



CIRCLE STAR PLAZA



AUCTION

April 2014

Property: Circle Star Plaza, San Carlos, CA
Assessor Parcel Numbers: 046-240-180; 052-103-170

Invitation to bid on Circle Star Plaza

Enclosed you will find the San Mateo County's Official Proposal Form, which consists of the following:

- (1) Auction Instructions / Sale Procedure and Terms
- (2) Cover Page
- (3) Purchase and Sale Agreement
- (4) Earnest Money Escrow Agreement

The Official Proposal Form must be submitted as set forth in Auction Instructions/ Sale Procedure Terms.

Information ("Due Diligence Reports") regarding the property, Circle Star Plaza, are enclosed and cataloged in the following table. Additional information may be made available until 5 p.m. on May 14, 2014.

Sincerely,
John L Maltbie
County Manager/Clerk of the Board



Circle Star Plaza Catalog

A Environmental

- 1 Circle Star Plaza - Phase I
- 2 Moisture Assessment Report
- 3 Mold Clearance Report

B Financial and Rent Roll

- 1 Aged Delinquencies 03.14.14
- 2 Tenant Letters
 - a. Starburst - 7701 - 2014 Estimate
 - b. Starburst - 7702 - 2014 Estimate
- 3 Service Contracts
 - a. Non Recurring
 - 1 All Bay - Exterior Lighting Repairs - \$13,322
 - 2 All Bay - Garage Lighting Repairs - \$1,596
 - 3 All Bay - Interior Lighting Repairs - \$3,485
 - 4 Arborwell - Tree and Plant Care \$10,658
 - 5 Asphalt Surfacing Inc - Concrete Repairs - \$4,800
 - 6 FULLY EXECUTED - DES architects-Arch services ADA - \$ 31,960.00 - 9-2013
 - 7 Fully Executed - OCS Mechanical -AC 6 Second Floor Unit - \$ 10,176.00 - Sep 2013
 - 8 Fully Executed - OCS Mechanical -Repair Failed Compressor on RTU - 20131014
 - 9 Jensen Immediate Irrigation Repairs - CS - \$6,418
 - 10 OCS Mechanical HVAC Repairs - Both Buildings \$27,290
 - 11 One and Two Circle Star - All Bay - Lighting Survey - 20140116
 - 12 One and Two Circle Star - Sweepalot - 20140130
 - 13 One Circle Star - OCS Mechanical - Regular Inspection - 20140130
 - 14 Therma - sewer ejector pumps replacement - fully executed 061113.doc
 - b. Recurring
 - 1 One Circle Star - Preventative maintenance - \$1614 - 20140317 - Fully Executed
 - 2 Fully Executed - ESP - Janitorial - \$7170 - 20130911
 - 3 Fully Executed - One and Two Circle Star - Pest Consultants - Pest Control - 20131003
 - 4 Kone Repairs - Elevator Maintenance and Telephone Monitoring \$1,260
 - 5 One Circle Star - ESP -Janitorial - First Amendment - 20140221 Fully Executed
 - 6 TNT Fire Protection, Inc. - Fire Sprinklers Inspections - 072613
 - c. Circle Star Way One and Two- Service Contract List
 - d. Kone Repairs - All Elevators - One CS \$16,250
 - e. Kone Repairs - All Elevators - Two CS \$20,750
 - f. Kone Repairs - Cab Protection \$5,300
 - g. Kone Repairs - Garage Elevator \$4,750
 - h. One and Two Circle Star - Kone - Elevator Maintenance - 20130305

- 4 General Ledger
 - a. General Ledger Report Y-T-D 01.14_02.14
 - b. General Ledger Report Y-T-D 2013
- 5 Tax Bills
 - a. Tax Bills - 046-240-180 (2013)
 - b. Tax Bills - 052-103-170 (2013)
 - c. Tax Bills - 2011-2012
- 6 Parking Garage Square Footage
- 7 Historical Occupancy 03.17.14
- 8 Monthly Tenant Billing Statements
 - a. Monthly Statement 2013.09
 - b. Monthly Statement 2013.10
 - c. Monthly Statement 2013.11
 - d. Monthly Statement 2013.12
 - e. Tenant Stmt 02.28.14
- 9 Current - Year Estimated Escalation Letters
 - a. Starburst - 7701 - 2014 Escalation Estimate
 - b. Starburst - 7702 - 2014 Escalation Estimate
- 10 Year to Date Income Variance Report 2014
- 11 2014 Capital Expenditures
- 12 Historical Capital Expenditures - 2006 to Present
- 13 Circle Star Rent Roll

C Legal

- 1 CC and R - Circle Star
- 2 Circle Star - Planning and Zoning Resource Report
- 3 Circle Star - Survey
- 4 Preliminary Title Report - NCAL_1

D Physical

- 1 Backflow Test and Window Rig Reports
 - a. One Circle Star - Backflow prevention device test report - 20130830
 - b. One Circle Star - Backflow prevention device test report- Pass - 20130830
 - c. One Circle Star SC Annual Inspection Rpt
 - d. PH2 A2 05 Rooflevel plan
 - e. PH2 L3 01 Rooftop Irrigation plan
 - f. Two Circle Star - Backflow prevention device test report- Pass
 - g. Two Circle Star SC Annual Inspection Rpt
- 2 Two Circle Star - Draft TI Plans
- 3 Two Circle Star - Exhibit G Items
- 4 BOMA OFFICE Method B Spreadsheet-Circle Star
- 5 BOMA OFFICE Method B Spreadsheet-Circle Star-Summary

- 6 Building Permit Final- 1 Cir Star Way San Carlos
- 7 Building Permit Final- 2 Cir Star Way San Carlos
- 8 Circle Star - Plans (zip file)
- 9 Circle star kitchen equipment list (030513)
- 10 Circle Star Plaza - Final PCA
- 11 General Property Questionnaire
- 12 One Circle Star Improvement Budget v Actual
- 13 REIT Property Questionnaire - Office Retail (v3) - Supplement B

E Tenant Documents and Other Agreements

- 1 Estoppels
 - a. Estoppel 2500 WLB, Inc 2014 04 11
 - b. Estoppel CC and R
 - c. Circle Star One Tenant Estoppel Certificate 041514_1
 - d. Circle Star Two Tenant Estoppel Certificate 041514_1
- 2 Memorandum Of Lease-Circle Star One
- 3 Memorandum Of Lease-Circle Star Two
- 4 Cornish and Carey Amendment
- 5 Cornish and Carey Brokeage Agreement
- 6 One Circle Star Way Assignment of Lease
- 7 Property Management - Orchard Amendment
- 8 Property Management - Orchard Contract 2nd Amendment
- 9 Property Management - Orchard Services Agreement Executed
- 10 SB US Certificate of Affiliation
- 11 Sign Lease Abstract - 2500_WLB_Inc
- 12 Softbank Lease Abstract - SB_U.S._LLC_One_Circle_Star_Way
- 13 Softbank Lease Abstract - SB_U.S._LLC_Two_Circle_Star_Way
- 14 Starburst Certificate of Affiliation
- 15 Starburst I, Inc. One Circle StarWay COI (issued Nov 8 13)
- 16 Starburst I, Inc. Two Circle StarWay COI (issued Nov 8 13)
- 17 Tenant Lease - 2500 WLB Lease - 1st Amendment
- 18 Tenant Lease - 2500 WLB Lease
- 19 Tenant Lease - Starburst I Inc (One Circle Star) - 1st Amendment
- 20 Tenant Lease - Starburst I Inc (One Circle Star)
- 21 Tenant Lease - Starburst I Inc (Two Circle Star)
- 22 Two Circle Star Way Assignment

SAN MATEO COUNTY'S OFFICIAL PROPOSAL FORM

AUCTION INSTRUCTIONS / SALE PROCEDURE AND TERMS

Property: Circle Star Plaza, San Carlos CA

Assessor Parcel Numbers: 046-240-180; 052-103-170

1. The minimum acceptable written proposal for the purchase of the property shall be \$85,500,000 (Eighty Five Million and Five Hundred Thousand Dollars).
2. Each bidder must execute the County of San Mateo's Official Proposal Form, which includes: (1) A Cover Page (2) A completed, unmodified, and executed Purchase and Sale Agreement and (3) An executed Earnest Money Escrow Agreement.
3. Each bidder must deposit with the escrow agent as identified in the Official Proposal Form the sum of Ten Million 00/100 DOLLARS (\$10,000,000) which sum must be available no later than 5 p.m. on May 14, 2014. Funds must be deposited pursuant to the Earnest Money Escrow Agreement, which specifies that funds must be deposited by 5 p.m. on May 13, 2014 for availability on May 14, 2014.
4. The deposit and Official Proposal Form must each identify the same exact entity and/or individual.
5. Sealed bids must be delivered to the County Manager's Office, Hall of Justice, 400 County Center, Redwood City CA 94063 on or before 5:00 p.m. on May 14, 2014.
6. No deposits are to be accepted by the County Manager's Office or the Clerk of the Board of Supervisors.
7. Oral bids will not be accepted if the proposed bidder has not submitted the required deposit and executed and timely submitted the Official Proposal Form to the County Managers Office by 5 p.m. on May 14, 2014.
8. The County of San Mateo will share information about the bidders with its agents, in its sole discretion.
9. SALE PROCEDURE AND TERMS

(a) Written Proposals:

Beginning at 1:30 p.m., on Tuesday, May 20, 2014, in the Chambers of the Board of Supervisors, Hall of Justice, 400 County Center, Redwood City, California, during the regular meeting of the Board of Supervisors on that date, all of the written proposals received will be opened, examined, and declared by the President of the Board of Supervisors or the County Manager/Clerk of the Board (or either of their designees) in conformance or not in conformance with this resolution and any instructions promulgated by the President of the Board of Supervisors or the County Manager. Of the proposals submitted which conform to all of the terms and conditions stated herein and in the instructions promulgated by the President of the Board of

Supervisors or the County Manager, and which are made by qualified and responsible bidders, the President of the Board of Supervisors or the County Manager (or either or their designees) shall identify the written proposal which is the highest, unless a higher oral bid is identified, as described hereinafter.

(b) Oral Bids:

Before accepting any written proposal, and immediately following the opening, examination and declaration of conformance of the written proposals, the President of the Board of Supervisors or the County Manager/Clerk of the Board (or either of their designees) will call for oral bids. Any responsible and qualified bidder who timely submitted the required deposit and completed an Official Proposal Form may submit an oral bid to purchase the Property upon the terms and conditions specified in the Purchase and Sale Agreement form. The initial oral bid must be for a price exceeding the highest written proposal made by a responsible bidder by at least five percent (5%). After an initial oral bid is made, oral bidding may proceed in increments of \$50,000 until the highest oral bid is finally made and determined to be the acceptable bid by the President of the Board of Supervisors or the County Manager/Clerk of the Board (or either of their designees)

(c) Duplicate High Proposals:

In the event that two or more written proposals are received which are equal in amount, and no oral bids are made that exceed the written proposal by at least 5%, the proposal to be determined to be the acceptable bid by the President of the Board of Supervisors or the County Manager/Clerk of the Board shall be that of the bidder whose name is drawn by lot immediately after the call for oral bids.

(d) Final Acceptance of a Bid:

The final acceptance of a bid shall be subject to the approval of this Board of Supervisors during its regular meeting of May 20, 2014, or at an adjourned session of that meeting held on or before May 30, 2014. The Board's acceptance and approval of the successful bid shall include a resolution of acceptance of the bid, authorizing the execution of the Purchase and Sale Agreement Form completed by the successful bidder ("Final Agreement"), the execution and delivery of the appropriate deed and other documents required to complete the sale as contemplated by the Final Agreement, and the payment of a broker's commission, as appropriate. No bids or proposals will be considered for acceptance by the Board of Supervisors that are not timely submitted as required.

(e) Rejection of Written Proposals and/or Oral Bids

The Board of Supervisors, at its discretion, may reject all written proposals and/or oral bids and withdraw the Property from sale. If the sale is canceled, all deposits will be refunded.

10. GENERAL

Except as may be set forth in the Purchase and Sale Agreement, the Property is sold "as is;" the County of San Mateo shall not pay any commission or fees of any kind in

connection with the sale, except its own brokers' fees; all other fees, costs and taxes shall be paid by the purchaser. Except as may be set forth in the Purchase and Sale Agreement, the County makes no representations as to the condition of the property, including conformance to zoning requirements or permit regulations, soil conditions, or the existence, if any, of hazardous materials on the property. No title shall pass until the transaction is completed by recordation of the Grant Deed.

11. CONDITIONS OF SALE

The terms and conditions regarding payments and the execution and delivery of closing documents shall be as set forth in the Purchase and Sale Agreement.

12. DEFAULT

Failure of the Successful Bidder to complete the purchase consistent with the terms and conditions of the Purchase and Sale Agreement may result in cancellation of the sale and forfeiture of the deposit. No extension of time for payment will be granted.

SAN MATEO COUNTY'S OFFICIAL PROPOSAL FORM

Cover Page



A Bid Must Include the Following:

- 1) Completion of this Cover Page identifying the Bidder Name and Bid Price
- 2) An executed and unmodified Purchase and Sale Agreement, with the following items completed:
 - A) Identification of Purchaser on the Purchase and Sale cover page and page 1.
 - B) Completion of the Purchase Price, Section 2.2. page 4
 - C) Completion of Purchaser Initials, Section 5.2, page 7
 - D) Completion of the Notice to Purchaser, Section 10.3, page 21
 - E) Completion of the Purchaser Signature Block and Execution
- 3) Executed Earnest Money Escrow Agreement

Bidder Name:_____

Bid Amount:_____