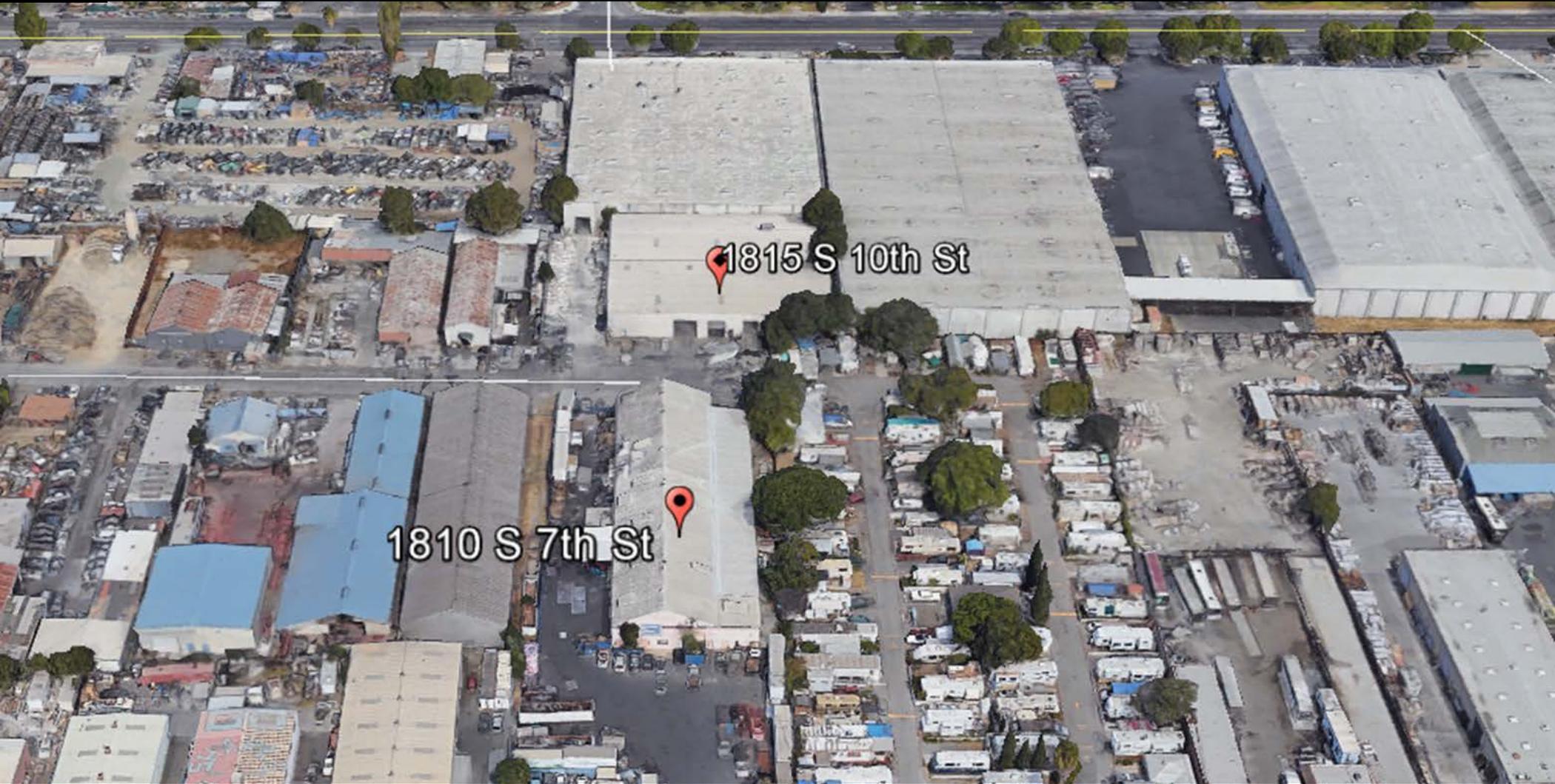


BROKER OPINION OF VALUE

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA



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CBRE

TABLE OF CONTENTS

I. The Property

- Executive Summary
- Property Overview
- Parcel Map
- Zoning Map
- Market Map
- Aerial Map

II. Current Market Conditions

- Industrial Market Overview Third Quarter 2017
- Sales Comps

III. Sales and Marketing

IV. CBRE

- Resume
- Company Overview
- Office Locations

I. THE PROPERTY - PROPERTY OVERVIEW

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA

Executive Summary

CBRE is pleased to present this valuation for 1815 S. 10th Street and 1810 S. 7th Street, San Jose, CA. The properties are zoned Heavy Industrial and consists of approximately 22,484 Square Feet of Improvements on .70 Acres (30,492 Sq Ft), and ±21,650 Square Feet of Improvements on 2.34 Acres (101,930 Sq. Ft) of Land, respectively. CBRE's marketing strategy to maximize value is designed to capitalize on the unique and compelling competitive advantages of the property, leverage CBRE's unrivaled local, national, and international platforms to create awareness and execute a best of class marketing campaign.

Property Strengths & Challenges

Strengths:

- City of San Jose location in a Transforming neighborhood with recent surrounding higher use developments.
- Strongest "Silicon Valley" Industrial market in the past 20 years
- Two separate buildings of 22,484 Sq. Ft and 21,650 Sq. Ft. respectively provides for a range of Square Footage Users / Purchasers who may choose to occupy all or a portion of the three buildings and retain some portion of tenant occupancy in the remaining buildings.
- Total Land Size of 3.04 Acres (0.70 Acres/2.34 Acres) provides a large marketing scope of owner user Buyers who are financially capable of such a size acquisition.
- Property Visibility & Exposure on S. 7th Street enhances the sites potential.
- 1810 S. 7th Street property exhibits a small building with 20% Floor Area Ratio which is extremely valuable in today's yard, excess land driven Industrial Marketplace.

Challenges:

- Visual impact of older Industrial neighborhood reduces the audience of development / user Buyers.
- Metal Construction Improvements are significantly less desirable in nature as compared to concrete tilt buildings.
- Heavily covered building on 0.70 Acre Parcel with no side or rear access into premises restricts the usable gross average in relation to traffic circulation.
- End of Cul de Sac parcel and lack of vehicle accessibility to site due to daily truck staging congestion on Smith Street makes sale of property challenging.

PROPERTY SUMMARY	
APN: 477-26-047	
Address	1810 S. 7th Street
City	San Jose, CA
Building Size	21,650
Land Acres	2.34 Acres
Land Square Footage	101,930 SF
Zoning	HI - Heavy Industrial

Address	Building SF	Land
1810 S. 7th St	21,650	2.34
Matrix	Price	L PSF
High Price	\$5,606,150	\$55
Mid Price	\$5,096,500	\$50
Low Price	\$4,586,850	\$45

PROPERTY SUMMARY	
APN: 477-27-022	
Address	1815 S. 10th Street
City	San Jose, Ca
Land Acres	.70 Acres
Building SF	22,484 SF
Zoning	HI - Heavy Industrial

Address	Building SF	Land
1815 S. 10th Street	22,484	0.70
Matrix	Price	B PSF
High Price	\$3,147,750	\$140
Mid Price	\$2,923,000	\$130
Low Price	\$2,700,000	\$120

I. THE PROPERTY - PROPERTY OVERVIEW

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA

INDIVIDUAL PROPERTY VALUATIONS

PROPERTY SUMMARY	
APN: 477-26-047	
Address	1810 S. 7th Street
City	San Jose, CA
Building Size	21,650
Land Acres	2.34 Acres
Land Square Footage	101,930 SF
Zoning	HI - Heavy Industrial

Address	Building SF	Land
1810 S. 7th St	21,650	2.34
Matrix	Price	L PSF
High Price	\$5,606,150	\$55
Mid Price	\$5,096,500	\$50
Low Price	\$4,586,850	\$45

PROPERTY SUMMARY	
APN: 477-27-022	
Address	1815 S. 10th Street
City	San Jose, Ca
Land Acres	.70 Acres
Building SF	22,484 SF
Zoning	HI - Heavy Industrial

Address	Building SF	Land
1815 S. 10th Street	22,484	0.70
Matrix	Price	B PSF
High Price	\$3,147,750	\$140
Mid Price	\$2,923,000	\$130
Low Price	\$2,700,000	\$120

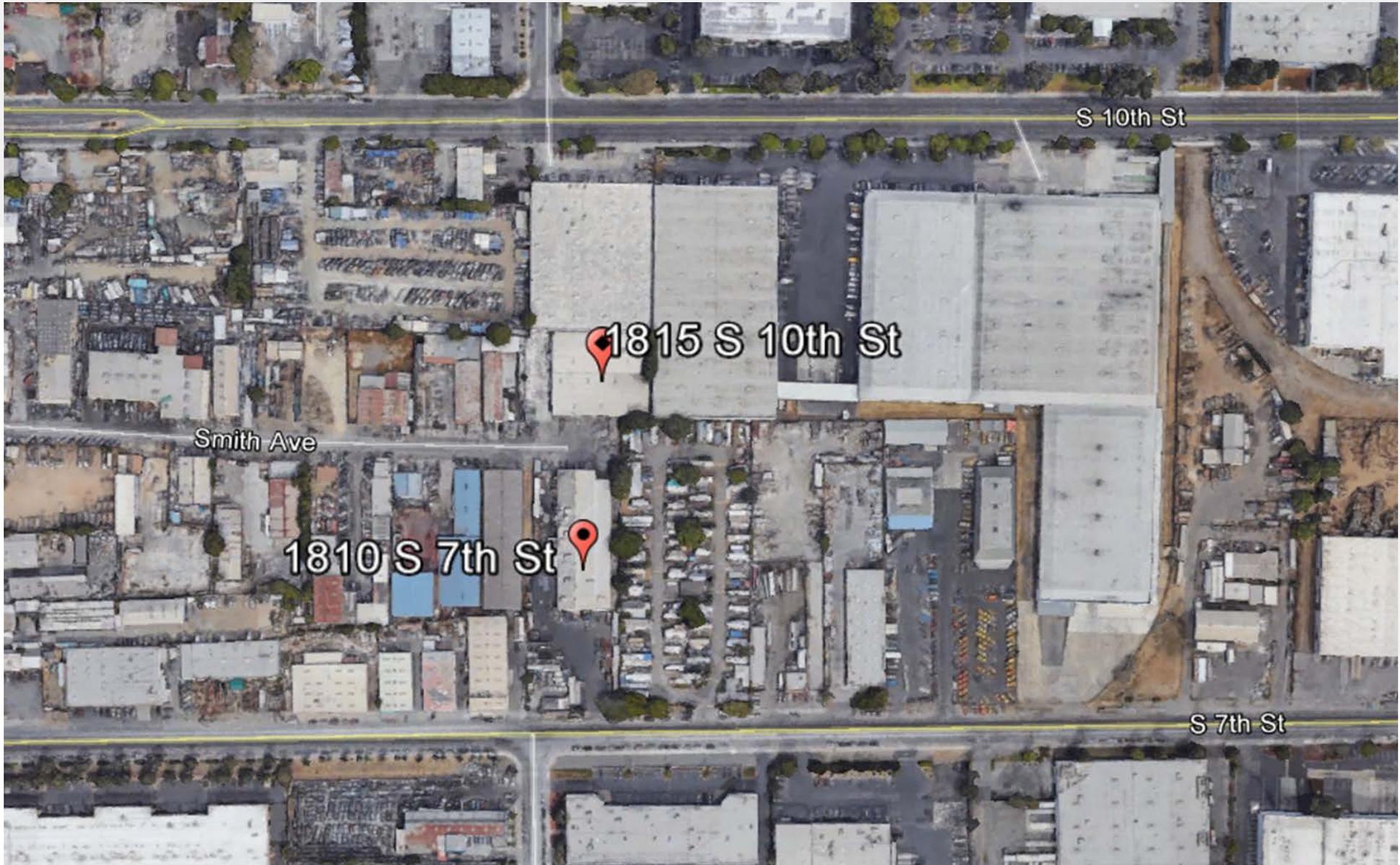
COMBINED PROPERTY VALUATIONS

PROPERTY SUMMARY	
APN: 477-27-022	APN: 477-26-047
1815 S. 10th Street	1810 S. 7th Street
San Jose, Ca	San Jose, CA
BSF-22,484 SF	BSF-21,650
.70 Acres	2.34 Acres
LSF-30,498 SF	LSF-101,930 SF
HI - Heavy Industrial	HI - Heavy Industrial

Address	Building SF	Land	
1815 S. 10th Street	22,484	0.70	
1810 S. 7th Street	21,650	2.34	
Matrix	Price	L PSF	B PSF
High Price	\$8,500,000	\$64	\$192
Mid Price	\$8,000,000	\$60	\$181
Low Price	\$7,500,000	\$56	\$170

I. THE PROPERTY - AERIAL MAP

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA

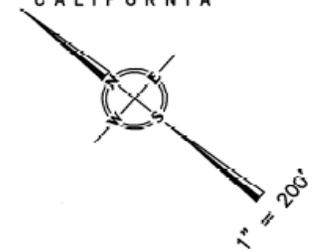


I. THE PROPERTY - PARCEL MAP

1815 S. 10th St.

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK
477



TRACT No. 9908
CD.19635855

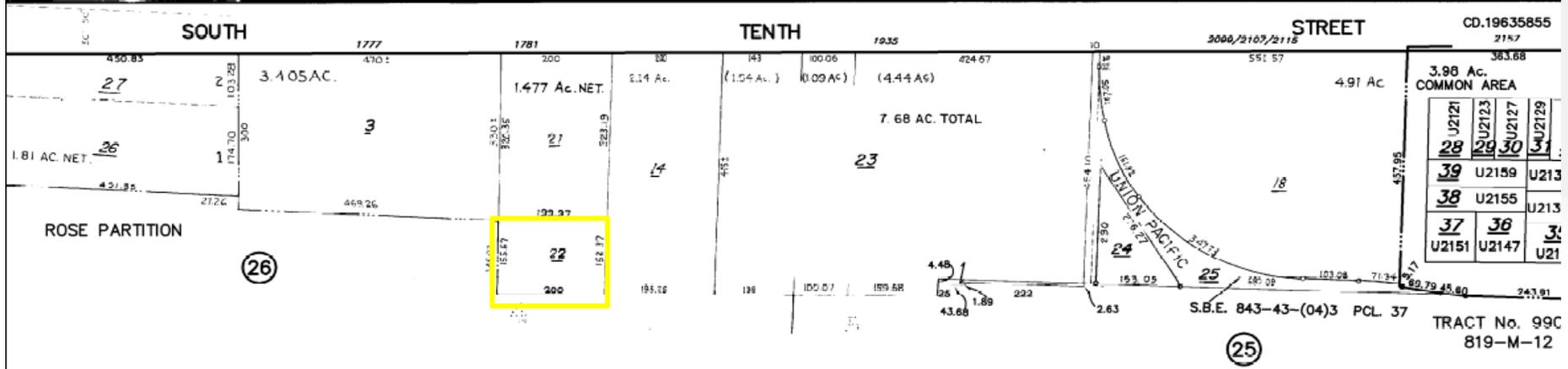
XXXXXXXXXX

UNIT	SITUS
2121	XXXX
2123	XXXX
2127	XXXX
2129	XXXX
2131	XXXX
2137	XXXX
2139	XXXX
2143	XXXX
2147	XXXX
2151	XXXX
2155	XXXX
2159	XXXX

(49)
R.O.S. 578 / 34 THRU 37

CHABOYA PARTITION

(50)



(25)

TRA DET. MAP 116
LAWRENCE E. STC
Cadastral map for ass
Compiled under R. &
Effective Roll Year

I. THE PROPERTY - PARCEL MAP

1815 S. 10th St.

Property Detail Report

For Property Located At :
1815 S 10TH ST, SAN JOSE, CA 95112



RealQuest

Owner Information

Owner Name: WALKER KEITH W (TE)
Mailing Address: 885 N SAN ANTONIO RD #K, LOS ALTOS CA 94022-1305 C016
Vesting Codes: // TE

Location Information

Legal Description:
County: SANTA CLARA, CA APN: 477-27-022
Census Tract / Block: 5031.22 / 1 Alternate APN:
Township-Range-Sect: Subdivision:
Legal Book/Page: Map Reference: 62-D6 /
Legal Lot: Tract #:
Legal Block: School District: E SIDE UN
Market Area: 11 School District Name: E SIDE UN
Neighbor Code: Munic/Township: SAN JOSE CITY

Owner Transfer Information

Recording/Sale Date: 01/12/2004 / 01/06/2004 Deed Type: GRANT DEED
Sale Price: 1st Mtg Document #:
Document #: 17567996

Last Market Sale Information

Recording/Sale Date: 03/15/2000 / 01/26/2000 1st Mtg Amount/Type: /
Sale Price: 1st Mtg Int. Rate/Type: /
Sale Type: FULL 1st Mtg Document #: /
Document #: 15180573 2nd Mtg Amount/Type: /
Deed Type: INTERSPOUSAL DEED TRANSFER 2nd Mtg Int. Rate/Type: /
Transfer Document #: Price Per SqFt:
New Construction: Multi/Split Sale: MULTI
Title Company: ADVANCE TITLE RESEARCH SVC
INC

Lender:
Seller Name: ALLEN MARK & WALKER KEITH
TRUSTEES & WA

Prior Sale Information

Prior Rec/Sale Date: 12/27/1999 / Prior Lender: COMERICA BK/CA
Prior Sale Price: \$1,740,000 Prior 1st Mtg Amt/Type: \$2,290,000 / CONV
Prior Doc Number: 15102481 Prior 1st Mtg Rate/Type: / FIXED RATE LOAN
Prior Deed Type: GRANT DEED

Property Characteristics

Year Built / Eff:	1957 / 1957	Total Rooms/Offices	Garage Area:
Gross Area:	22,464	Total Restrooms:	Garage Capacity:
Building Area:	22,464	Roof Type:	Parking Spaces:
Tot Adj Area:		Roof Material:	Heat Type:
Above Grade:		Construction:	Air Cond:
# of Stories:		Foundation:	Pool:
Other Improvements:	Building Permit	Exterior wall:	Quality:
		Basement Area:	Condition:

Site Information

Zoning:	M4	Acres:	0.70	County Use:	GENERAL INDUSTRIAL (16)
Lot Area:	30,498	Lot Width/Depth:	x	State Use:	
Land Use:	INDUSTRIAL (NEC)	Commercial Units:		Water Type:	
Site Influence:		Sewer Type:		Building Class:	

Tax Information

Total Value:	\$1,291,163	Assessed Year:	2017	Property Tax:	\$18,494.70
Land Value:	\$730,381	Improved %:	43%	Tax Area:	17033
Improvement Value:	\$560,782	Tax Year:	2017	Tax Exemption:	
Total Taxable Value:	\$1,291,163				

I. THE PROPERTY - PARCEL MAP

1810 S. 7th St. San Jose, CA

Property Detail Report

For Property Located At :
1810 S 7TH ST, SAN JOSE, CA 95112-6005



Owner Information

Owner Name: WALKER KEITH W (TE)
Mailing Address: 885 N SAN ANTONIO RD #K, LOS ALTOS CA 94022-1305 C016
Vesting Codes: // TE

Location Information

Legal Description:
County: SANTA CLARA, CA APN: 477-26-047
Census Tract / Block: 5031.22 / 1 Alternate APN:
Township-Range-Sect: Subdivision: SMITHS PHELAN AVE
Legal Book/Page: Map Reference: 62-D5 /
Legal Lot: 11 Tract #: E SIDE UN
Legal Block: School District: E SIDE UN
Market Area: 11 School District Name: SAN JOSE CITY
Neighbor Code: Munic/Township:

Owner Transfer Information

Recording/Sale Date: 01/12/2004 / 01/09/2004 Deed Type: GRANT DEED
Sale Price: 1st Mtg Document #:
Document #: 17567995

Last Market Sale Information

Recording/Sale Date: 03/15/2000 / 01/26/2000 1st Mtg Amount/Type: /
Sale Price: 1st Mtg Int. Rate/Type: /
Sale Type: FULL 1st Mtg Document #: /
Document #: 15180573 2nd Mtg Amount/Type: /
Deed Type: INTERSPOUSAL DEED TRANSFER 2nd Mtg Int. Rate/Type: /
Transfer Document #: Price Per SqFt:
New Construction: Multi/Split Sale: MULTI
Title Company: ADVANCE TITLE RESEARCH SVC
INC

Lender:
Seller Name: ALLEN MARK & WALKER KEITH
TRUSTEES & WA

Prior Sale Information

Prior Rec/Sale Date: 12/27/1999 / Prior Lender: COMERICA BK/CA
Prior Sale Price: \$1,740,000 Prior 1st Mtg Amt/Type: \$538,000 / CONV
Prior Doc Number: 15102481 Prior 1st Mtg Rate/Type: / FIXED RATE LOAN
Prior Deed Type: GRANT DEED

Property Characteristics

Year Built / Eff: 1950 / 1950 Total Rooms/Offices
Gross Area: 20,624 Total Restrooms:
Building Area: 20,624 Roof Type:
Tot Adj Area: Roof Material:
Above Grade: Construction:
of Stories: Foundation:
Other Improvements: Building Permit Exterior wall:
Basement Area:

Garage Area:
Garage Capacity:
Parking Spaces:
Heat Type:
Air Cond:
Pool:
Quality: EXCELLENT
Condition: AVERAGE

Site Information

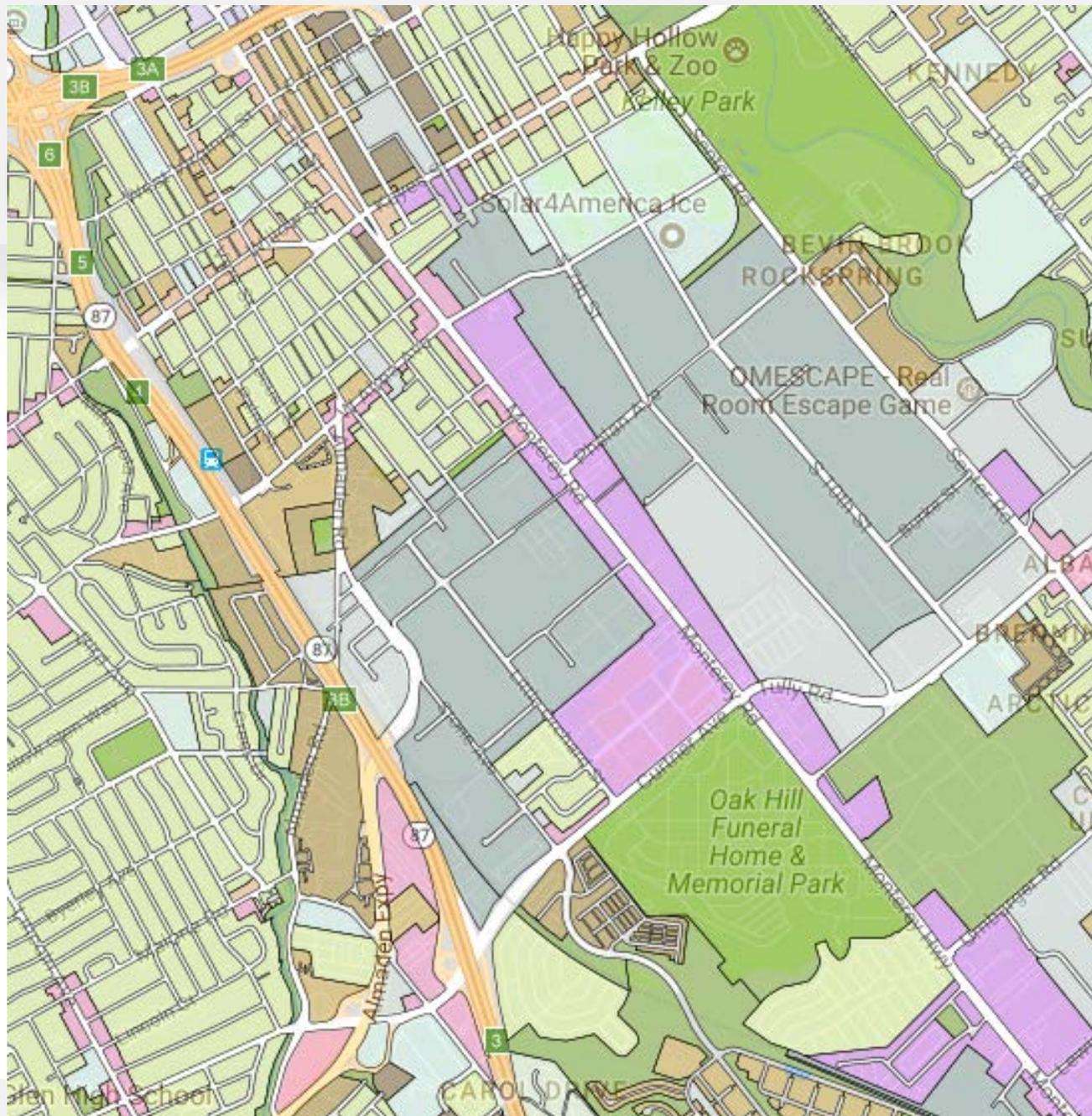
Zoning: M4 Acres: 1.67 County Use: GENERAL INDUSTRIAL (16)
Lot Area: 72,537 Lot Width/Depth: x State Use:
Land Use: INDUSTRIAL (NEC) Commercial Units: Water Type:
Site Influence: Sewer Type: Building Class: S

Tax Information

Total Value: \$1,554,455 Assessed Year: 2017 Property Tax: \$23,081.20
Land Value: \$1,402,910 Improved %: 10% Tax Area: 17033
Improvement Value: \$151,545 Tax Year: 2017 Tax Exemption:
Total Taxable Value: \$1,554,455

I. THE PROPERTY - ZONING MAP

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA



I. THE PROPERTY – MH HEAVY INDUSTRIAL ZONING

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA

Part 1 General

20.50.010 Industrial Zoning Districts

- A. This Chapter sets forth the land use and development regulations applicable to the Industrial Zoning Districts established by Section 20.10.060.
- B. No building, structure, or land shall be used, and no building or structure shall be erected, enlarged, or structurally altered, in the IP, LI and HI Industrial Districts except as set forth in this Chapter.
- C. The purposes of the Industrial Zoning Districts are as follows:

- 1. CIC Combined Industrial/Commercial

The CIC Combined Industrial/Commercial zoning designation is intended for commercial or industrial uses, or a compatible mixture of these uses, that support the goals of the Combined Industrial/Commercial General Plan Designation. The district allows for a broad range of commercial uses with a local or regional market, including big box retail, and a narrower range of industrial uses, primarily industrial park in nature, but including some low-intensity light industrial uses. Assembly uses and day care centers are allowed where they are compatible with and will not impose constraints on neighboring industrial uses.

- 2. IP Industrial Park

The Industrial Park zoning designation is an exclusive designation intended for a wide variety of industrial users such as research and development, manufacturing, assembly, testing, and offices. Industrial uses are consistent with this designation insofar as any functional or operational characteristics of a hazardous or nuisance nature can be mitigated through design controls. Areas exclusively for industrial uses may contain a very limited amount of supportive commercial uses, in addition to industrial uses, when those uses are of a scale and design providing support only to the needs of businesses and their employees in the immediate industrial area. These commercial uses should be located within a larger industrially utilized building to protect the character of the area and maintain land use compatibility. In addition, warehouse retail uses are allowed where they are compatible with adjacent industrial uses and will not constrain future use of the

subject site for industrial purposes. When located within an area with a Mixed Industrial Use Overlay General Plan Designation or a Combined Industrial/Commercial General Plan Designation, a broader range of uses, both free standing and in combination with others, will be considered including uses such as retail, Church/Religious Assembly, social and community centers, recreational uses, or similar uses but only when the non-industrial use does not result in the imposition of additional constraints on neighboring industrial users in the exclusively industrial areas.

- 3. LI Light Industrial

The Light Industrial Zoning District is intended for a wide variety of industrial uses and excludes uses with unmitigated hazardous or nuisance effects. The design controls are less stringent than those for the Industrial Park Zoning District. Examples of typical uses are warehousing, wholesaling, and light manufacturing. Sites designated Light Industrial may also contain service establishments that serve only employees of businesses located in the industrial areas. In addition, warehouse retail uses may be allowed where they are compatible with adjacent industrial uses and will not constrain future use of the subject site for industrial purposes. When located within an area with a Mixed Industrial Use Overlay General Plan Designation or a Combined Industrial/Commercial General Plan Designation, a broader range of uses will be considered including uses such as retail, Church/Religious Assembly, social and community centers, recreational uses, or similar uses but only when the non-industrial use does not result in the imposition of additional constraints on neighboring industrial users in the exclusively industrial areas.

- 4. HI Heavy Industrial

This district is intended for industrial uses with nuisance or hazardous characteristics which for reasons of health, safety, environmental effects, or general welfare are best segregated from other uses. Extractive and primary processing industries are typical of this district. Very limited scale retail sales and service establishments serving nearby businesses and their employees may be considered appropriate where such establishments do not restrict or preclude the ability of surrounding Heavy Industrial land from being used to its fullest extent and are not of a scale or design that depends on customers from beyond normal walking distances. Any such uses should be clearly incidental to the industrial user on the property and integrated within an industrial building. In addition, warehouse retail uses may be allowed where they are compatible with adjacent industrial uses and will not constrain future use of the subject site for industrial purposes. When located within an area with a Mixed Industrial Use Overlay General Plan Designation, a broader range of uses will be considered including uses such as retail, Church/Religious Assembly, social and community centers, recreational uses, or similar uses but only when the non-industrial use does not

I. THE PROPERTY – MH HEAVY INDUSTRIAL ZONING 1810 S. 7th St. & 1815 S. 10th St. San Jose, CA

result in the imposition of additional constraints on neighboring industrial users in the exclusively industrial areas.

20.50.100 Allowed Uses and Permit Requirements

- A. “Permitted” land uses are indicated by a “P” on Table 20-110.
- B. “Conditional” uses are indicated by a “C” on Table 20-110. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a Conditional Use Permit as set forth in Chapter 20.100.

“Conditional” uses which may be approved only on property designated on the Land Use/Transportation Diagram of the San Jose 2020 General Plan, as amended, with the Mixed Industrial Overlay or Combined Industrial/Commercial are indicated by a “C^{GP}” on Table 20-110. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a Conditional Use Permit as set forth in Chapter 20.100.
- C. “Special” uses are indicated by a “S” on Table 20-110. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a Special Use Permit as set forth in Chapter 20.100.
- D. “Administrative” uses are indicated by an “A” on Table 20-110. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with an Administrative Permit as set forth in Chapter 20.100.
- E. Land uses not permitted are indicated by a “-” on Table 20-110. Land uses not listed on Table 20-110 are not Permitted.
- F. When the right column of Table 20-110 includes a reference to a Section number or a footnote, the regulations cited in the Section number or footnote apply to the use. In addition, all uses are subject to any other applicable provision of this Title 20 and any other Title of the San Jose Municipal Code.

I. THE PROPERTY – MH HEAVY INDUSTRIAL ZONING

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA

Table 20-110 Industrial Districts Land Use Regulations					
Use	Zoning District				Applicable Sections & Notes
	CIC	IP	LI	HI	
Industry					
Auction	C	C ^{GP}	C ^{GP}	C ^{GP}	
Industrial Services	-	-	P	P	
Laboratory, processing	P	P	P	P	
Manufacturing and Assembly					
Light	P	P	P	-	
Medium	P	P	P	P	
Heavy	-	-	-	P	
Research and Development	P	P	-	-	
Catalog and mail order	P	P	P	-	
Construction/Corporation yard	-	-	S	S	
Establishment for the repair, cleaning of household, commercial or industrial equipment or products	-	-	P	P	
Extraction of minerals from the ground, including quarrying	-	-	-	C	
Hazardous materials storage facility	-	-	C	C	
Hazardous waste facility	-	-	-	C	
Junkyard	-	-	-	C	
Miniwarehouse/ministorage	-	-	P	P	
Outdoor uses or storage, industrial	-	-	S	P	Section 20.50.210
Private power generation	C	C	C	C	
Stockyard, including slaughter	-	-	-	C	
Warehouse/Distribution Facility	P	P	P	P	
Wholesale sale establishment	P	S	P	P	
Additional Uses					
Any use not set forth in Tables 20-30, 20-50, 20-90	-	-	-	C	
Any use without a permanent fully enclosed building on-site	C	C	S	S	
Commercial support	-	P	-	-	Note 5, Section 20.50.110
General Retail					
Retail sales, goods and merchandise	P	-	-	-	Note 5, Section 20.50.110
Retail art studio	P	-	-	-	
Alcohol, off-site sales – beer and/or wine only	C	-	-	-	Note 5, Section 20.50.110
Alcohol, off-site sales – full range of alcoholic beverages	C	-	-	-	Note 5, Section 20.50.110
Bakery, retail	P	-	-	-	Note 5, Section 20.50.110
Food, beverage, groceries	P	-	-	-	Note 5, Section 20.50.110
Nursery, plant	P	-	C	C	
Outdoor vending	A	-	A	A	Part 10, Chapter 20.80

Table 20-110 Industrial Districts Land Use Regulations					
Use	Zoning District				Applicable Sections & Notes
	CIC	IP	LI	HI	
Large format commercial establishment	-	C ^{GP}	C ^{GP}	-	
Large format commercial establishment, associated commercial	-	C ^{GP}	C ^{GP}	-	Section 20.50.115
Warehouse retail	-	C	C	C	Section 20.50.130
Sales, office furniture, industrial equipment, machinery	P	-	C	-	
Seasonal Sales	P	P	P	P	Part 14, Chapter 20.80
Education and Training					
Day care center	C	C ^{GP}	C ^{GP}	C ^{GP}	
School, driving (class A & B license)	-	-	P	P	
Instructional art studios	P	-	-	-	
Instructional art studios, live models	C	-	-	-	
Private instruction, personal enrichment	P	-	-	-	
School, post secondary	C	C	-	-	
School, trade and vocational	C	-	C	C	
Entertainment and Recreation Related					
Recreation, Commercial/Indoor	P	C ^{GP}	C ^{GP}	C ^{GP}	Note 5, Section 20.50.110
Relocated Cardroom	C ^{GP}	C ^{GP}	C ^{GP}	C ^{GP}	Section 20.80.1155
Performing arts production and rehearsal space, excluding performances	P	C	C ^{GP}	C ^{GP}	
Food Services					
Caterer	P	-	-	-	
Drinking establishments	C	-	-	-	
Public eating establishments	P	-	C	C	Note 5, Section 20.50.110 and Section 20.50.113
Outdoor dining, incidental to a public eating establishment	P	-	C	C	Note 5, Section 20.50.110 and Section 20.50.113
Health and Veterinary Services					
Animal boarding, indoor	P	-	-	-	
Animal grooming	P	-	-	-	
Emergency ambulance service	C	C ^{GP}	C ^{GP}	C ^{GP}	
Medical clinic/ out-patient facility	P	C ^{GP}	-	-	Note 5, Section 20.50.110
Office, medical	P	C	-	-	Note 5, Section 20.50.110
Veterinary clinic	P	-	-	-	
General Services					
Crematory	-	-	C ^{GP}	C	Note 6
Mortuary, without funeral services	-	-	P	P	
Dry cleaner	P	-	-	-	
Hotel/motel	P	C ^{GP}	-	-	
Laundromat	P	-	-	-	
Maintenance and repair, small household appliances	P	-	-	-	

I. THE PROPERTY – MH HEAVY INDUSTRIAL ZONING

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA

Use	Zoning District				Applicable Sections & Notes
	CIC	IP	LI	HI	
Large format commercial establishment	-	C ^{GP}	C ^{GP}	-	
Large format commercial establishment, associated commercial	-	C ^{GP}	C ^{GP}	-	Section 20.50.115
Warehouse retail	-	C	C	C	Section 20.50.130
Sales, office furniture, industrial equipment, machinery	P	-	C	-	
Seasonal Sales	P	P	P	P	Part 14, Chapter 20.80
Education and Training					
Day care center	C	C ^{GP}	C ^{GP}	C ^{GP}	
School, driving (class A & B license)	-	-	P	P	
Instructional art studios	P	-	-	-	
Instructional art studios, live models	C	-	-	-	
Private instruction, personal enrichment	P	-	-	-	
School, post secondary	C	C	-	-	
School, trade and vocational	C	-	C	C	
Entertainment and Recreation Related					
Recreation, Commercial/Indoor	P	C ^{GP}	C ^{GP}	C ^{GP}	Note 5, Section 20.50.110
Relocated Cardroom	C ^{GP}	C ^{GP}	C ^{GP}	C ^{GP}	Section 20.80.1155
Performing arts production and rehearsal space, excluding performances	P	C	C ^{GP}	C ^{GP}	
Food Services					
Caterer	P	-	-	-	
Drinking establishments	C	-	-	-	
Public eating establishments	P	-	C	C	Note 5, Section 20.50.110 and Section 20.50.113
Outdoor dining, incidental to a public eating establishment	P	-	C	C	Note 5, Section 20.50.110 and Section 20.50.113
Health and Veterinary Services					
Animal boarding, indoor	P	-	-	-	
Animal grooming	P	-	-	-	
Emergency ambulance service	C	C ^{GP}	C ^{GP}	C ^{GP}	
Medical clinic/ out-patient facility	P	C ^{GP}	-	-	Note 5, Section 20.50.110
Office, medical	P	C	-	-	Note 5, Section 20.50.110
Veterinary clinic	P	-	-	-	
General Services					
Crematory	-	-	C ^{GP}	C	Note 6
Mortuary, without funeral services	-	-	P	P	
Dry cleaner	P	-	-	-	
Hotel/motel	P	C ^{GP}	-	-	
Laundromat	P	-	-	-	
Maintenance and repair, small household appliances	P	-	-	-	

Use	Zoning District				Applicable Sections & Notes
	CIC	IP	LI	HI	
Messenger services	P	-	-	-	
Personal services	P	-	-	-	Note 5, Section 20.50.110
Photo processing and developing	P	P	P	P	
Printing and publishing	P	P	P	P	
Social Service Agency	-	C	C	C	
Offices and Financial Services					
Automatic Teller Machine	P	P	P	P	Section 20.80.200
Business support	P	-	-	-	
Financial institution	P	-	C ^{GP}	C ^{GP}	Note 5, Section 20.50.110
Office, general business	P	P	-	-	
Office, research and development	P	P	-	-	
Public, Quasi-Public and Assembly Uses					
Church/Religious Assembly	C	C ^{GP}	C ^{GP}	C ^{GP}	
Residential					
Emergency residential shelter, more than 50 beds	C	C ^{GP}	C	C ^{GP}	Section 20.80.500
Emergency residential shelter, 50 beds or fewer	P	C ^{GP}	C	C ^{GP}	Section 20.80.500
Living quarters, custodian, caretakers	-	-	-	C	Note 1
Drive-Through Use					
Drive-through in conjunction with any use	C	C ^{GP}	C ^{GP}	C ^{GP}	
Recycling Uses					
Recycling processing facility	-	C	S	S	
Recycling transfer facility	-	C	S	S	
Large collection facility	-	-	-	P	
Reverse vending	A	A	A	A	
Small collection facility	A	A	A	A	
Transportation and Utilities					
Common carrier	-	-	C	P	
Common carrier depot	S	S	S	S	
Community television antenna systems	C	C	C	C	
Data center	S	S	S	S	
Off-site, alternating and alternative use parking arrangements	S	S	S	S	Section 20.90.200
Parking establishment not Permitted in Tables 20.30, 20.50 and 20.90	C	C	C	C	
Parking establishment, off-street	C	C	C	C	
Television, radio studio	C	C	C	C	
Utility facilities, excluding corporation yards, storage or repair yards and warehouses	C	C	C	C	
Wireless communication antenna	C	C	C	C	Section 20.100.1300
Wireless communication antenna	S	S	S	S	Section 20.80.1900
Wireless communication antenna, building mounted	P	P	P	P	Section 20.80.1910
Electrical Power Generation					
Base Load Facility	-	-	-	C	

I. THE PROPERTY – MH HEAVY INDUSTRIAL ZONING

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA

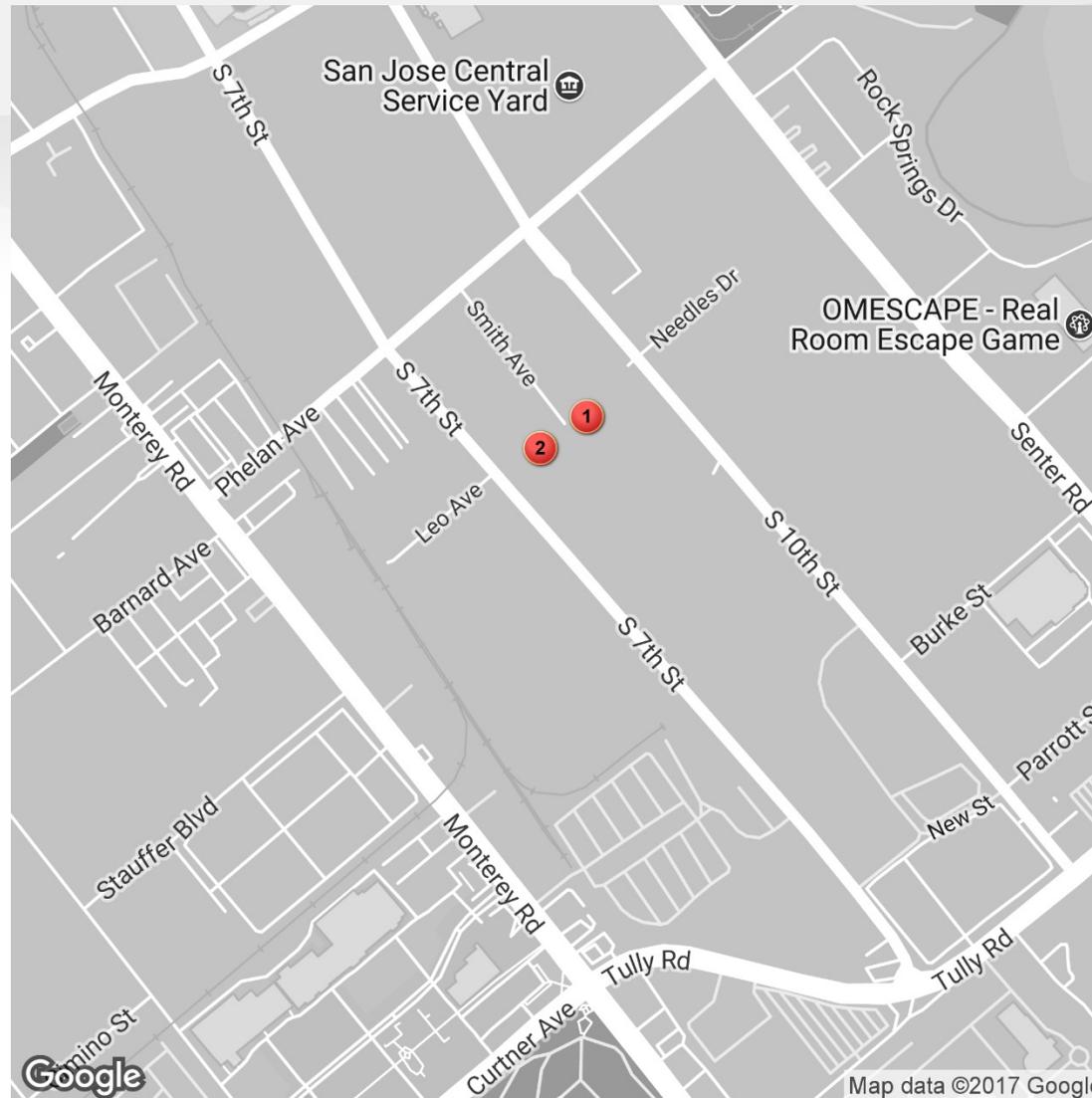
Use	Zoning District				Applicable Sections & Notes
	CIC	IP	LI	HI	
Stationary Peaking Facility	-	-	C	C	
Transportable Peaking Facility	-	-	C	C	
Private Power Generation Facility	C	C	C	C	
Co-Generation Facility	S	S	S	S	
Stand-by/Backup					
Facilities that do not exceed noise and air standards	P	P	P	P	
Facilities that do exceed noise and air standards	C	C	C	C	
Temporary Stand-by-Backup	P	P	P	P	
Solar Photovoltaic System	P	P	P	P	Section 20.100.610(C)(7)
Vehicle Related Uses					
Auto broker, wholesale, no on-site storage	P	P	-	-	
Car wash, detailing	C	-	-	-	
Gas or charge station, excluding incidental service or repair	P	C ^{GP}	C ^{GP}	C ^{GP}	Note 2
Gas or charge station with incidental service and repair	P	C ^{GP}	C ^{GP}	C ^{GP}	Note 3
Leasing passenger vehicles, pick-up trucks not exceeding twenty-five (25) feet in length, and motorcycles	C	-	C	-	
Repair and cleaning of vehicles	-	-	P	P	Note 4
Sale or lease of commercial trucks, buses, trailers, campers, boats, mobilehomes, construction equipment	C	-	C	-	
Vehicle tow yard	-	-	C	S	
Vehicle wrecking, including sales of parts	-	-	-	C	

Notes:

1. Site must be seven (7) acres or more.
2. No incidental repair or service.
3. Incidental repair includes air conditioning service, carburetor & fuel injection service, electrical service, radiator service, and tune-up, lube, oil change, and smog check, as well as tires, batteries and accessories installation. Does not allow body repair or painting.
4. All vehicle-related repair, service, and accessory or other installation, excepting the cleaning of vehicles, shall be conducted within a fully enclosed building.
5. Retail; recreation, commercial/indoor establishments; public eating establishments; outdoor dining, incidental to a public eating establishment; financial institutions; medical clinics; medical offices; and personal service establishments are permitted in the IP district subject to the limitation of the Commercial Support Use, Section 20.50.110. Public eating establishments in the LI or HI districts are limited to a maximum of 650 gross square feet in size.
6. Crematories shall be separated by at least five hundred (500) linear feet from residential uses, schools, and daycare centers, which distance(s) shall be measured from the nearest points of the parcel boundary on which the crematory is proposed and the parcel boundary on which the residential, school or day care center is located.

I. THE PROPERTY- AERIAL MAP

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA



I. THE PROPERTY- PHOTOS

1810 S. 7th St. & 1815 S. 10th St. San Jose, CA



II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

651 MATHEW STREET, SANTA CLARA



651 Mathew Street, Santa Clara

Land Size: 4.48 AC

Building Size: 48,858 SF

Buyer: Mathew Properties, LLC

Seller: Diana Land Company

Date Sold: February 2016

Price: \$8,200,000

Price PSF Building: \$168

Price PSF Land: \$43

Comments: Wood frame 1950s buildings. Located at the end of the cul de sac. Property sold to an investor.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

825 MATHEW STREET, SANTA CLARA



825 Mathew Street, Santa Clara

Land Size: 4.3 AC

Building Size: 97,307 SF

Buyer: Mathew Properties, LLC

Seller: Diana Land Company

Date Sold: February 2016

Price: \$8,100,000

Price PSF Building: \$83

Price PSF Land: \$43

Comments: Wood frame 1950s buildings. Located at the end of the cul de sac. Property sold to an investor.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

750 WALSH AVENUE, SANTA CLARA



750 Walsh Ave, Santa Clara

Land Size: 3.3 AC

Building Size: 50,000 SF

Buyer: DJ Family Partnership

Seller: Comfort Grey

Date Sold: July 2015

Price: \$7,081,000

Price PSF Building: \$141

Price PSF Land: \$49

Comments: Building under going major renovation.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

631 REED STREET, SANTA CLARA



631 Reed Street, Santa Clara

Land Size: 1.01 AC

Building Size: 20,400 SF

Buyer: Peixoto Family Trust

Seller: Ted Boynton

Date Sold: January 2016

Price: \$2,400,000

Price PSF Building: \$117

Price PSF Land: \$54

Comments: Metal multi-tenant buildings.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

801 SAVAKER AVENUE, SANTA CLARA



801 Savaker Ave, Santa Clara

Land Size: 2.11 AC

Building Size: 37,000 SF

Buyer: GVC Owens LLC

Seller: Zimmerman Trust

Date Sold: March 2016

Price: \$5,675,000

Price PSF Building: \$153

Price PSF Land: \$61

Comments: Former electrical supply contractor building. Fully refurbished with 10,000 SF of high end office.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

697 LENFEST ROAD, SAN JOSE



697 Lenfest Rd, San Jose

Land Size: 2.32 AC

Building Size: 37,000 SF

Buyer: Raul Reynoso

Seller: J+M Mercado Trust

Date Sold: May 2016

Price: \$4,000,000

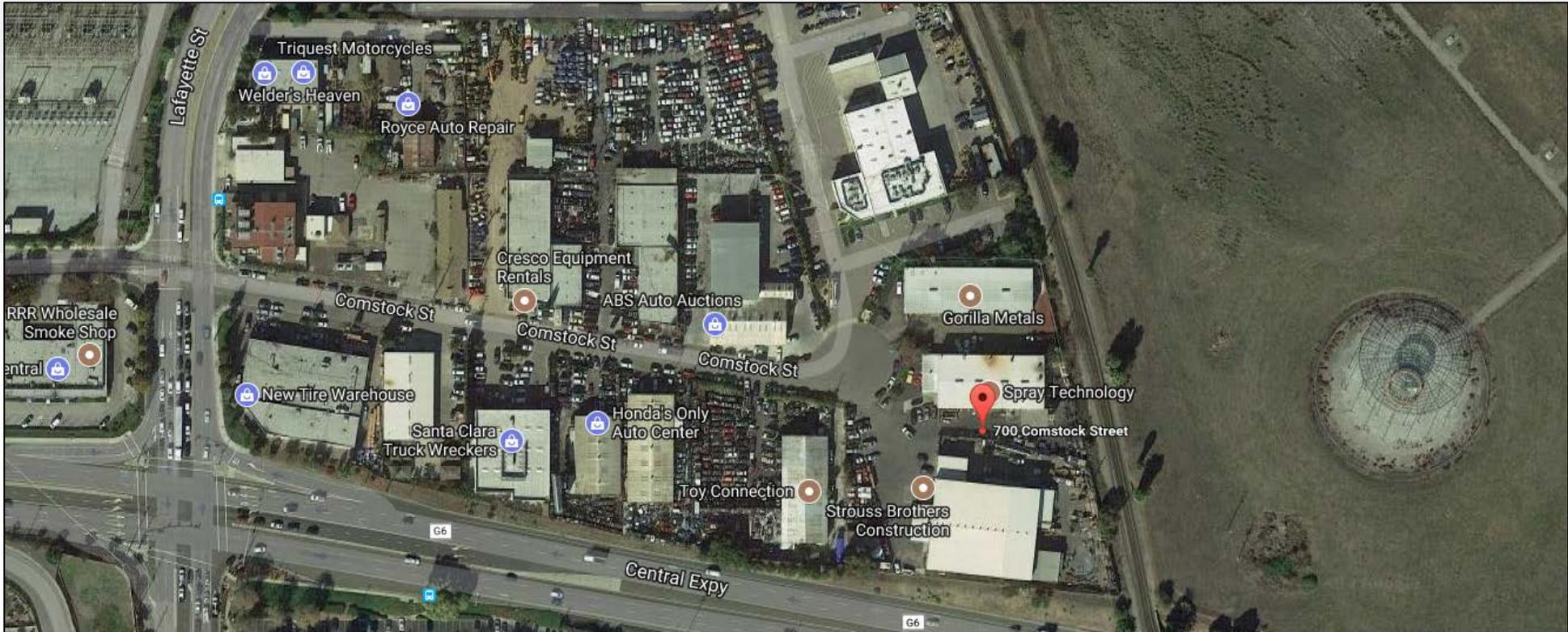
Price PSF Building: \$100

Price PSF Land: \$39.50

Comments: Buyer intends to construct a 61,000 SF mini storage.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

700 COMSTOCK STREET, SANTA CLARA



700 Comstock Street, Santa Clara

Land Size: 2.7 Acres

Buyer: Joseph J Albanese Construction

Seller: Halls/Mills

Date Sold: In escrow with close date of 12/31/17

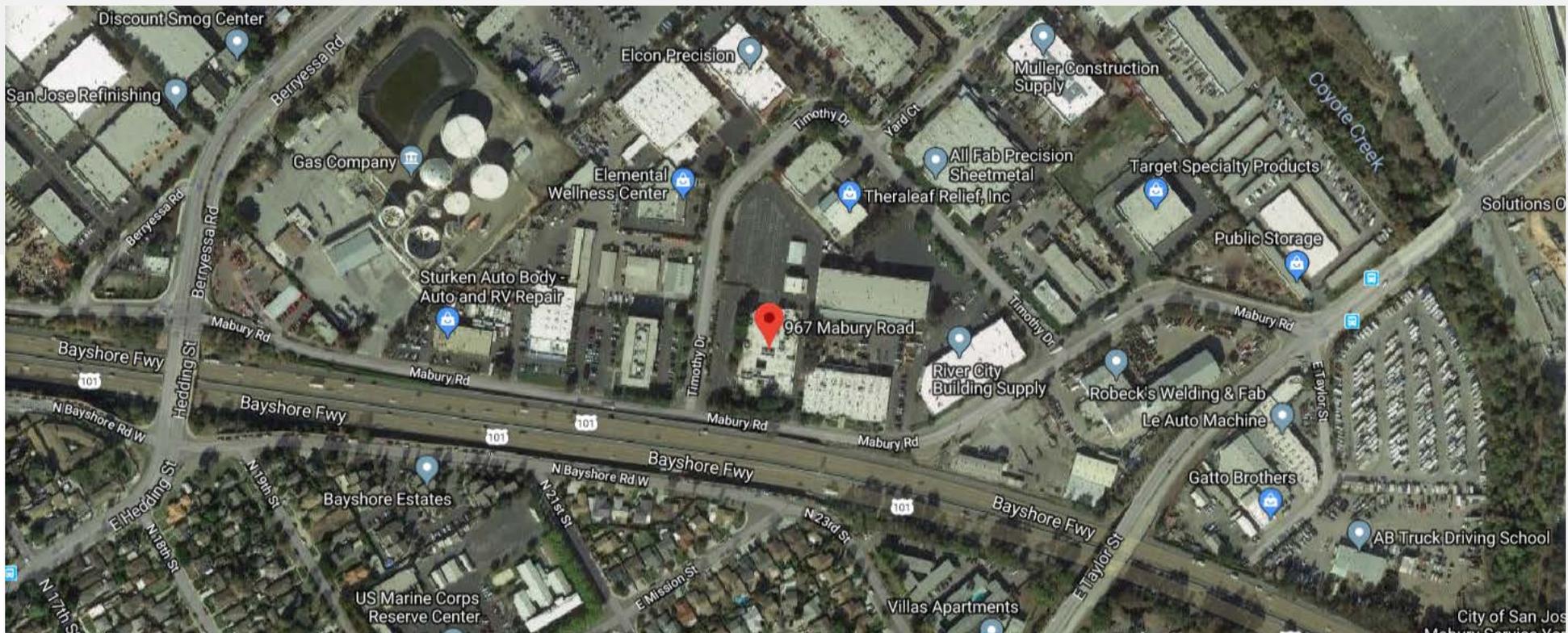
Price: \$6,663,000

Price PSF Land: \$57

Comments: 38,500 SF of Metal Buildings on Site. In escrow, with a construction company who will utilize property for storage and maintenance of construction equipment. Multiple bids from Data Centers, Mini Storage, Users Etc.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

967 MABURY ROAD, SAN JOSE



967 Mabury Road, San Jose

Building Size: ±29,625 SF

Land Size: 3.47 Acres

Buyer: ACT Enviro

Seller: McIntyre

Date Sold: December 2017

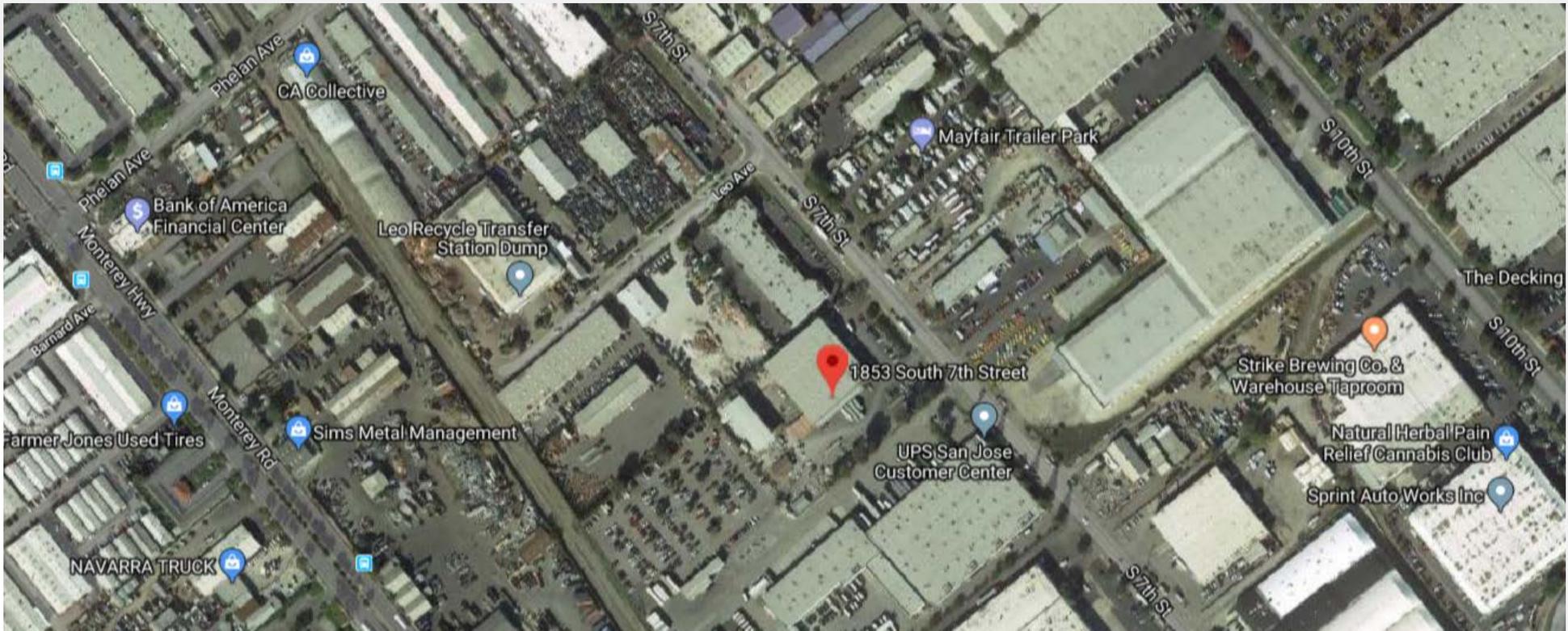
Price: \$8,500,000

Price PSF Land: \$56

Comments: 29,625 SF Office / Industrial Building with Freeway Visibility.
Multiple Bids from Investors, Users, and Mini Storage Developers.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

1853 SOUTH 7TH STREET, SAN JOSE



1853 South 7th Street, San Jose

Building Size: ±40,000 SF

Land Size: 3.64 Acres

Buyer: UPS Logistics

Seller: Tobin

Date Sold: October 2017

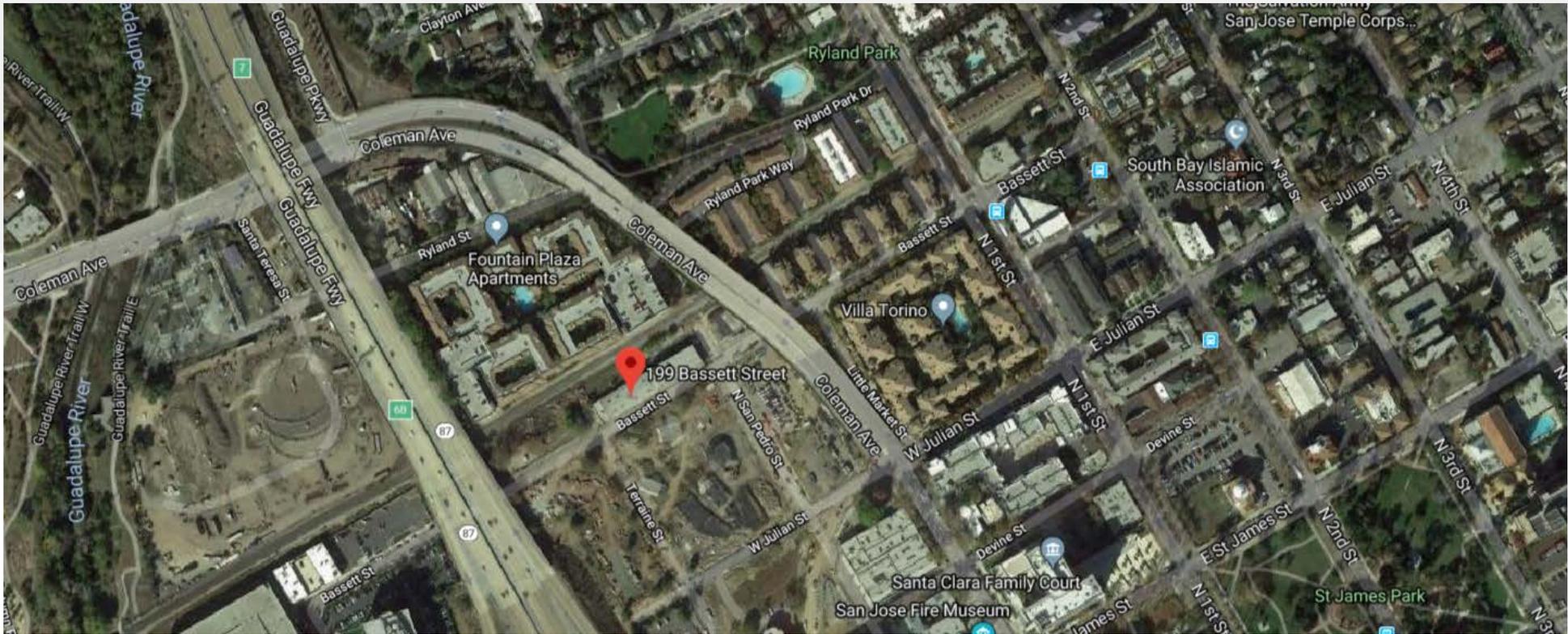
Price: \$8,500,000

Price PSF Land: \$53.50

Comments: 40,000 SF Office / Industrial Building with Metal Exterior in Rear.
Buyer was adjacent property owner / occupant.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

199 BASSETT STREET, SAN JOSE



199 Bassett Street, San Jose

Building Size: ±26,600 SF

Land Size: 0.80 Acres

Buyer: 199 Bassett LLC - Protype Exhaust Systems

Seller: Trenka LLC

Date Sold: September 2017

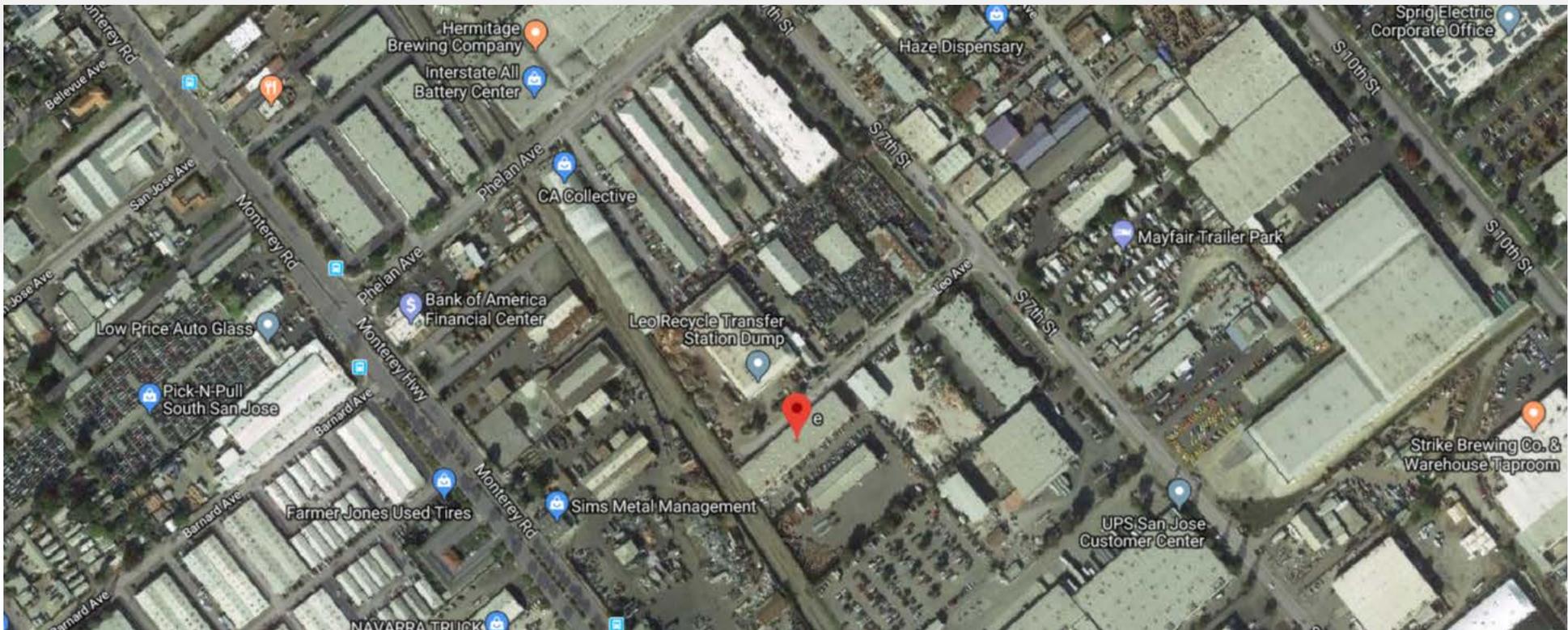
Price: \$8,500,000

Price PSF Land: \$150

Comments: 1955 Construction Building. 75% FAR. North of Downtown San Jose. Potential Resi Upside.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

220 LEO AVENUE, SAN JOSE



220 Leo Avenue, San Jose

Building Size: ±26,500 SF

Land Size: 1.30 Acres

Buyer: ATT Recycle

Seller: Nguyen / Dang LLC

Date Sold: August 2017

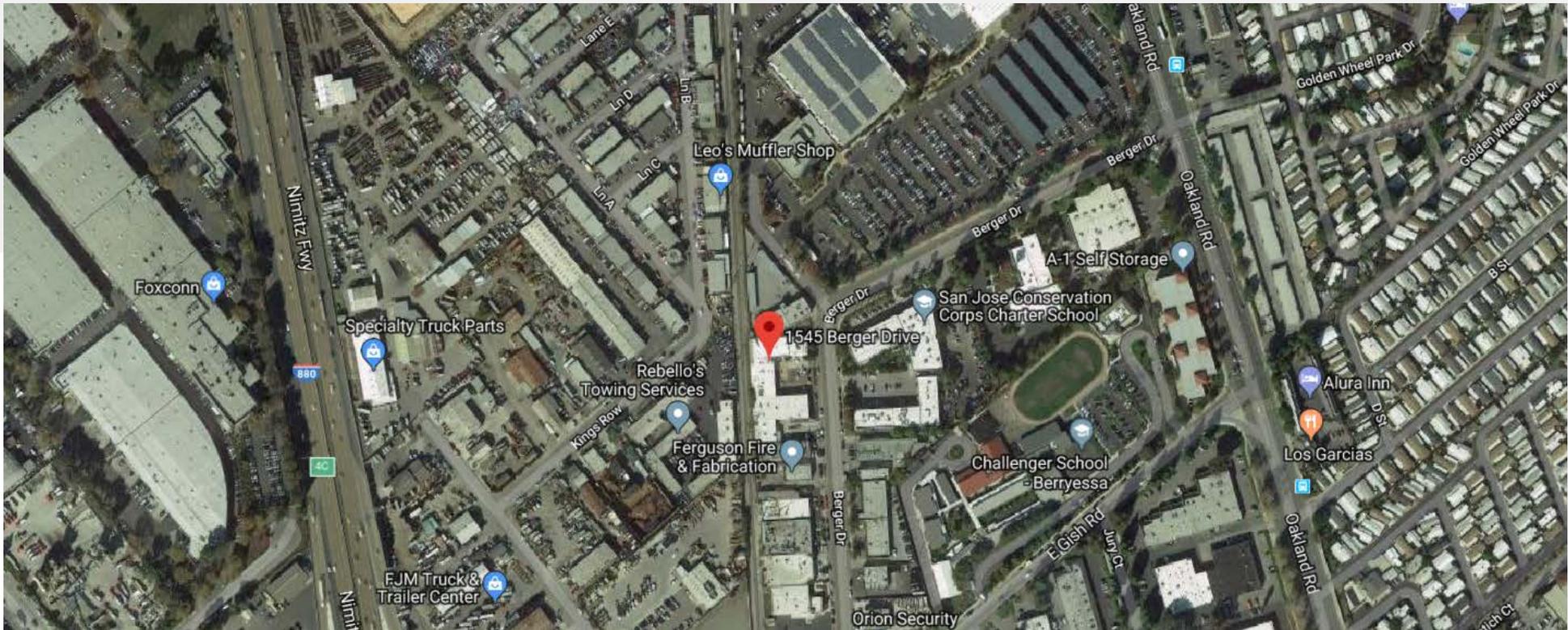
Price: \$3,100,000

Price PSF Land: \$117

Comments: 1959 Construction Building. 50% FAR. Leo Street is Auto Body Row.

II. CURRENT MARKET CONDITIONS - SALE COMPARABLES

1545 BERGER DRIVE, SAN JOSE



1545 Berger Drive, San Jose

Building Size: ±15,750 SF

Land Size: 0.69 Acres

Buyer: Neodora LLC

Seller: Simmons Stairway

Date Sold: January 2017

Price: \$2,450,000

Price PSF Land: \$155

Comments: 1980 Construction Building. 50% FAR. Berger Drive is an older industrial street.

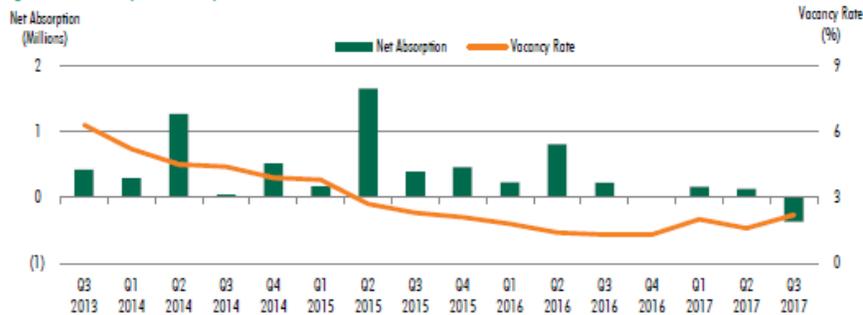
II. CURRENT MARKET CONDITIONS- INDUSTRIAL MARKET OVERVIEW Q3-2017

Silicon Valley Industrial, Q3 2017

Negative absorption and growing need for new product

▲ Vacancy Rate 2.2%
▲ Lease Rate \$1.07 PSF
▼ Net Absorption (364,058) SF
▶ Under Construction 450,610 SF

Figure 1: Total Vacancy vs. Net Absorption



Source: CBRE Research, Q3 2017.

The Silicon Valley industrial market recorded 364,058 sq. ft. of negative net absorption in Q3 2017. This decline was the first occupancy loss since Q3 2012, and was largely due to the manufacturing sector experiencing 272,855 sq. ft. of negative absorption. Despite 963,479 sq. ft. of gross absorption activity, the warehouse sector posted 91,203 sq. ft. of negative net absorption in Q3 2017.

Of the top ten industrial transactions in Q3 2017, 50% were renewals. The quarter was highlighted by three new leases over 100,000 sq. ft., led by a 149,758 sq. ft. lease at 48778 Fremont Boulevard in Fremont. By contrast, North San Jose experienced the largest loss in occupancy at 184,770 sq. ft., due in large part to Zazzle vacating 131,997 sq. ft. at 1185 Campbell Ave.

The Q3 2017 average asking lease rate increased by \$0.03 to \$1.07 NNN, the highest asking lease rate since Q2 2001 when the rate was \$1.16 NNN.

The average warehouse lease rate rose slightly during the quarter, increasing by just \$0.01 to \$0.92 NNN, while the lease rate for manufacturing space went up \$0.04 to \$1.18 NNN.

Even though the market saw a significant shift in absorption activity, the vacancy rate remained relatively low in Q3 2017, increasing 60 basis points (bps) from 1.6% to 2.2% quarter-over quarter. For the last 15 quarters, the vacancy rate has remained below 5%. The continued lack of supply and low vacancy rates illustrate the continued strength of the market, despite the occupancy losses experienced in Q3 2017.

Due to persistent tenant demand, the lack of new industrial deliveries and dwindling available product, an increase in the average asking rates is anticipated over the next few quarters. Additionally, with only one project scheduled to be delivered in the next two quarters, development activity could pick up due to supply constraints.

Figure 2: Total Industrial Market Statistics

Submarket	Net Rentable Area	Total Vacancy %	Total Availability %	Avg. Asking Rate*		Q3 Net Absorption	YTD Net Absorption
				Whs. \$	Mfg. \$		
San Jose – Downtown/IBP	14,534,210	0.9	3.1	0.93	1.05	(34,642)	9,737
San Jose - North	10,013,075	8.1	10.5	0.95	1.15	(184,770)	(226,522)
San Jose - South	12,252,319	4.6	6.5	0.81	1.02	0	155,094
Milpitas	8,389,780	2.0	5.7	0.91	1.12	(84,487)	(167,376)
Santa Clara	15,233,654	0.6	1.3	1.00	1.28	19,192	57,152
West Valley	1,794,212	1.2	2.6	1.05	1.15	16,663	(256)
Sunnyvale	6,574,456	1.2	1.7	1.17	1.35	(15,361)	(15,284)
Mountain View	1,887,315	1.2	1.3	1.20	1.45	(14,399)	(7,840)
Palo Alto	1,569,528	4.2	4.2	1.91	2.76	(33,120)	(42,120)
Fremont/Newark	33,110,896	1.1	1.5	0.88	1.05	(33,134)	164,070
Silicon Valley	105,359,445	2.2	3.5	0.92	1.18	(364,058)	(73,345)

Source: CBRE Research, Q3 2017.

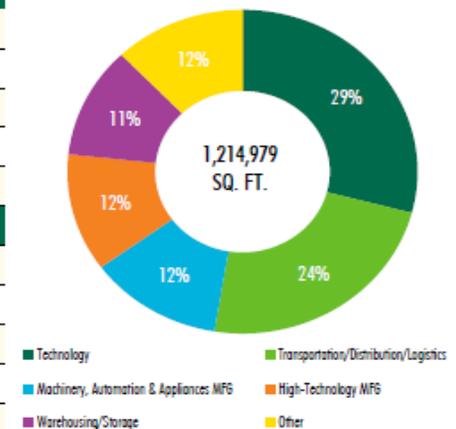
* Direct Monthly Lease Rates, Triple Net (NNN)

Figure 3: Top Leases / Top Sales

Lease (Tenant)	City	Total SF
Applied Materials	Santa Clara	150,480
Confidential	Fremont	149,758
Confident	Santa Clara	134,160
DGA Services	Fremont	120,835
DHL Supply Chain	San Jose	82,800
Sale (Buyer)	City	Total SF
Fortune Realty	Santa Clara	90,530
1400 Kifer Road LLC	Sunnyvale	76,573
Confidential	Mountain View	44,130
Terreno Realty Group	Fremont	40,830
Fortinet Inc.	Sunnyvale	32,120

Source: CBRE Research, Q3 2017.

Figure 4: Top 25 Leases by Industry



Source: CBRE Research, Q3 2017.

II. CURRENT MARKET CONDITIONS- INDUSTRIAL MARKET OVERVIEW Q3-2017

LEASE RATES

The market average asking lease rate increased to \$1.07 NNN, which is the highest lease rates have been since Q2 2001. Warehouse lease rates jumped 3.5% from \$1.14 to \$1.18, while manufacturing experienced just a 1% increase from \$0.91 to \$0.92. The Fremont/Newark manufacturing sector experienced the most significant increase, with average lease rates moving from \$0.96 to \$1.05 (9.4%) quarter-over-quarter. Milpitas, Downtown/IBP, and Santa Clara also saw average lease rates jump, with increases of 3.2%, 2.0%, and 1.7%, respectively.

NET ABSORPTION

In Q3 2017, the market recorded 364,058 sq. ft. of negative net absorption, bringing the year-to-date net absorption total to negative 73,345 sq. ft. North San Jose alone totaled 184,770 sq. ft. of negative net absorption, largely due to the move outs at 1185 Campbell Avenue and 110 Component Drive, which totaled 195,497 sq. ft. Only the Santa Clara (19,192 sq. ft.) and West Valley (16,663 sq. ft.) submarkets posted positive net absorption for the quarter, while all other submarkets recorded at least 14,000 sq. ft. of negative net absorption.

VACANCY & AVAILABILITY

The overall vacancy rate rose 60 bps quarter-over-quarter, resting at 2.2%. In the warehouse sector of the South San Jose submarket, the total vacancy increased 3.8% quarter-over-quarter, representing the largest increase in any submarket. Despite the move outs during Q3 2017, the vacancy rate remained relatively low due to the lack of available product for lease. The availability rate fell 20 bps during the quarter, largely due to the Fremont/Newark submarket dropping 240 bps, from 3.1% to 0.7%.

CONSTRUCTION COMPLETIONS

While no new developments were completed in Q3 2017, there are several projects in the planning stage. Currently, McCarthy Creekside Phase I remains the only project under construction, with 450,610 sq. ft. scheduled to be complete in Q1 2018. Overall tenant demand continues to exceed supply, which drives the need for new product in the market.

Figure 5: Lease Rates

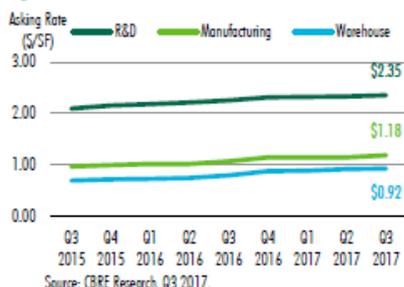


Figure 6: Net Absorption

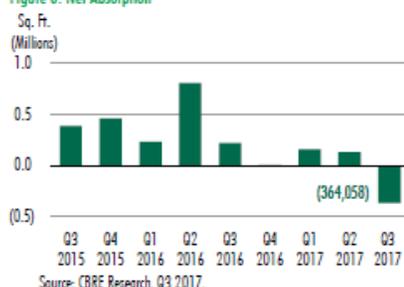


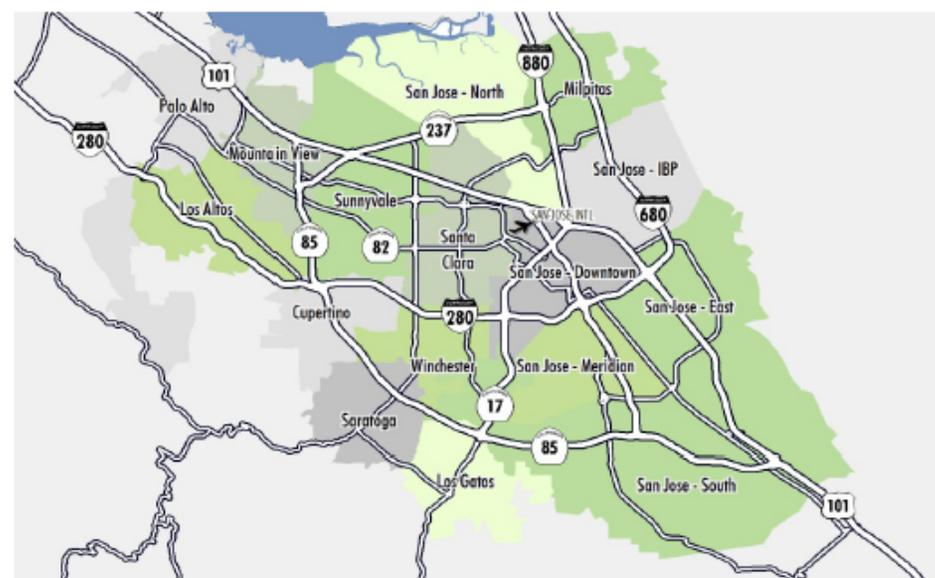
Figure 7: Vacancy & Availability



Figure 8: Construction Completions



SUBMARKET MAP



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CBRE OFFICE

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DEFINITIONS

Average Asking Rate Direct Monthly Lease Rates, Triple Net (NNN). Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy. CBD Central Business District in downtown San Jose.

SURVEY CRITERIA

CBRE's market report analyzes existing single- and multi-tenant industrial buildings that total 7,500+ sq. ft. in Silicon Valley, excluding owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/researchgateway.

III. SALES AND MARKETING- CAPABILITIES AND PCG



To be successful in today's competitive market, the asset needs to be repositioned properly, brought to the market with a clear offering and marketed using an aggressive, proactive approach:

Brian Matteoni, SIOR is a market expert with a great deal of experience and success in commercial properties. In the past five (5) years alone, Brian has completed over 150 sales and lease transactions totaling over \$150 Million in consideration and approximately 2.0 million square feet.

Additionally Brian have been awarded the ASVB Industrial Broker of the Year for his remarkable efforts in three (3) of the last ten (10) years.

Website – www.cbre.com

CBRE's Web site gives worldwide access to information about brokers, specific listings and background information about the company. The Silicon Valley CBRE page receives an average of over 1,000 hits out of the 45,000 hits monthly to the CBRE worldwide website. Information on this property will be linked to our site.

Marketing Package

The marketing package will contain all pertinent information on the property and can easily be printed or emailed to brokers and potential clients. A booklet highlighting the attributes of the property can also be created.

Market Information Exchange (MIX)

Market Information eXchange (MIX) is a web-based system that allows brokers to search for detailed market data maintained by CBRE local office. Once a search is completed, MIX allows the selection of desired records, sorts those records and produces presentation quality reports. This provides CBRE professionals with accurate, readily accessible information for positive marketing efforts.

LoopNet

The property will be listed on LoopNet, an online commercial property listing service. LoopNet has the broadest market coverage of any listing service on the Internet, attracting the largest online community of commercial real estate professionals, owners and investors. LoopNet delivers the widest possible exposure for property listings.

III. SALES AND MARKETING- CAPABILITIES AND PCG

CoStar

CoStar is a subscription-based property database tool that provides office, industrial and retail building availability and historic data in many U.S. markets. This easy-to-use web-based application provides users with the ability to query data and print reports from their desktop. Other benefits include the ability to produce image reports.

CBRE Listing Report

CBRE publishes a monthly listing report showing all necessary information for current listings. This report is distributed via email to over 600 real estate professionals throughout the Silicon Valley area. This report is one of the most productive marketing resources available due to the number of people it reaches and reliance on it throughout the marketplace.

CampaignLOGIC

CampaignLOGIC is CBRE's company-approved email marketing tool. It is a cost-effective and efficient way to send personalized email campaigns that can be tracked. With web-based email creation and distribution, and robust and easy-to-use reporting and tracking, this is a strong and quick way to reach clients or brokers. Emails contain customizable, CBRE-branded templates as well as RSVP and Q&A functionality. This system's opt-out management ensures compliance with anti-SPAM legislation.

National Industrial Team

Brian Matteoni is part of the exclusive National Industrial Team of CBRE – the only one of its kind – with more than 100 key brokers which control over 2,500 multi-market industrial users throughout the United States. Tenant qualification is critical to a successful campaign as open and clear communication nationally ensures successful transactions and maximizes the value for our clients on every assignment.

E-Flyers / Postcards

Email flyers and postcards can be created and distributed to various brokers as a teaser for your property. Photos, strong headlines and colorful emails can draw attention to your property. These flyers can be distributed to any possibly interested parties and can easily be forwarded and passed from broker to broker.

Signage

CBRE signs can be seen worldwide, all with similar styling and all easily associated with our company. A sign will be strategically placed on your property to obtain maximum exposure for the listing. A rendering of the sign will be available for approval before it goes up. Signs are placed in a timely manner and can be quickly repaired, if necessary.

III. SALES AND MARKETING- CAPABILITIES AND PCG

Mapping Services / Demographics

Individual, fine-tuned maps can be created to show your property in a clear and easily identifiable way. Maps can show more than just the location of your property. We can map area competition or show neighboring resources for specific client. We can also create demographic single-page summaries or multiple-page reports for specific areas. All of these maps can be placed in any presentation or brochure. Our data comes from Claritas, the world leader in demographics, and is useful when choosing a target market or audience.

Prospecting / Cold Calls

The most effective way of identifying prospective buyers is through an aggressive calling campaign of businesses within the market area of the property. This direct contact will be the backbone of our marketing program. We are committed to a continuous effort to contact potential firms, to provide them with concise and effective information on the property, and to follow up with in a courteous and professional manner. Our database includes of 2,000 Industrial /R&D users in Santa Clara County, and a "highlight list" of close to 400 companies whose leases expire within the next six months.

CBRE brokers are responsible for cold calling and canvassing all possible clients and locations necessary to serve the client. All cold calls are tracked and can be easily submitted as a tracking report for progress on a property. As a company, we subscribe to the National Do Not Call list, ensuring that our brokers are targeting viable contacts around the country.

CBRE professionals maintain active and profitable relationships with local, regional and state economic development authorities. These relationships can equate to positive solutions for your needs.

Our professionals also serve on various community boards and attend local, regional and state conferences and meetings regarding economics and real estate to better serve you and promote your property.

Networking

In being a part of the "inner circle" of R&D and Industrial specialists in Silicon Valley, we will be able to utilize our exceptional track record and network to gain the widest possible exposure for the property. Furthermore, our open relationship with other "select R&D/Industrial" brokers in the competing firms enables us to gain personal insight to all R&D industrial requirements in the market.

Internal Broker Support

It is important to note that, although we will be coordinating the marketing programs, the property owners will be receiving the attention of the entire brokerage ranks of the San Jose Office of CBRE, Inc., which is one of the most active offices in Silicon Valley. The number and activity level of our brokers insures that we will be aware of the activities of tenants in the marketplace. We make a specific point of reviewing current lease transactions, comparables, as well as rumors and trends, in each sales meeting. The purpose of meeting regularly is to be on top of the market as it happens. As a result, we often know more about a user's activity and alternatives than the user. This gives us tremendous advantage in negotiations. Our free flow of information format during our meeting is essential to this process.

III. SALES AND MARKETING

Marketing Approach

CBRE's marketing strategy entails a best-in-class multi-layered approach designed to accomplish the following:

- Target Silicon Valley Requirements
- Maximize potential due to scarcity of industrial building and land supply
- Maximize the Property's exposure through regional & national CBRE capabilities
- Pursue and leverage multiple tenant (cross-industry) and buyer pools (users, investors, and developers)
- Unleash the value potential of the Property by developing multiple re-use scenarios
- Coordinate with the City of Santa Clara to be an effective advocate in our marketing effort

Experience

- Brian Matteoni, SIOR – 25th year, 2003/2005/2009 ASVB Industrial Broker of the Year
- Superior relationship with the City of Santa Clara
- Unmatched large-project experience in Silicon Valley
- Outstanding understanding of corporate user's needs, processes and objectives (Represented Google, City of San Jose, Hertz, San Jose Mercury News, Smurfit Stone, West Marine, San Jose Water, Stericycle, Hubbell Corporation, Birds Eye Foods, GE Nuclear).
- World's largest real estate organization with local, regional, national, and international reach and credibility

IV. SALES AND MARKETING- CAPABILITIES

Corporate Relationships

CBRE CLIENTS INCLUDE NEARLY 80% OF THE FORTUNE 100

AUTOMOTIVE



CROSS-INDUSTRY



PHARMACEUTICAL



BANKING & FINANCE



GOV'T, EDUCATION & PUBLIC SECTOR



RETAIL



HEALTHCARE & MEDICAL



SOFTWARE & TECHNOLOGY



CHEMICAL, ENERGY & OIL



INSURANCE



TELECOMMUNICATIONS



CONSUMER PRODUCTS



MEDIA, ENTERTAINMENT & PUBLISHING



TRANSPORTATION & LOGISTICS



CONSULTING & PROF. SERVICES



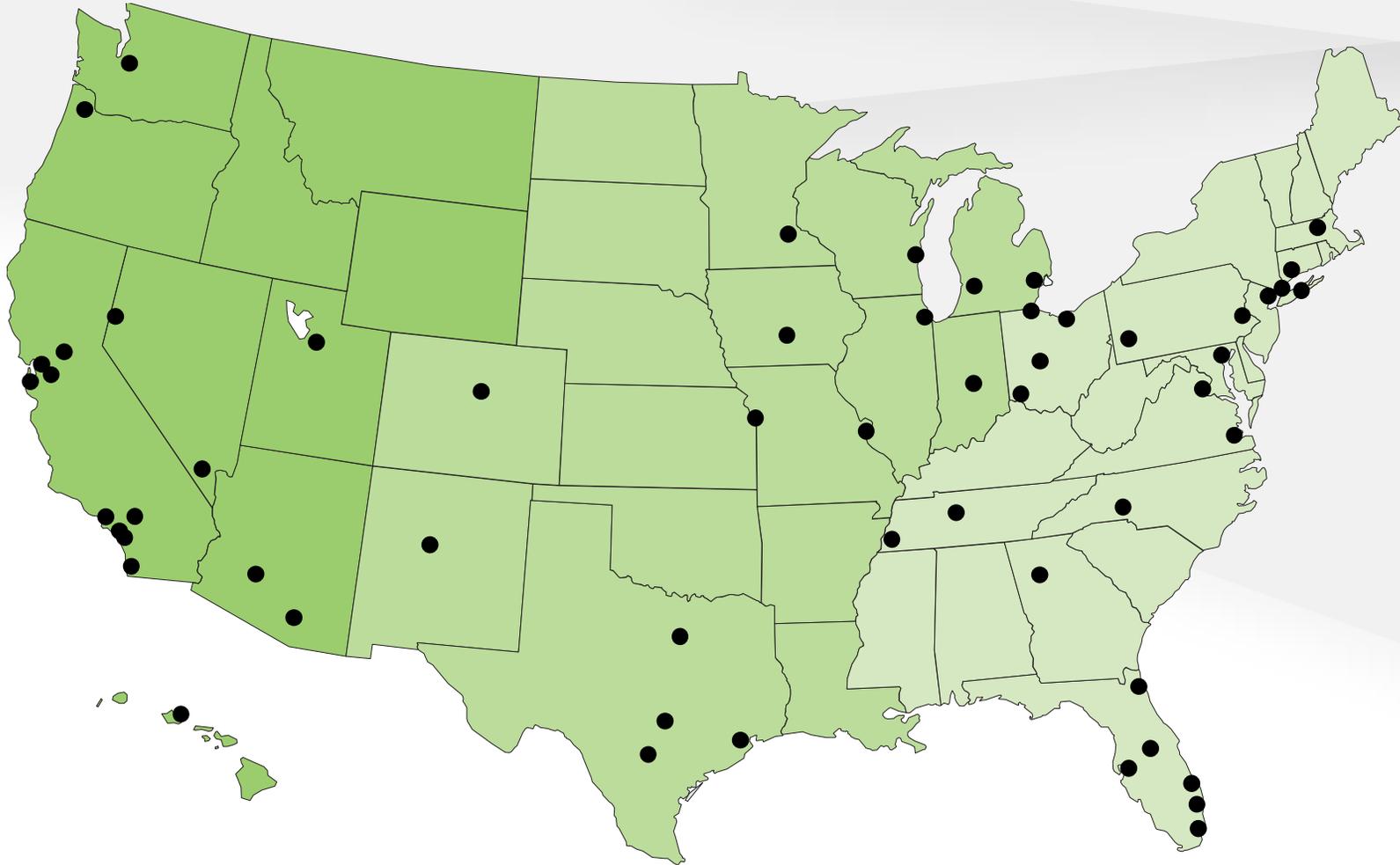
MANUFACTURING



"OTHER"



III. SALES AND MARKETING- CAPABILITIES



- With thousands of teams located in more than 57 markets across the United States, we approach the intricacies of any market with a global perspective.
- Our reach helps investors and users identify untapped opportunities in the marketplace as well as take advantage of emerging trends in the early states of their lifecycle.
- The CBRE technology platform includes a proprietary shared national database of 150,000 investors, owners and brokers. Our professionals continually update and refine buying criteria product preferences and track emerging market trends in real-time.

IV. CBRE-RESUMES



Brian Matteoni, SIOR

Senior Vice President
 Lic. 00917296
 Industrial Properties
 San Jose, California
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 F. 408.437.3170
 Brian.matteoni@cbre.com

PROFESSIONAL EXPERIENCE

Brian Matteoni joined CBRE, Inc. (formerly Insignia/ESG) in June 2002 as part of a team spearheading the company’s expansion of services in Silicon Valley to include tenant representation, corporate services, industrial services and investment brokerage. He has over 25 years of real estate industrial leasing and sales experience and has leased or sold more than \$900 million worth of warehouse and industrial properties in Silicon Valley. Brian is a member of the CBRE National Industrial Service Group, which includes 75 of the top Industrial Brokers across the nation.

ACHIEVEMENTS

A top producer for his former companies, Bishop Hawk and Grubb & Ellis, Brian was a commercial Top Ten Producer for ten straight years and earned the nationwide “Circle of Excellence” award at Grubb & Ellis for volume production every year between 1998 and 2001. Brian has been a Top Five Producer for CBRE San Jose from 2003 - 2010.

SIGNIFICANT AWARDS

- 1992 Industrial Broker of the Year – Bishop Hawk
- 2003, 2005, 2009 Silicon Valley Industrial Broker of the Year – Runner up finisher four times
- 2004/2005/2007/2009/2012/2013 Top 25 Silicon Valley Broker – Silicon Valley/San Jose Business Journal

EDUCATION

Bachelor of Science in Finance, University of Santa Clara, 1985 – Cum Laude.

SIGNIFICANT ASSIGNMENTS

Among the properties he has managed are:

- Milpitas Industrial Park, ±342,362 SF in Milpitas;
- Mead Avenue Warehouse Complex, ±120,000 SF, in Santa Clara;
- Zanker Business Center, ±241,821 SF in San Jose;
- Mabury Industrial Park, ±217,825 SF in San Jose;
- Kanmac Business Park, ±312,110 SF in Santa Clara;
- Las Plumas Business Park, ±213,634 SF, in San Jose;
- Moffet Distribution Center, ±457,500 SF, in Sunnyvale;
- Calaveras Center, ±423,000 SF in Milpitas;
- Acer Distribution Center, ±196,000 SF in North San Jose;
- Fremont Distribution Center, ±268,200 SF in Fremont.

MAJOR TRANSACTIONS—PARTIAL LIST

TENANT	LANDLORD	LOCATION	SF (±)
Du Pont Fabro	Ream-Winkle	535 Reed Street Santa Clara	16.1 acres
Adobe	San Jose Water	374 W. Santa Clara North San Jose	7.7 acres
Hertz	Benjamin Moore	1000 Walsh Ave. Santa Clara	9.6 acres
Arrow	Sobrato	3000 Bowers	7.2 acres
Scafc	Desert Development	1691 Old Bayshore San Jose	2.7 acres
EM	Alhambra	480 Aldo Santa Clara	1.5 acres
Hubbell Corp.	Storage Pro	615 N. King Rd. San Jose	77,608 (5.7 acres)
Apple	AEW	2900 Mead Santa Clara	134,160

IV. CBRE- MATTEONI TRANSACTIONS

TENANT	LANDLORD	LOCATION	SF (±)
J. Lohy Winery	DiNapoli	1895 s 10 TH St. Central San Jose	108,000
J. Lohy Winery	DiNapoli	1901 S. 7 th St. Central San Jose	61,400
Viking Door	Trend Industries	2099 S. 10 th St. Central San Jose	91,584
Creative Labs	DiNapoli	2011 Senter Rd. Central San Jose	130,000
CMI	Swenson	1901 Junction Ave. North San Jose	167,000
LBA	Menlo Equities	Calaveras Business Park Abbott Ave., Milpitas	400,300
DS Waters	Richmond	485 Vista Way Milpitas	48,000
JP Morgan	Intercontinental Real Estate	Silicon Valley Industrial Portfolio, Milpitas, Fremont, Sna Jose	796,000
Lifestyle Solutions	East West Bank	5555 Automall Parkway Fremont	177,000
Kraft Foods	Intercontinental Real Estate	887 Wrigley Milpitas	84,000
Rocky Trust	Serious Materials	1250 Elko Drive Sunnyvale	90,544
Graphic Packaging	LBA Realty	2250 Zanker Rd. San Jose	60,000
Barry Swenson Builder	McCormick Schilling	1311 Schilling Pl. Salinas	380,000
Mayline	LBA Realty	468-472 S. Abbott Milpitas	64,675
Arrow Electronics	Sobrato Development	3000 Bowers Ave. Santa Clara	102,000
Legacy	DiNapoli	2011 Senter Rd. San Jose	108,350
Greabel	HD Supply	2020 S. 10 th Street San Jose	138,240
S&M Moving	Intercontinental	48551 Warm Springs Fremont	186,550
Extron	LBA Realty	480-496 Abbott Milpitas	102,407
Ringwood Development	D.R. Stephens	2011 Ringwood San Jose	88,484
East West Bank	Orton Development	650 N. King Rd. San Jose	117,442
Hubbell Corp.	Storage Pro	615 N. King Rd. San Jose	77,608
West Marine	Panatonni	2395 Bert Dr. Hollister	240,000
Apple	AEW	2900 Mead Santa Clara	134,160

IV. CBRE- MATTEONI TRANSACTIONS – CENTRAL SAN JOSE

TENANT	LANDLORD	SF (±)
J. Lohy Winery		180,000
	DiNapoli	1,500,000
	Trend Industries	91,584
Creative Labs	DiNapoli	130,000
	LBA Realty	400,300
US Gypsum	DiNapoli	70,000
JP Morgan	Intercontinental Real Estate	200,000
Hallcon		3.5 Acres
San Jose Water Company		5.5 Acres
	Morgan Stanley	195,000
Butler Johnson	LBA Realty	92,000
HD Supply	DiNapoli	135,000
CalWine Transport		93,000
Coors Distributing		65,000
Legacy	DiNapoli	108,350
Greabel	HD Supply	138,240
Versgrove Moving	RC Brown	65,000
	RC Brown	75,000
East West Bank	Orton Development	117,442
Hubbell Corp.	Storage Pro	77,608



IV. CBRE-RESUMES



Bob Bower

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PROFESSIONAL EXPERIENCE

Bob Bower is a Senior Vice President at CBRE and represents Capital Markets - Investment Properties. Bob specializes in the Acquisition and Disposition of Net Leased Investment Properties, IRC 1031 Exchange Properties, and Development Opportunities within the Greater Bay Area and throughout the Western United States.

Bob's in depth experience within the investment community, vast client database and CBRE's national presence, continues to promote viable opportunities for investors that best fit their needs for income and growth.

Bob brings nearly twenty-five years of professional business experience to his profession at CBRE; this experience coupled with his exceptional knowledge of Business Management, Engineering, and Construction creates an added value for his clients, which benefits all aspects of their real estate transactions.

Partial Clients Represented

Chase Bank Corp.
Bank of America Corp.
Citibank Corp.
Wells Fargo Corp.
Union Bank Corp.
Coldwell Banker Corp.
GSA-Government
Comerica

Walgreens Corp.
CVS Corp.
O'Reilly Auto Corp.
AutoZone Corp.
Aarons Corp.
Kelly Moore Corp.
Gold's Gym
Chipotle
Panera Bread
Family Dollar
JIB Inc.
DaVita Dialysis
Satellite Healthcare

Held Properties, Inc.
Barry Swenson Builders, Inc.
Cal-West Enterprises, Inc.
South Bay Const., Inc.
SAR Enterprises, Inc.
Bowman Const. Inc.
Kennedy Wilson, Corp
Serra, Corp
Orchard Properties, Inc.
Darden Corp.

SIGNIFICANT NET LEASE ASSIGNMENTS

Recent Sales

- 1620 First St, Livermore, CA ±17,048 SF – \$15,102,000
- 3775 N First Street, San Jose, CA ±68,700 – \$14,450,000
- 2460 S Winchester Blvd., San Jose, CA ±88,000 – \$11,900,000
- 4935 Stevens Creek Blvd, San Jose, CA ±44,400 SF – \$10,400,000
- 800 E. Lugonia Ave, Redlands, CA ±24,820 SF – \$8,838,840
- 102 S Santa Cruz, Los Gatos, CA ±16,800 SF – \$8,195,000
- 17934 Bulverde Rd, San Antonio, TX ±38,000 SF – \$7,625,846
- 1306 Broadway, San Diego, CA ±14,408 SF – \$7,190,476
- 2710 W. North Lane, Phoenix, AZ ±7,840 SF – \$6,781,132
- 330 A Street, San Diego, CA ± 19,000 – \$6,500,000
- 214/216 W Route 66, Glendora, CA ±8,100 – \$5,460,000
- 170 S Market Street, San Jose, CA ±7,000 – \$4,950,000
- 6835 Mission St, Daly City, CA ±6,000 SF – \$4,395,000
- 19100 W. Soledad Canyon Rd, Canyon Country, CA ±5,866 SF – \$3,584,901
- 1510 S Winchester Blvd, San Jose, CA ±7347 – \$3,550,000
- 865 S Dobson Rd, Mesa, AZ ±9,180 – \$2,540,000

AFFILIATIONS AND ACCREDITATIONS

CBRE Capital Markets - Investment Properties Team
Association of Silicon Valley Brokers
ICSC, International Council of Shopping Centers
NAIOP, Commercial Real Estate Development Association
California General Engineering License
California General Contractors License
California Specialty Electrical License

CHARITABLE PROGRAMS

CBRE Cares
Cristo Rey San Jose Jesuit High School
Archbishop Mitty High School
ASVB of Silicon Valley
West Valley Community Services
Boy Scouts of America

IV. CBRE- COMPANY OVERVIEW

CB Richard Ellis Group, Inc. (NYSE:CBG), a *Fortune* 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2010 revenue). The company has approximately 31,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 400 offices (excluding affiliates) worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting.

Worldwide Business Activity

• Offices:	447	• Property & Corporate Facilities Under Management	3.2 billion SF
• Employees	34,000	• Loan Originations	\$22.4 Billion
• Total Transaction Value:	\$159.0 Billion	• Loan Servicing	\$118.0 Billion
• Property Sales (# of Transactions)	14,700	• Investment Assets Under Management	\$94.1 Billion
• Property Sales (Transaction Value)	\$92.5 Billion	• Development in Process	\$4.9 Billion
• Property Leasing (# of Transactions)	48,500	• Valuation & Advisory Assignments	115,825
• Property Leasing (Transaction Value)	\$66.5 Billion	• Project Management Contract Value	\$18.5 Billion

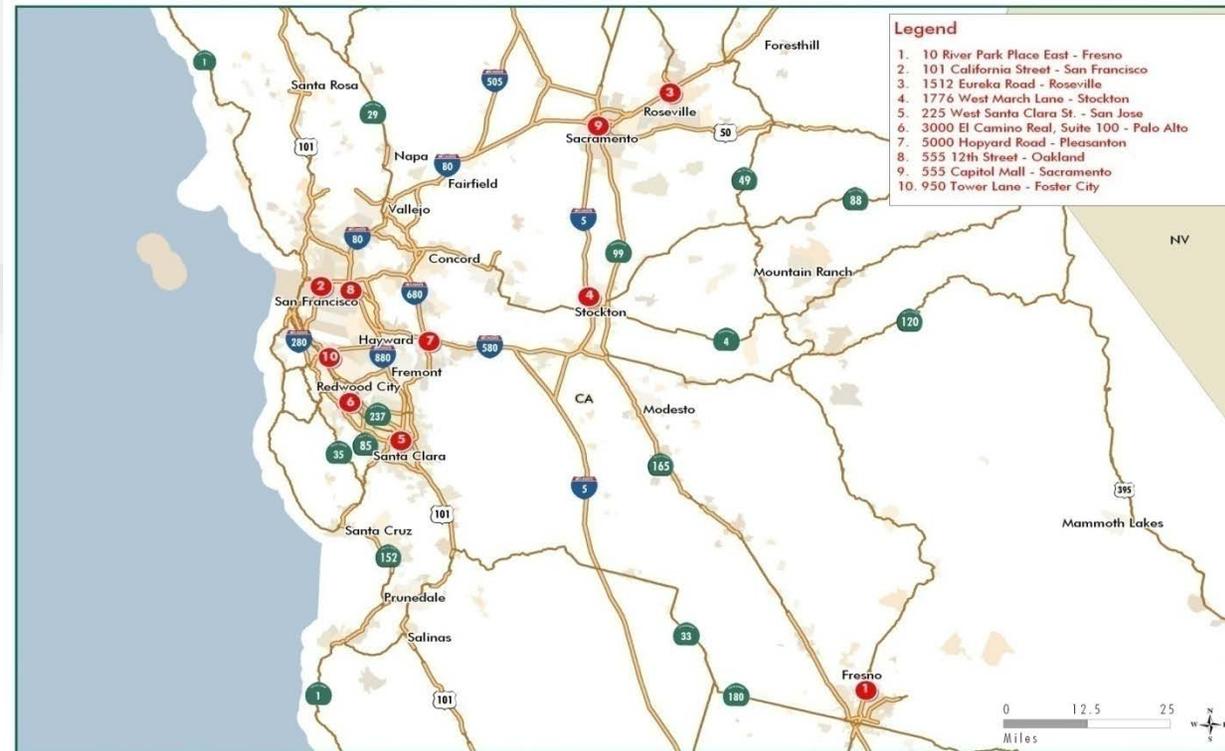
Service Lines

- Brokerage Services
- Land Services
- Office Services
- Retail Services
- Industrial Services
- Corporate Services
- Institutional & Corporate Services – Client Strategies
- Portfolio Management
- Transaction Management
- Project Management
- Asset Services
- Facilities Management
- Capital Markets
- Investment Properties
- Financial Services – Investment Management
- Valuation & Advisory
- Development & Investment
- Research & Analysis

IV. CBRE- OFFICE LOCATIONS



IV. CBRE- NORTHERN CALIFORNIA OFFICE LOCATIONS



Executive Summary

This is a market analysis, not an appraisal and was prepared by a licensed real estate broker or associate broker, not a licensed appraiser.

In making any decisions that relies upon this broker opinion of value by CB Richard Ellis (CBRE), you should know that the guidelines for development of an appraisal or analysis contained in the Uniform Standards of Professional Appraisal Practice have not been incorporated.

The Broker Opinion of Value is based upon information obtained from the client and/or others and is for their use. While we do not doubt its accuracy, we have not verified the information and make no guarantee, warranty or representation about it.