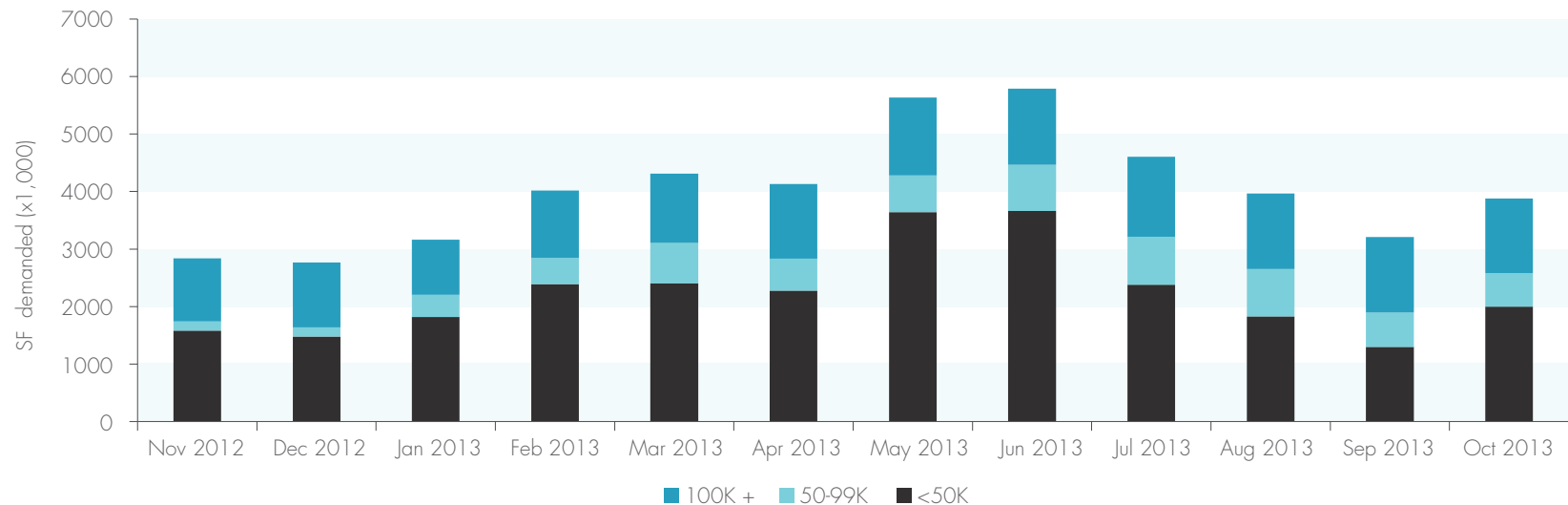
Submarket	NRA	Total Vacancy %	Average Asking Rates FSG	%Change in Average Asking Rates Since Q3 2012	Q3 Net Absorption	YTD Net Absorption
Daly City/Brisbane	2,196,577	31.80%	\$2.87	6.30%	72,610	123,139
Class A	1,304,577	41.60%	\$3.25	4.84%	71,733	110,411
South San Francisco	2,880,489	21.70%	\$2.97	3.13%	(166,213)	(98,927)
Class A	2,350,997	25.10%	\$3.15	3.28%	(166,059)	(78,909)
San Bruno/Millbrae	1,759,464	9.10%	\$2.89	11.58%	4,918	(27,144)
Class A	687,394	4.00%	\$2.95	0.00%	(13,289)	(5,701)
Burlingame	2,476,538	10.50%	\$2.39	11.68%	(853)	6,271
Class A	758,479	14.40%	\$2.85	11.76%	(1,647)	11,569
San Mateo	7,001,092	9.90%	\$3.34	45.00%	134,949	4,909
Class A	3,586,158	10.30%	\$3.75	13.64%	61,228	(48,989)
Foster City	3,222,388	16.00%	\$4.13	24.02%	(277,827)	(287,493)
Class A	2,701,150	13.30%	\$4.35	24.29%	(272,013)	(305,135)
BELMONT/SAN CARLOS	1,461,811	10.00%	\$2.79	1.45%	43,633	46,217
CLASS A	802,874	2.90%	\$3.05	0.00%	57,396	57,396
Redwood City/Redwood Shores	7,978,211	8.10%	\$4.00	14.94%	34,200	129,768
Class A	5,786,799	9.30%	\$4.25	14.86%	34,527	70,347
Menlo Park	4,603,560	7.50%	\$6.15	0.33%	(4,462)	(28,377)
Class A	1,552,991	5.60%	\$8.85	0.00%	(22,982)	(8,571)
Palo Alto/East Palo Alto	6,812,420	4.60%	\$6.56	4.13%	71,829	57,539
Class A	2,990,963	5.10%	\$7.90	2.60%	67,036	96,478
SAN FRANCISCO PENINSULA	40,392,550	10.90%	\$4.25	8.42%	(87,216)	(46,403)
CLASS A	22,522,047	12.40%	\$4.68	8.08%	(184,070)	(72,263)



## POSITIVE PENINSULA MOMENTUM

Tenants are demonstrating confidence and planning for growth in the next year as many of the third quarter's large transactions were expansion deals. These expansions, combined with the influx of capital and new building ownerships, suggest the office market is primed to strengthen in the final quarter 2013 and early 2014. Tenants have shown increased confidence in their real estate decisions and current tenant office demand stands at 3.9 million square feet. Competition for available space has grown significantly, with eighteen companies entering the market for 50,000 SF or more. Coupled with the average length of lease terms increasing from 2-3 years to 3-5 years, there is strong potential for a high volume of transactions in the ensuing quarters.

### SAN FRANCISCO PENINSULA HISTORICAL OFFICE TENANT DEMAND



## STRONG TECHNOLOGY ECONOMY

With San Francisco to the north and Silicon Valley to the south, the Peninsula has greatly benefited from this location. As technology has come roaring back in both places, this has helped push down San Mateo County's unemployment rate to 4.7% as of third quarter of 2013, ranking San Mateo County the second lowest in California. Employment has grown 11.2% since its low in the beginning of 2010, and as the unemployment rate in California and the U.S. continues its steady decline, this growth is expected to continue.

The strong presence of venture capital funding helps fuel the growth of emerging technology companies, furthering employment gains and lowering vacancy rates as companies expand. The allure of abundant venture capital sources and an unparalleled technology presence illustrates the Peninsula's status as one of the premier investment regions in the country. With rates continuing to rise, along with an improving deal velocity, the San Francisco Peninsula office market seems poised to further progress its growth.

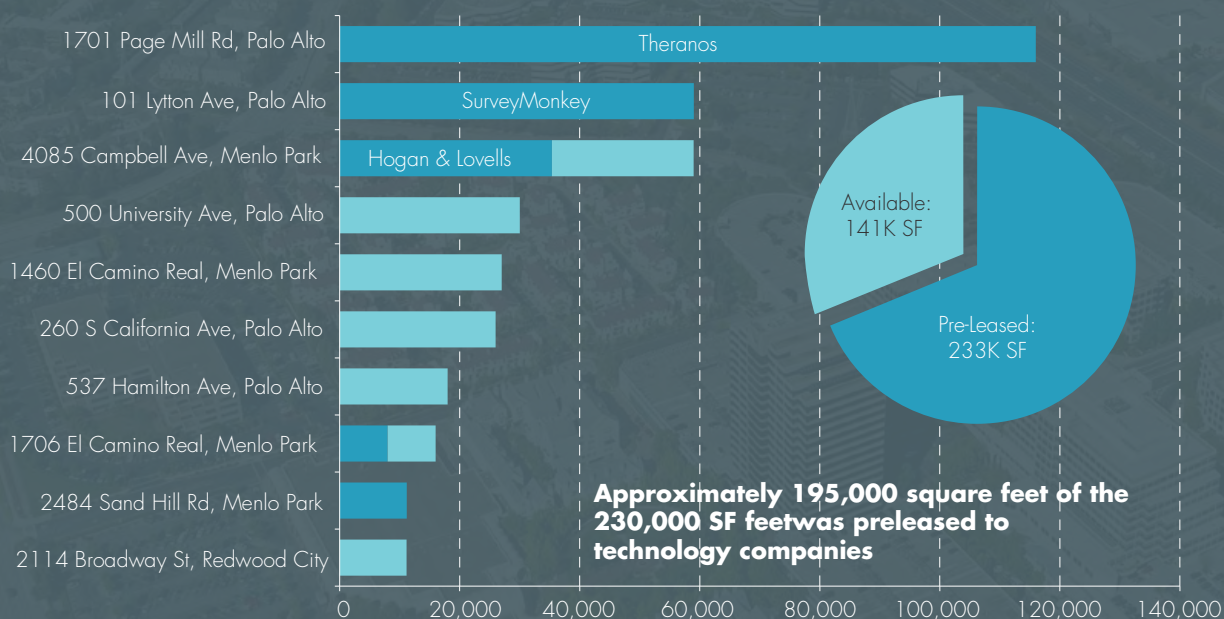


## NEW CONSTRUCTION IN THE MID-PENINSULA

While open space abounds, contributing to the area's highly desirable image, there are limited opportunities where raw land remains for development of any kind. Nearly all new construction will take place as the redevelopment of underutilized or functionally obsolete sites. The developing shortage of quality office space has encouraged developers to expedite their planning for new office construction on several sites. While many projects stand at the ready, most will need a pre-commitment of 50% or more in order to obtain financing and allow construction to commence.

The development pipeline has been building momentum in 2013; however the majority of construction continues to be in the Southern Peninsula which accounts for eight of the nine projects. Currently there is approximately 374,000 square feet under construction, and 62% of that is pre-leased, demonstrating the scarcity of high quality office product in the Southern Peninsula. Multiple construction projects have been approved in the Central Peninsula, but developers are looking to pre-lease portions of their projects prior to breaking ground. As large blocks of available space continue to be scarce throughout the Southern Peninsula, tenant movement will continue north into the Central Peninsula, prompting developers to break ground on projects already approved.

### OFFICE SPACE UNDER CONSTRUCTION






## TENANTS TARGETING TRANSIT

Office properties such as Circle Star Plaza that are in close proximity to CalTrain have lower vacancy and have attracted an increased portion of gross leasing activity. In 2011 16% of the gross absorption occurred within ½ mile radius from CalTrain. In 2013 that has increased to 28%.

## OFFICE MARKET VACANCY

	Total Market	½ Mile Radius from CalTrain	
 <ul style="list-style-type: none"> <li>Bayshore</li> <li>South San Francisco</li> <li>San Bruno</li> <li>Millbrae</li> <li>Burlingame</li> </ul>	17.6%	13.5%	North
<ul style="list-style-type: none"> <li>San Mateo</li> <li>Hillsdale</li> <li>Belmont</li> <li>San Carlos</li> <li>Redwood City</li> </ul>	10.3%	9.3%	Central
<ul style="list-style-type: none"> <li>Menlo Park</li> <li>Palo Alto</li> </ul>	6.4%	2.4%	South

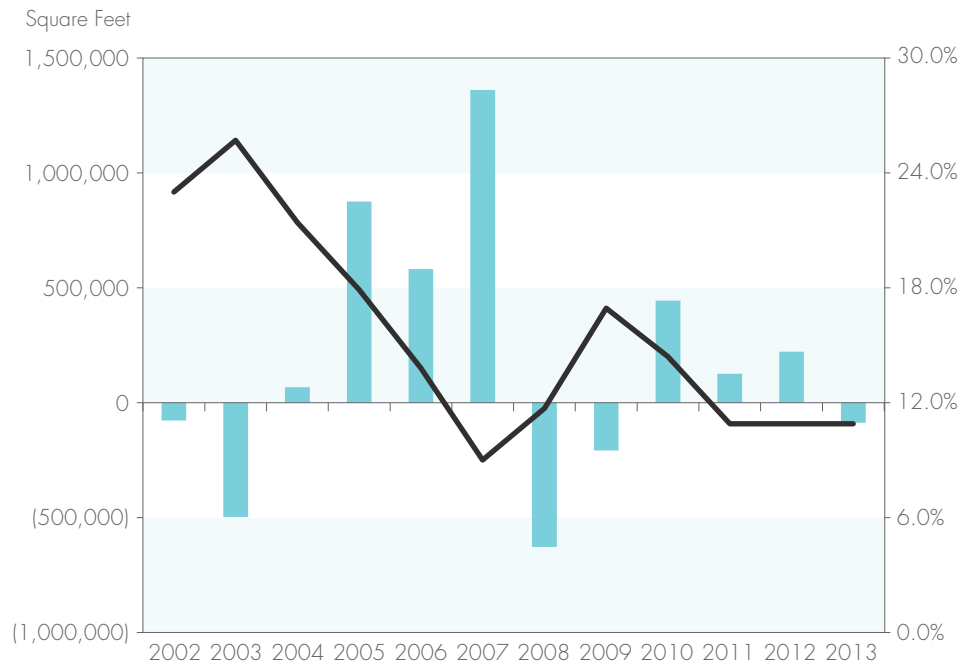


## PENINSULA VACANCY AND AVAILABILITY

After reaching a peak of 16.9% in the third quarter of 2009, vacancy rates improved as the regional economy recovered ahead of the national picture, eventually reaching 10.9% vacancy by the third quarter of 2013. This represents a decline in the vacancy rate of 600 basis points in just 3 years. Vacancy rates in the Southern Peninsula (Palo Alto/Menlo Park) are the lowest at 5.8%.

As downtown Palo Alto continues to be the epicenter of the Silicon Valley, growing users no longer have Mountain View as a relocation option and are finding that Redwood City/San Carlos is the closest locations to offer 30-100,000 square foot options. This migration continues to drive tremendous demand for newer construction with good access and exposure to Highway 101.

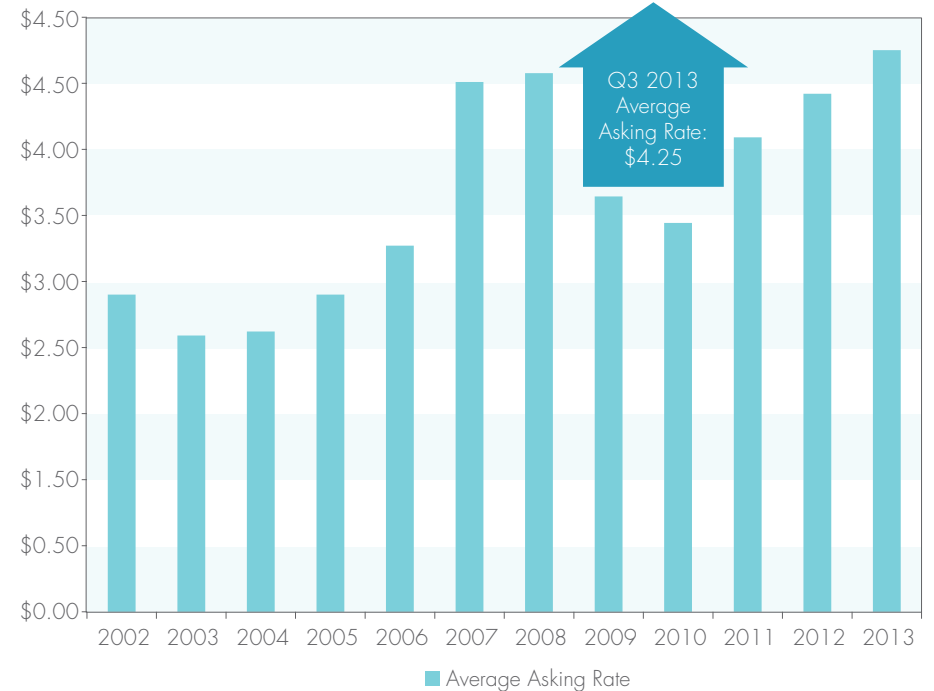
## PENINSULA NET ABSORPTION VS. VACANCY RATE



## PENINSULA DIRECT LEASE RATES

The last two and a half years have provided sustained demand and dwindling supply on the Peninsula, especially in large block space. That has led landlords to take advantage of the market conditions and increase rents. Average lease rates increased nearly 20% in 2011 and another 7.3% in 2012. Asking rates stand at \$4.25 as of the third quarter of 2013, a 7.6% increase year to date, marking the twelfth consecutive quarter of asking rate increases on the Peninsula. During that time the average rate for Class 'A' office space has gone from \$3.38 to \$4.68 per rentable square foot per month, a total increase of 38.5% over that period.

## PENINSULA AVERAGE ASKING RATE \$/SF/MO FSG



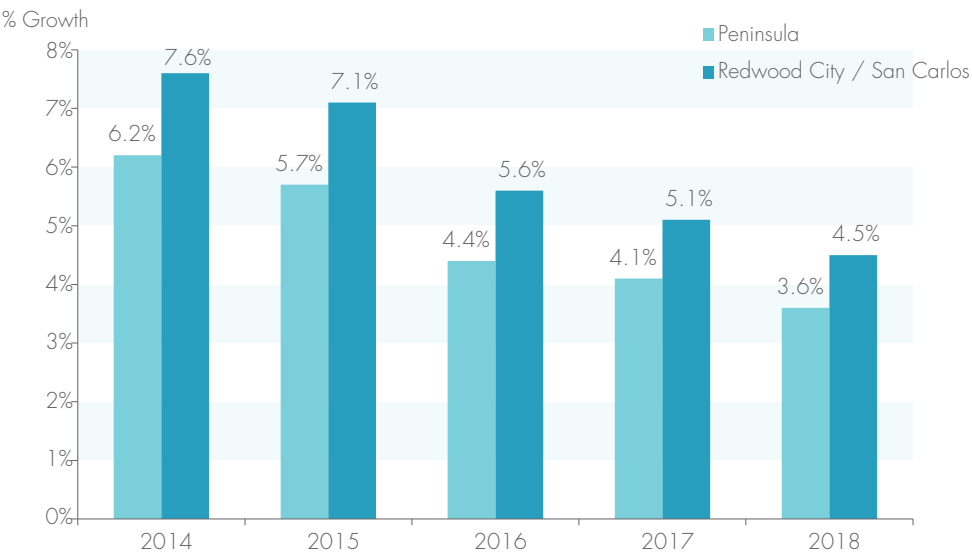


# SAN CARLOS/BELMONT OVERVIEW

Circle Star Plaza lies within the submarket of San Carlos/Belmont, consisting of 1.4 million square feet, one of the four submarkets on the central Peninsula that is positioned to benefit from recent tenant migration. San Carlos is forecasted to see major increases in both occupancy and rental rates as the submarket is poised to benefit from the leasing momentum spreading from the submarkets to the south, Palo Alto and Menlo Park, and San Francisco to the North. As vacancy rates dip into the mid-single digits for office space in these submarkets, tenants are displaced from these top-tier submarkets by rising rental rates. As a result, through the end of 2013 and throughout 2014, tenants will increasingly migrate into well-located submarkets, such as San Carlos, with more competitive rates. Moreover, projects located in proximity to CalTrain and Highway 101 will become more desirable due to the convenient access to San Francisco, Silicon Valley and the East Bay.

## CBRE ECONOMIC ADVISORS – PENINSULA AND SAN CARLOS/BELMONT RENT GROWTH FORECAST

CBRE Econometric Advisors (formerly Torto Wheaton) predicts the Peninsula will experience strong rental growth over the next three to five years. The table below illustrates the forecasted growth rates over the next 5 years for San Carlos/Redwood City, which is approximately 30% of total rent growth. In the Peninsula, rents are expected to increase a total of at least 6% in 2014 and another 5.7% in 2014, equaling a total rent increase of 24% in 5 years.



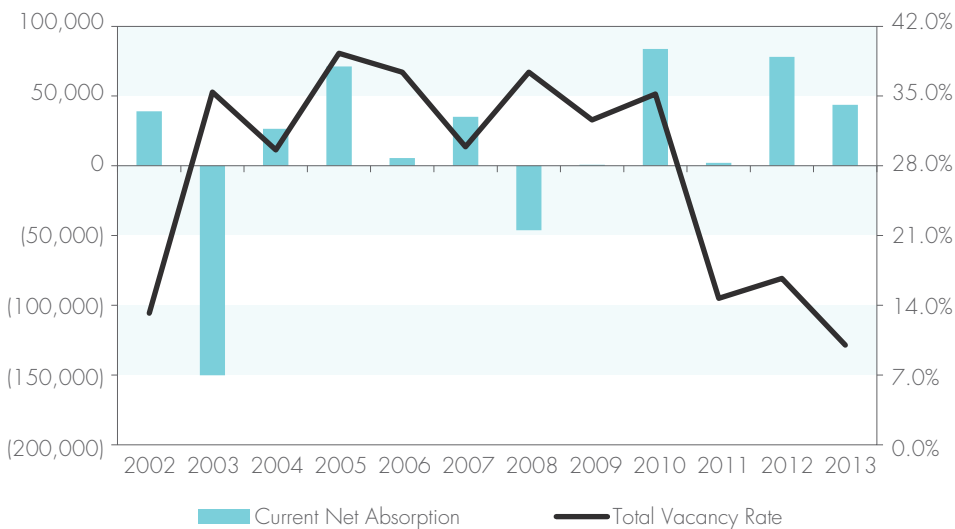




## SAN CARLOS/BELMONT VACANCY AND AVAILABILITY

With rates continuing to skyrocket in Palo Alto and Menlo Park, tenants are beginning to seek out submarkets, such as San Carlos that offer high-quality space at competitive rates. The Class 'A' vacancy rate for San Carlos currently stands at 2.9%, while the overall submarket is at 10% vacancy. The submarket has witnessed 359,523 SF of positive net absorption from the end of 2010 to the end of the third quarter of 2013. As a result, vacancy has decreased over 3,000 basis points since the peak in the second quarter of 2010.

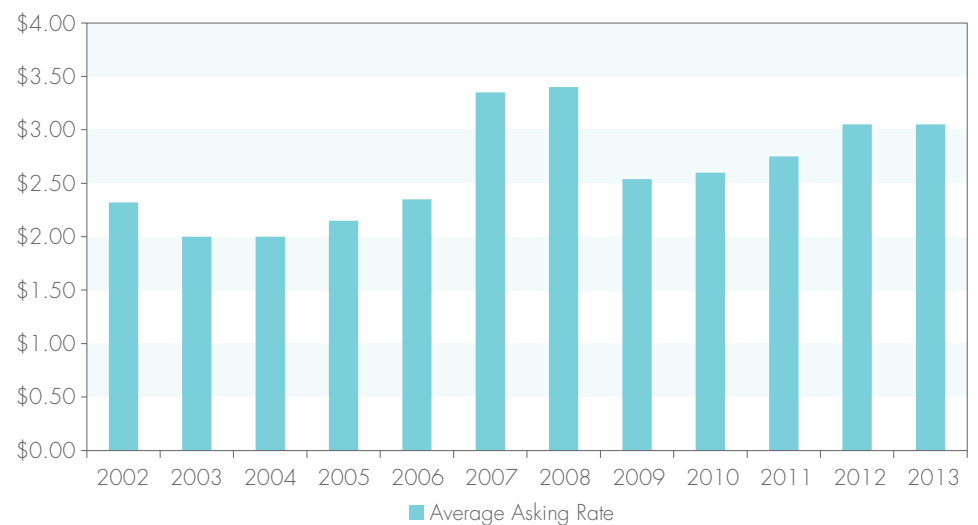
### SAN CARLOS/BELMONT NET ABSORPTION VS. VACANCY



## SAN CARLOS/BELMONT DIRECT LEASE RATES

Since the third quarter end of 2010, average lease rates have risen nearly 17% from \$2.39/sf/mo. FSG to \$2.79/sf/mo. FSG. The average Class A rate has risen to \$3.05 /sf/mo, a 20% increase since the third quarter of 2009 but is still 11.5% below the peak in the third quarter of 2008. With the nearby markets of Palo Alto and Menlo Park experiencing single digit vacancy and asking rents well over \$6.00/sf/mo., San Carlos/Belmont offers a cost effective alternative for tenants.

### SAN CARLOS/BELMONT CHANGE IN CLASS 'A' ASKING RATES







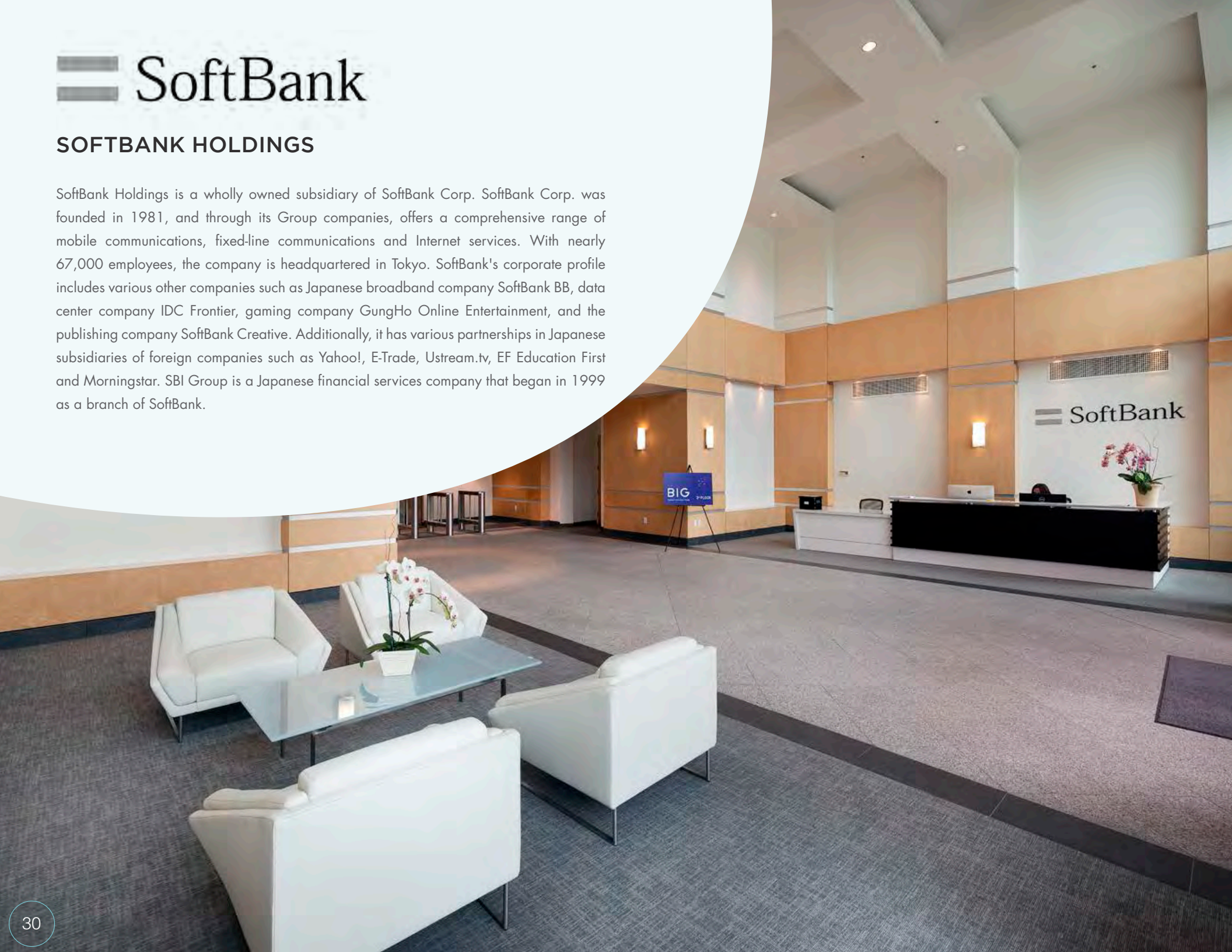
Circle Star Plaza  
**TENANT PROFILE**





## SOFTBANK HOLDINGS

SoftBank Holdings is a wholly owned subsidiary of SoftBank Corp. SoftBank Corp. was founded in 1981, and through its Group companies, offers a comprehensive range of mobile communications, fixed-line communications and Internet services. With nearly 67,000 employees, the company is headquartered in Tokyo. SoftBank's corporate profile includes various other companies such as Japanese broadband company SoftBank BB, data center company IDC Frontier, gaming company GungHo Online Entertainment, and the publishing company SoftBank Creative. Additionally, it has various partnerships in Japanese subsidiaries of foreign companies such as Yahoo!, E-Trade, Ustream.tv, EF Education First and Morningstar. SBI Group is a Japanese financial services company that began in 1999 as a branch of SoftBank.







## COMPANY HIGHLIGHTS

- In July 2013, Sprint and SoftBank announced the completion of the Japanese telecom company's purchase of 78% of Sprint for \$21.6 billion.
  - Starburst II was established by SoftBank on October 5, 2012 for the purpose of directly owning Starburst III, Inc. (the merger sub company), acquiring a controlling interest in Sprint Nextel and undertaking the actions and completing the transactions contemplated by the SoftBank Merger.
  - In accordance with the terms of the Merger Agreement, SoftBank caused Starburst I, Inc. (HoldCo) to contribute \$18.5 billion in cash to Starburst II on the merger date, of which \$1.9 billion remained in the cash balance of Sprint Corporation at closing. The cash contributed by HoldCo at closing was in addition to the equity contribution in October 2012 in the amount of \$3.1 billion made by HoldCo in connection with Starburst II's purchase of the convertible bond. The bond was converted into shares of Sprint Nextel Common Stock prior to the consummation of the SoftBank Merger pursuant to the terms of the Bond Agreement.
- Masayoshi Son, president of SoftBank Corp, is championing renewable energy sources following the accident at the Fukushima No. 1 nuclear power plant. He envisages sending electricity generated by different energy sources such as solar power in Mongolia and hydropower in Russia, on this vast super grid. A joint venture was established between SoftBank and Newcom Group, a Mongolian investment firm, last year in a bid to translate this green-energy concept into reality.
- In October 2013, SoftBank purchased a 51% stake in the Finnish online game company, Supercell for \$1.5 billion. The acquisition of Supercell allows SoftBank to position itself to take advantage of an increase in mobile game play that has been spurred by rising smartphone use and high-speed data connections.

## FINANCIAL HIGHLIGHTS

- SoftBank's performance in the third quarter of 2013 demonstrated the company's financial health, as its stock advanced 19.23% and its year-to-date performance showed a stock advancement of 90.96%.
- SoftBank Group has grown into one of the largest business entities in Japan, with 3.4 trillion yen (approximately \$34 billion US) in sales in fiscal 2013.
- SoftBank has improved its financial metrics in the last two years, especially its ability to generate higher EBITDA on the back of stronger revenue growth and a steady improvement in its operating margin despite heightened competition.

### COMPANY SNAPSHOT

Sector/Industry	Finance	Market Capitalization	\$100.54B
Ownership	Public: OTC Markets (SFTBF)	Revenue (ttm)	\$56.83B
Headquarters	Tokyo, Japan	EBTIDA (ttm)	\$17.56B
Square Feet	207,896	Total Cash (mrq)	\$34.30B
Occupancy (% of NRA)	100%	Total Debt (mrq)	\$112.33B
Lease Expiration Date	May 2020		







Circle Star Plaza  
**FINANCIALS**



## LEASE ABSRACTS - STARBURST I, INC.

Square Feet and Pro Rata Share:	SF	Building Pro-Rata Share	Project Pro Rata Share
1 Circle Star Way	103,948	100.00%	50.00%
2 Circle Star Way	103,904	99.96%	49.98%

	1 Circle Star Way Lease	2 Circle Star Way Lease
Commencement Date	April 1, 2013	August 1, 2013
Rent Commencement Date	April 1, 2013	January 1, 2014
Expiration Date	May 31, 2020	May 31, 2020
Term	7 Years, 2 Months	6 Years, 10 Months

## RENT SCHEDULE

### 1 Circle Star Way Lease

Bump Date	Rent \$/Mo.	Rent \$/SF/Mo.	Rent \$/Yr.	Rent \$/SF/Yr.	Rent Abatement
4/1/2013	\$233,833.00	\$2.25	\$2,805,996.00	\$26.99	9 Months (months 8 & 9 76% of rent abated)
4/1/2014	\$241,159.36	\$2.32	\$2,893,912.32	\$27.84	
4/1/2015	\$248,435.72	\$2.39	\$2,981,228.64	\$28.68	
4/1/2016	\$255,712.08	\$2.46	\$3,068,544.96	\$29.52	
4/1/2017	\$262,988.44	\$2.53	\$3,155,861.28	\$30.36	
4/1/2018	\$271,304.28	\$2.61	\$3,255,651.36	\$31.32	
4/1/2019	\$279,620.12	\$2.69	\$3,355,441.44	\$32.28	

### 2 Circle Star Way Lease

Bump Date	Rent \$/Mo.	Rent \$/SF/Mo.	Rent \$/Yr.	Rent \$/SF/Yr.	Rent Abatement
1/1/2014	\$238,979.20	\$2.30	\$2,867,750.40	\$27.60	5 Months
1/1/2015	\$249,369.60	\$2.40	\$2,992,435.20	\$28.80	
1/1/2016	\$259,760.00	\$2.50	\$3,117,120.00	\$30.00	
1/1/2017	\$270,150.40	\$2.60	\$3,241,804.80	\$31.20	
1/1/2018	\$280,540.80	\$2.70	\$3,366,489.60	\$32.40	
1/1/2019	\$290,931.20	\$2.80	\$3,491,174.40	\$33.60	
1/1/2020	\$301,321.60	\$2.90	\$3,615,859.20	\$34.80	

Security Deposit:	None
Guarantor:	SoftBank Holdings (a wholly owned subsidiary of SoftBank Corporation) guarantees both leases.

Expansion Rights:	
ROFO	None
ROFR	None
Expansion Option	None
Must Take	None

Termination/Contraction Rights:	
Termination Option	None
Contraction Right	None

### Operating Expenses:

Lease Type	NNN
1 Circle Star Way Lease	Tenant shall reimburse for all costs related to the operation, maintenance, and repair of the building. Expense share is 100% of the building expenses and 50% of the common area expenses.
2 Circle Star Way Lease	Tenant shall reimburse for all costs related to the operation, maintenance, and repair of the building. Expense share is 99.96% of the building expenses and 49.98% of the common area expenses.
Expense Caps/Exclusions	None
Gross-Up Provisions	None
Mgmt Fee	Each lease includes a management fee not to exceed 3% of base rent.
Prop 13 Protection	None
Amortized Capital Expenditures	None
Earthquake INS	Silent
Renewal Options:	Each lease includes one (1) - thirty-four (34) month option at FMV with 12-15 months notice (for each building, not the entire premise).

### Miscellaneous:

Parking	Silent
Sublease Rights	Yes, per each lease tenant may sublease all or a portion of the Premises to tenants reasonably acceptable by Landlord. If sublet the space, renewal option is void for that building.
Additional Rent (Storage/Antennae)	None
TI Allowance	Yes
1 Circle Star Way - \$25 PSF = \$2,598,700	Allowance will be funded in its entirety prior to close.
2 Circle Star Way - \$20 PSF = \$2,078,080	Landlord shall have no obligation to disperse all or any of the allowance to Tenant unless Tenant makes for a request for disbursement prior to that date which is the latter of: a) 8/1/14 or b) 30 days after notice from Landlord that Tenant Improvement Allowance period is ending. The Allowance has not yet been funded. Seller to fund reimbursement to the Buyer for the TI allowance due to the tenant pursuant to the deadlines and requirements in the lease.



# ASSUMPTIONS

## GLOBAL

### Analysis Period

Commencement Date	April 1, 2014
End Date	March 31, 2024
Term	10 Years

### Area Measures

In-Place Building SF (NRSF)	207,896 SF
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### Growth Rates

Consumer Price Index (CPI)	3.00%
Other Income Growth Rate	3.00%
Operating Expenses	3.00%
Real Estate Taxes	2.00%
Market Rent Growth	[1]
CY 2015 - 7.10% -	\$3.16 PSF
CY 2016 - 5.60% -	\$3.34 PSF
CY 2017 - 5.10% -	\$3.51 PSF
CY 2018 - 4.50% -	\$3.66 PSF
CY 2019 - 3.00% -	\$3.77 PSF
CY 2020 - 3.00% -	\$3.89 PSF
CY 2021 - 3.00% -	\$4.00 PSF
CY 2022 - 3.00% -	\$4.12 PSF
CY 2023 - 3.00% -	\$4.25 PSF
CY 2024+ - 3.00% -	\$4.38 PSF

General Vacancy Loss	5.00% [2]
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Capital Reserves (CY 2013 Value)	\$0.15 PSF
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### Notes:

All market rent rates are stated on calendar-year basis.

[1] Market rent growth projections based on CBRE Economic Advisors forecast for San Carlos/Redwood City as of Q3 2013.

[2] General Vacancy Loss factor includes losses attributable to projected lease-up, rollover downtime, and fixturing downtime.

The following tenants are excluded from this loss factor for current lease terms only: Starburst I.

[3] Operating expenses based on current ownership 2014 budget with the exception of Insurance which is based on estimate per CBRE Asset Services at \$1.10 /sf/yr (including earthquake).

[4] Management fee assumed to be 1.50% of EGR based on quote per CBRE Asset Services, which includes \$4000 per month payroll allocation for an offsite property manager. Current tenant modeled to reimburse 3% of base rent for management fee as allowed per leased.

[5] County ownership not responsible for property tax payments. Taxes are based on 2011 acquisition basis grown 2% for 2012 and 2013 with a millage rate of 1.0831%. Special Assessments modeled the current tax bills for San Carlos storm fee and sewer fees. Buyers should be prepared to reset taxes to the current millage rate (1.0831% in San Carlos for parcel 046-240-180 and 1.0747% in Redwood City for parcel 052-103-170). multiplied by the sales price.

## VACANT SPACE LEASING

### Occupancy and Absorption

Projected Vacant at 4/1/14	0 SF
Currently Vacant as of 4/1/14	0 SF
Percentage Vacant at 4/1/14	0.00%

## EXPENSES

Operating Expense Source	2014 Budget [3]
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Management Fee (% of EGR)	1.50% [4]
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Real Estate Taxes Reassessed	No [5]
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## SECOND GENERATION LEASING

Retention Ratio	Office 75%
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### Financial Terms

2014 Monthly Market Rent	\$2.95 PSF
Rent Adjustment	3.00% Annually
Lease Term	7 Years
Expense Reimbursement Type	NNN

### Tenanting Costs

Rent Abatements	
New	0.0 Month(s)
Renewal	0 Month(s)
Weighted Average	0.0 Month(s)

Tenant Improvements (\$/NRSF)	[5]
New	\$25.00 PSF
Renewal	\$10.00 PSF
Weighted Average	\$13.75 PSF

Commissions	
New	\$14.00
Renewal	\$7.00
Weighted Average	\$9.45

Downtime	
New	6 Month(s)
Weighted Average	2 Month(s)



# CASH FLOW

Fiscal Year Ending - March 31		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Physical Occupancy		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	83.33%	100.00%	100.00%	100.00%	100.00%
Overall Economic Occupancy [1]		94.19%	100.00%	100.00%	100.00%	100.00%	100.00%	86.09%	95.00%	95.00%	95.00%	95.00%
Weighted Average Market Rent		\$3.00	\$3.20	\$3.38	\$3.55	\$3.69	\$3.80	\$3.92	\$4.03	\$4.15	\$4.28	\$4.41
Weighted Average In Place Rent [2]		\$2.13	\$2.41	\$2.49	\$2.58	\$2.67	\$2.76	\$3.67	\$3.96	\$4.08	\$4.21	\$4.33
Total Operating Expenses PSF Per Year		\$11.49	\$11.82	\$12.15	\$12.49	\$12.85	\$13.21	\$13.58	\$14.10	\$14.50	\$14.91	\$15.33
Lease SF Expiring (Initial Term Only)		0	0	0	0	0	0	207,852	0	0	0	0
Lease SF Expiring (Cumulative %)		0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%

	[3] FY 2015 \$/SF/YR											
REVENUES												
Scheduled Base Rent												
Gross Potential Rent	\$27.86	\$5,792,833	\$6,004,835	\$6,216,836	\$6,428,837	\$6,653,312	\$6,877,787	\$9,242,796	\$9,890,944	\$10,187,650	\$10,493,257	\$10,808,032
Absorption & Turnover Vacancy	0.00	0	0	0	0	0	0	(1,616,044)	0	0	0	0
Base Rent Abatements	(2.30)	(477,958)	0	0	0	0	0	0	0	0	0	0
Total Scheduled Base Rent	25.57	5,314,875	6,004,835	6,216,836	6,428,837	6,653,312	6,877,787	7,626,752	9,890,944	10,187,650	10,493,257	10,808,032
Expense Reimbursements	11.73	2,439,640	2,508,893	2,580,450	2,653,939	2,729,585	2,818,629	2,378,458	2,933,468	3,014,317	3,099,317	3,186,757
Rent Abatement Credit	2.30	477,958	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS REVENUE	39.60	8,232,473	8,513,728	8,797,286	9,082,776	9,382,897	9,696,416	10,005,210	12,824,412	13,201,967	13,592,574	13,994,789
General Vacancy Loss	0.00	0	0	0	0	0	0	0	(641,221)	(660,098)	(679,629)	(699,739)
EFFECTIVE GROSS REVENUE	39.60	8,232,473	8,513,728	8,797,286	9,082,776	9,382,897	9,696,416	10,005,210	12,183,191	12,541,869	12,912,945	13,295,050
OPERATING EXPENSES												
Cleaning	(1.71)	(354,720)	(365,362)	(376,324)	(387,612)	(399,242)	(411,218)	(423,554)	(436,262)	(449,350)	(462,830)	(476,714)
Repairs & Maintenance	(2.33)	(484,213)	(498,739)	(513,701)	(529,112)	(544,986)	(561,335)	(578,175)	(595,520)	(613,386)	(631,787)	(650,741)
Utilities	(2.74)	(569,190)	(586,266)	(603,854)	(621,969)	(640,628)	(659,847)	(679,643)	(700,032)	(721,033)	(742,664)	(764,944)
Roads and Grounds	(0.83)	(172,686)	(177,866)	(183,202)	(188,698)	(194,360)	(200,190)	(206,196)	(212,382)	(218,752)	(225,316)	(232,074)
Management Fee	(0.59)	(123,487)	(127,706)	(131,959)	(136,242)	(140,743)	(145,446)	(150,078)	(182,748)	(188,128)	(193,694)	(199,426)
Insurance	(1.11)	(230,401)	(237,313)	(244,432)	(251,765)	(259,318)	(267,098)	(275,111)	(283,364)	(291,865)	(300,621)	(309,639)
Property Taxes	(2.18)	(454,127)	(463,175)	(472,405)	(481,819)	(491,422)	(501,216)	(511,207)	(521,397)	(531,791)	(542,393)	(553,207)
TOTAL OPERATING EXPENSES	(11.49)	(2,388,824)	(2,456,427)	(2,525,877)	(2,597,217)	(2,670,699)	(2,746,350)	(2,823,964)	(2,931,705)	(3,014,305)	(3,099,305)	(3,186,745)
NET OPERATING INCOME	28.11	5,843,649	6,057,301	6,271,409	6,485,559	6,712,198	6,950,066	7,181,246	9,251,486	9,527,564	9,813,640	10,108,305
CAPITAL COSTS												
Tenant Improvements	0.00	0	0	0	0	0	0	(3,412,560)	0	0	0	0
Leasing Commissions	0.00	0	0	0	0	0	0	(1,818,705)	0	0	0	0
Capital Reserves	(0.15)	(31,418)	(32,361)	(33,332)	(34,332)	(35,362)	(36,422)	(37,515)	(38,641)	(39,800)	(40,994)	
TOTAL CAPITAL COSTS	(0.15)	(31,418)	(32,361)	(33,332)	(34,332)	(35,362)	(36,422)	(5,268,780)	(38,641)	(39,800)	(40,994)	
OPERATING CASH FLOW	\$27.96	\$5,812,231	\$6,024,940	\$6,238,077	\$6,451,227	\$6,676,836	\$6,913,644	\$1,912,466	\$9,212,845	\$9,487,764	\$9,772,646	

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI Increases are included in this calculation, which is based on the weighted-average physical occupancy during each fiscal year.

[3] Based on 207,896 square feet.



## EXISTING LEASE EXPIRATIONS

Date	Tenant	Suites	Total SF	Annual (% of SF) [1]	Cumulative (% of SF) [1]	Contract Rent At Expiration	Projected Mkt. Rent At Expiration	\$ Variance	% Variance
May-20	Starburst I, Inc.	CS 1	103,948	50.00%	50.02%	\$2.69	\$3.89	(1.20)	-30.80%
May-20	Starburst I, Inc.	CS 2	103,904	49.98%	100.00%	\$2.90	\$3.89	(0.99)	-25.40%
Subtotal			207,852	99.98%	99.98%				
	2500 W.L.B. Inc.	Storage	44	0.02%	100.00%				
	Vacant		0	0.00%	100.00%				
TOTAL			207,896	100.00%					

[1] Based on 207,896 total building square feet.





# RENT ROLL

Suite	Tenant Name	Square	% of	Lease Term		Rental Rates					Recovery	Rent Abatements		Tenant	Leasing	Market
		Feet	Portfolio	Begin	End	Begin	Monthly	PSF	Annually	PSF	Type	Month #	% Abated	Improvements	Commissions	Assumption / Market Rent
1 CIRCLE STAR WAY																
CS 1	Starburst I, Inc.	103,948	50.00%	Apr-2013	May-2020	Current	\$241,159	\$2.32	\$2,893,912	\$27.84	NNN (CS 1)	-	-	-	-	Market
						Apr-2015	\$248,436	\$2.39	\$2,981,229	\$28.68						\$2.95 NNN - CS 1
	Comments/Options					Apr-2016	\$255,712	\$2.46	\$3,068,545	\$29.52						
	Tenant has one (1) - thirty-four (34) month option with 12-15 months notice at 100% FMV. Management fee not to exceed 3% of base rent.					Apr-2017	\$262,988	\$2.53	\$3,155,861	\$30.36						
						Apr-2018	\$271,304	\$2.61	\$3,255,651	\$31.32						
						Apr-2019	\$279,620	\$2.69	\$3,355,441	\$32.28						
2 CIRCLE STAR WAY																
CS 2	Starburst I, Inc.	103,904	49.98%	Jan-2014	May-2020	Current	\$238,979	\$2.30	\$2,867,750	\$27.60	NNN (CS 2)	1-5	100%	-	-	Market
						Jan-2015	\$249,370	\$2.40	\$2,992,435	\$28.80						\$2.95 NNN - CS 2
	Comments/Options					Jan-2016	\$259,760	\$2.50	\$3,117,120	\$30.00						
	Tenant has one (1) thirty-four (34) month option with at least 9 months notice at 100% FMV. Management fee not to exceed 3% of base rent. Outstanding contractual free rent to be credited by seller. The outstanding TI allowance is \$20PSF and has not been funded. Seller to fund reimbursement to the Buyer for the TI allowance due to the tenant pursuant to the deadlines and requirements in the lease.					Jan-2017	\$270,150	\$2.60	\$3,241,805	\$31.20						
						Jan-2018	\$280,541	\$2.70	\$3,366,490	\$32.40						
						Jan-2019	\$290,931	\$2.80	\$3,491,174	\$33.60						
					Jan-2020	\$301,322	\$2.90	\$3,615,859	\$34.80							
Sto	2500 W.L.B. Inc.	44	0.02%	Apr-2000	Apr-2020	Current	\$53	\$1.20	\$634	\$14.42	NNN (CS 2)	-	-	-	-	Option
						Apr-2014	\$54	\$1.24	\$653	\$14.85						
	Comments/Options					Apr-2015	\$56	\$1.28	\$673	\$15.30						
	Space currently used as storage of the video sign control equipment. Seven (7) - ten (10) year renewal options and one (1) - nine (9) year renewal option at 100% FMV, but not less than prior month's rent and 12 months notice. Analysis assumes options exercised with continued 3% annual rent bumps.					Apr-2016	\$58	\$1.31	\$693	\$15.76						
						Apr-2017	\$60	\$1.35	\$714	\$16.23						
						Apr-2018	\$61	\$1.39	\$736	\$16.72						
					Apr-2019	\$63	\$1.44	\$758	\$17.22							
TOTALS / AVERAGES		207,896					\$480,191	\$2.31	\$5,762,297	\$27.72						
OCCUPIED SqFt		207,896	100.0%													
VACANT SqFt		0	0.0%													
TOTAL SqFt		207,896	100.0%													



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